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Limited liability company (*société anonyme/naamloze vennootschap*) and
public regulated real estate company (*Société Immobilière Réglementée (SIR) / Gereguleerde Vastgoedvennootschap (GVV)*)
incorporated under Belgian law

€219.3 MILLION 0.1875% CONVERTIBLE BONDS DUE 15 SEPTEMBER 2021

Issue price: 100%

This securities note (the "**Securities Note**") has been prepared in connection with (i) the priority allocation to the existing shareholders of Cofinimmo SA/NV ("**Cofinimmo**" or the "**Issuer**") by way of a public offer in Belgium following a private placement and provisional allocation (subject to claw-back) to qualified investors outside the United States of America pursuant to Regulation S under the Securities Act (as defined below) and (ii) the admission to trading and listing on the regulated market of Euronext Brussels of the €219.3 million 0.1875% senior unsecured convertible bonds due 15 September 2021 (the "**Convertible Bonds**") of Cofinimmo. The public offer in Belgium is addressed to the existing shareholders of the Issuer who hold ordinary and/or preferential shares of the Issuer (the "**Existing Shareholders**"), to whom the entire issue of the Convertible Bonds is available by way of a priority allocation, subject to certain restrictions under applicable securities laws.

The Convertible Bonds will be issued at 100 % of their principal amount on 15 September 2016 (the "**Closing Date**") and will bear interest at a rate of 0.1875% per annum, payable annually in arrear on 15 September in each year, commencing on 15 September 2017. Unless previously redeemed or purchased and cancelled, the Convertible Bonds will be redeemed in full at their principal amount on 15 September 2021. The Convertible Bonds may be redeemed prior to the maturity date in certain circumstances. The initial Conversion Price is equal to €146.00 per Ordinary Share (as defined below). See "*Terms and Conditions of the Convertible Bonds*". Subject to the provisions of Clause 6.4.13 (Cash Alternative Election) of the "*Terms and Conditions of the Convertible Bonds*", each Convertible Bond shall entitle the holder to convert such Convertible Bond into existing and/or new Ordinary Shares, in each case credited as fully paid, at a conversion ratio of one Ordinary Share per Convertible Bond (subject to adjustment).

PRIORITY ALLOCATION OF THE CONVERTIBLE BONDS TO EXISTING SHAREHOLDERS COUPON N° 29 FOR ORDINARY SHARES, COUPON N° 17 FOR PREFERENTIAL SHARES 1, COUPON N° 16 FOR PREFERENTIAL SHARES 2

1 BOND FOR 14 COUPONS

The priority allocation will be open to Existing Shareholders only from 9:00 a.m. on 7 September 2016 to 5:00 p.m. (Brussels time) on 9 September 2016 (both dates inclusive) (the "**Priority Allocation Period**"), subject to applicable securities laws (see Section 3.5 "*Certain restrictions on the Offering*").

Application has been made to admit to trading and to list the Convertible Bonds on the regulated market of Euronext Brussels ("**Euronext Brussels**"). The ordinary shares (the "**Ordinary Shares**") and the preferential shares (the "**Preferential Shares**") of the Issuer are listed on Euronext Brussels. The Issuer has agreed to use all reasonable endeavours to ensure that the Ordinary Shares issued upon conversion of any Convertible Bonds will be admitted to trading on Euronext Brussels and will be listed, quoted or dealt in on any other stock exchange or securities market on which the Ordinary Shares may then be listed, quoted or dealt in. The closing price of the Ordinary Shares on Euronext Brussels on 6 September 2016 was €114.65 per Ordinary Share.

The Convertible Bonds are complex debt instruments. Investing in the Convertible Bonds involve risks. Investors in the Convertible Bonds borrow money to the Issuer which undertakes to pay interests on an annual basis and to pay the principal amount at maturity. In addition, each Convertible Bond shall entitle the investor to convert such Convertible Bond into existing and/or new Ordinary Shares of the Issuer. In case of bankruptcy or default of payment of the Issuer, the risk exists that the investors do not recover amounts due to them and that they suffer a total or partial loss of their investment. The Convertible Bonds are meant to investors who are able to assess the interest rates based on their knowledge and financial experience. Any decision to invest in the Convertible Bonds must be based on the entire information provided in the Prospectus, including the section "Risk factors" on page 6 and following and, in general, the risk factors which could affect the Issuer's ability to fulfil its obligations related to the Convertible Bonds and the risk factors which are important for the assessment of the market risks related to the Convertible Bonds. In particular, reference is made to the risk factors "*Convertible Bonds are complex debt securities which may not be a suitable investment for all investors*", "*The Issuer may not have the ability to repay the Convertible Bonds*" and "*There is a limited period for, and there are costs associated with, the exercise of Conversion Rights*".

Neither the Convertible Bonds, nor the Ordinary Shares that may be issued upon conversion of the Convertible Bonds, have been or will be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Convertible Bonds are being offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the Securities Act and, unless the Convertible Bonds are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available, may not be offered, sold or delivered within the United States (as that term is defined in Regulation S).

The Issuer has not authorised any offer of the Convertible Bonds to the public in any Member State of the European Economic Area or elsewhere other than Belgium.

The Convertible Bonds will be issued in dematerialised form in accordance with Article 468 of the Belgian Company Code in denominations of €146.00 in principal amount. The Convertible Bonds will be represented in the records of the securities settlement system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB-SSS**") by book-entries and in the records of financial intermediaries authorised to hold dematerialised securities on behalf of third parties. The Convertible Bonds can be held by their holders through participants in the NBB-SSS, including Euroclear and Clearstream, and through other financial intermediaries which in turn hold the Convertible Bonds through Euroclear and Clearstream or other participants in the NBB-SSS (ISIN: BE0002259282 / Common Code: 148941181).

Joint Global Coordinators



J.P.Morgan

Joint Bookrunners



J.P.Morgan



Co-Manager



SECURITIES NOTE DATED 6 SEPTEMBER 2016

This Securities Note constitutes, together with the Issuer's 2015 annual report approved by the FSMA as a registration document on 29 March 2016 (the "**Registration Document**") and the summary dated of 6 September 2016 (the "**Summary**"), the prospectus (the "**Prospectus**") relating to (i) the priority allocation (the "**Priority Allocation**") of Convertible Bonds to Existing Shareholders by way of a public offer in Belgium following a private placement to qualified investors outside the United States of America pursuant to Regulation S under the Securities Act (the "**Private Placement**") and (ii) the admission to trading and listing on Euronext Brussels of the Convertible Bonds (the "**Listing**" and, together with the Priority Allocation and the Private Placement, the "**Offering**"). The Securities Note can be distributed separately from the two other documents.

The Registration Document contains a description of the Issuer and the Securities Note contains a description of the Convertible Bonds and certain additional information relating to the Issuer. The Summary contains a summary of the main characteristics of the Convertible Bonds and the Offering, as well as a summary description of the Issuer. In case of inconsistency between the Summary and the Securities Note or the Registration Document, the latter documents shall prevail.

The Prospectus will be made available to investors at no cost at the registered offices of the Issuer. The Prospectus will also be made available to investors at no cost upon request from KBC Bank NV at +32 78 152 154 (French) or +32 78 152 153 (Dutch) and at the office of HSBC in Belgium at 23 Square de Meeûs, 1000 Brussels, at the office of JP Morgan in Belgium at Floor 10, 1 Boulevard du Roi Albert II, 1210 Brussels and the head office of Société Générale in Belgium at 11 rue des Colonies, 1000 Brussels. Subject to certain conditions, this Prospectus is also available on the internet at the following website: www.cofinimmo.com.

The Securities Note and the Summary have been prepared in English. The Summary has been translated into Dutch and French. The Issuer is responsible for the consistency between the English, Dutch and French versions of the Summary. In connection with the public offering in Belgium and the admission to trading and listing of the Convertible Bonds on Euronext Brussels, in case of inconsistencies between the versions in different languages, the English version will prevail since it is the sole legally binding version.

Any decision to invest in the Convertible Bonds should be based on an exhaustive analysis of the Prospectus by the investor.

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1. RISK FACTORS

Investing in the Convertible Bonds involves a high degree of risk. Investors should consider carefully the following risk factors, together with the other information contained in the Prospectus, before making any investment decision concerning the Convertible Bonds. If any risk set out below were to occur, the Issuer's business, future prospects, financial condition and/or results of operation could be negatively affected and this may have an impact on the trading price or value of the Convertible Bonds and the Ordinary Shares. These risks are not the only risks to which the Issuer is currently exposed and, in the future, may be exposed. The order in which the individual risks are presented is not indicative of their likelihood to occur nor of the severity or significance of the individual risks. One or more of the risks described below could affect the Issuer or the Convertible Bonds or the Ordinary Shares simultaneously. Additional risks or uncertainties not presently known to it or that it currently may consider immaterial or that may not specially relate to the Issuer or the Issuer's business may also have a negative effect on its business, futures prospects, financial condition and results of operations and thus affect the trading price or value of the Convertible Bonds and/or the Ordinary Shares.

1.1 Risks relating to the Issuer and its business

Reference is made to the risks described in the Registration Document under the section "*Risks Factors*".

1.2 Risks relating to the Convertible Bonds

Convertible Bonds are complex debt securities which may not be a suitable investment for all investors.

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

- i. have sufficient knowledge and experience to make a meaningful evaluation of the Convertible Bonds, the merits and risks of investing in the Convertible Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- ii. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Convertible Bonds and the impact the Convertible Bonds will have on its overall investment portfolio;
- iii. have sufficient financial resources and liquidity to bear all of the risks of an investment in the Convertible Bonds, including where the currency for principal or interest payments may be different from the investor's currency;
- iv. understand thoroughly the terms of the Convertible Bonds and be familiar with the behaviour of any relevant financial markets; and
- v. 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 Convertible Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate how the Convertible Bonds will perform under changing conditions, the resulting effects on the value of the Convertible Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

The Issuer may not have the ability to repay the Convertible Bonds.

The Issuer may not be able to repay the Convertible Bonds at their maturity. The Issuer may also be required to repay all or part of the Convertible Bonds in the event of a default. If the Bondholders were to ask the Issuer to repay their Convertible Bonds following 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 Convertible Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to

receive income and dividends from its subsidiaries) at the time of the requested repayment. The Issuer's failure to repay the Convertible Bonds may result in an event of default under the terms of other outstanding indebtedness.

For a description of the Issuer's capitalisation and indebtedness, please refer to Section 7.4 (*Capitalisation and indebtedness*).

The net proceeds of the Offering will be immediately used by the Issuer to refinance its €190.8 million Convertible Bonds 2013 and for general corporate purposes. If the Issuer holds any and all outstanding Convertible Bonds 2013 following to the Buyback Offer (as defined below), the consolidated debt ratio of the Issuer will be 42.46% compared to 42.09% as at 30 June 2016 (assuming all such Convertible Bonds 2013 are cancelled and the Offering completes for an amount of €220.0 million).

There is no active trading market for the Convertible Bonds and one may not develop.

The Convertible Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. The Issuer has filed an application to have the Convertible Bonds listed and admitted to trading on the regulated market of Euronext Brussels. If the Convertible Bonds are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the trading price of the Ordinary Shares and the Preferential Shares of the Issuer, the market for similar securities, general economic conditions and the financial condition of Cofinimmo. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Convertible Bonds. Therefore, investors may not be able to sell their Convertible Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Convertible Bonds. In the event that put options are exercised in accordance with Condition 6.5.2 of the Terms and Conditions of the Convertible Bonds, liquidity will be reduced for the remaining Convertible Bonds. Furthermore, it cannot be guaranteed that the listing and the admission to trading once approved, will be maintained. Such delisting would however constitute an Event of Default if attributable to the Issuer.

The Convertible Bonds are exposed to market interest rate and other risks.

An investment in the Convertible Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Convertible Bonds. The market value of the Convertible Bonds may be affected by the creditworthiness of Cofinimmo and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date of the Convertible Bonds and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Convertible Bonds and the Ordinary Shares are traded. The price at which a Bondholder will be able to sell the Convertible Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The temporary adjustment of the Conversion Price upon a Change of Control and the Bondholders' put option upon a Change of Control under the Convertible Bonds are subject to shareholders' approval.

Each holder of Convertible Bonds will have the right to require the Issuer to redeem its Convertible Bonds following the occurrence of a Change of Control of the Issuer (as defined in Condition 6.2.1), at the nominal amount together with accrued but unpaid interest. In addition, the Conversion Price of the Convertible Bonds shall be temporarily adjusted following the occurrence of such a Change of Control. Bondholders should note that the exercise by any of them of the early redemption and the temporary adjustment of the Conversion Price will only be effective under the Belgian Company Code if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed take-over bid to the shareholders of the Issuer or (b) the occurrence of the Change of Control, (i) the terms of this early redemption and of the Conversion Price adjustment have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce / griffie van de rechtbank van koophandel*). The Issuer has

undertaken to submit the Change of Control Resolutions (as defined in the Terms and) to the vote of the shareholders at a general meeting of shareholders of the Issuer scheduled to be held no later than on 30 June 2017 and, if such resolutions are then approved, to file a copy of the resolutions as aforesaid immediately thereafter.

If a Change of Control occurs prior to such approval and filing, Bondholders will not be entitled to exercise the option set out in Condition 6.5.2. However, if by 30 June 2017 the Change of Control Resolutions have not been approved by a shareholder's meeting of the Issuer, the Issuer shall redeem the Convertible Bonds 45 days later at 102% of the higher of the principal amount and the fair market value of the Convertible Bonds on 30 June 2017, together with accrued but unpaid interest.

Existing Shareholders will experience dilution as a result of the Offering if they do not or could not exercise their Priority Allocation rights during the Priority Allocation Period.

To the extent that an Existing Shareholder does not exercise its Priority Allocation rights to subscribe for the Convertible Bonds, such Existing Shareholder's proportionate ownership and voting interest in the Issuer is likely to be reduced, and the percentage that such shareholder held in the Issuer's share capital prior to the issuance of new Ordinary Shares as a result of the exercise of Convertible Bonds will accordingly be reduced. The extent of such dilution will depend on the number of Convertible Bonds which will be actually converted and, if such a conversion is requested, on whether the Issuer will opt to deliver existing Ordinary Shares or a corresponding cash amount in lieu of new Ordinary Shares, as it is entitled to do so pursuant to the Terms and Conditions.

An Existing Shareholder holding 1% of the share capital of the Issuer and who does not exercise its Priority Allocation right, would experience a maximal dilution of 6.67% in terms of voting rights if all Convertible Bonds are converted into new Ordinary Shares (for further information on dilution, see Section 8.8 (*impact on the Issuer and dilution*)).

An Existing Shareholder who holds less than 14 Coupons or less than a multiple of 14 Coupons will not be able to subscribe for a Convertible Bond or, as the case may be, an additional Convertible Bond. Due to the features of the transaction, the Coupons representing the Priority Allocation right will not be listed on any market and Existing Shareholders will therefore not be able to buy such additional number of Coupons as required to hold 14 Coupons or a multiple thereof. As a result, Existing Shareholders could be prevented from subscribing an additional Convertible Bond that they would otherwise have been entitled to subscribe for if they held the required number of Coupons. This will not cause a financial dilution to such Existing Shareholders, given that the initial Conversion Price of the Convertible Bonds is set at a premium to the current stock price of the Ordinary Shares. It will cause a very limited dilution in terms of voting rights if the Convertible Bond is converted into new Ordinary Shares, to the extent that such Existing Shareholder will only be prevented from subscribing one (additional) Convertible Bond. The constraints of issuing the Convertible Bonds at a nominal amount even lower than the nominal amount currently set, would have offset the benefit for Existing Shareholders to be able to subscribe that (additional) Convertible Bond.

The number of coupons (representing the Priority Allocation right) required to subscribe for one Convertible Bond was determined based on the total number of shares issued by Cofinimmo (total number of outstanding Ordinary Shares and total number of outstanding Preferential Shares) and is the same for holders of Ordinary Shares and holders of Preferential Shares. As Preferential Shares give right to a fixed and capped yearly priority dividend as well as to a fixed priority dividend in case of liquidation (equal to their issue prices), this would imply that the holders of Preferential Shares are not affected by a financial dilution if they do not subscribe to the Convertible Bonds whilst the holders of Ordinary Shares could be slightly affected if they do not subscribe to the Convertible Bonds (provided the holders of Preferential Shares have not at that time converted their Preferential Shares into Ordinary Shares). It should also be noted that Preferential Shares and Ordinary Shares will be treated equally for the Priority Allocation Right, despite the fact that they have different economic rights.

Additional debts.

In the future, the Issuer will remain free to take additional debts which may affect the capacity of the Issuer to fulfil its obligations concerning the Convertible Bonds (including but not limited to the ability of the

Issuer to redeem the Convertible Bonds) and may therefore negatively affect the value and/or trading price of the Convertible Bonds. The Terms and Conditions of the Convertible Bonds do not limit the amount of unsecured debt that the Issuer can take.

As at 30 June 2016, the consolidated debt ratio of the Issuer amounted to 42.09% and the loan-to-value ratio amounted to 40.88%. Pursuant to the RREC Legislation, the consolidated debt ratio of the Issuer may not exceed 65%. The Convertible Bonds will be recorded in the books of the Issuer as financial debt at their fair value. Immediately after the issuance of the Convertible Bonds, the net proceeds will be in majority affected by the Issuer to the Buyback Offer (see Section 5.2 (*Reasons for the Offering and use of proceeds*)). The impact of the Offering on the Issuer's debt ratio should therefore be limited. As such, if the Issuer holds any and all outstanding Convertible Bonds 2013 following to the Buyback Offer, the consolidated debt ratio of the Issuer will be 42.46% compared to 42.09% as at 30 June 2016 (assuming all such Convertible Bonds 2013 are cancelled and the Offering completes for an amount of €220.0 million).

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

The Convertible Bonds constitute direct, general, unconditional and, subject to Condition 6.1.3 (Negative Pledge) of the Terms and Conditions, 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 future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are mandatory of general application. Upon a winding-up of the Issuer or if insolvency proceedings are brought in relation to the Issuer, the Convertible 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.

Issuer's insolvency and bankruptcy.

The Issuer has been incorporated in Belgium under the laws of Belgium as a commercial company and is subject to Belgian insolvency legislation. There can be no legal assurance that the Issuer will not be declared insolvent or bankrupt. Furthermore, the Bondholders are unsecured creditors of the Issuer.

Upon a request for conversion of a Convertible Bond, the Issuer is entitled to deliver to the Bondholders existing Ordinary Shares or a cash amount representing the value of the then prevailing share price of the Ordinary Shares, instead of delivering newly issued Ordinary Shares.

Upon exercise of conversion rights by a Bondholder, the Issuer may make an election by giving notice to the relevant Bondholder by not later than the date falling 3 Brussels business days following the relevant Conversion Date to satisfy the exercise of the Conversion Rights in respect of the relevant Convertible Bonds by making payment to the relevant Bondholder of a cash amount representing the value in euros of all or part of the Ordinary Shares which the Issuer would otherwise have been required to deliver, instead of actually delivering such Ordinary Shares. The value is based on the then prevailing share price of the Ordinary Shares (as calculated pursuant to Condition 6.4.1). The Issuer could also opt to deliver to the Bondholder existing Ordinary Shares instead of issuing new Ordinary Shares, or a mix of new and/or existing Ordinary Shares and a cash amount, calculated as stated above (in respect of the Ordinary Shares not so delivered by the Issuer).

The Issuer cannot elect to pay a cash amount in respect of conversions requested either (i) by a Bondholder who is a retail investor or (ii) by a Bondholder who is a qualified investor and who subscribed the relevant Convertible Bonds during the Priority Allocation Period, provided that, in the latter case, the Bondholder requests to receive Ordinary Shares upon exercising its Conversion Right and submits to the Issuer the documents specified in Section 5.4. In addition, the Issuer cannot elect to deliver existing Ordinary Shares to a Bondholder who is a retail investor.

There is a limited period for, and there are costs associated with, the exercise of Conversion Rights.

A Bondholder will, subject as more fully described herein in the Terms and Conditions of the Convertible Bonds, have the right to convert his or her Convertible Bonds into Ordinary Shares. Convertible Bonds can be converted, subject as provided herein, at any time from 26 October 2016 until the close of business (at

the place where the relevant Convertible Bond is delivered for conversion) on the date falling 7 business days prior to the Final Maturity Date (both days inclusive) or, if the Convertible Bonds have been called for redemption by the Issuer before the Final Maturity Date, until the close of business (at the place aforesaid), on the 7th business day (included) before the date fixed for redemption thereof. If the Conversion Rights are not exercised by Bondholders during this period, the Convertible Bonds will be redeemed at their principal amount on the Final Maturity Date, together with unpaid accrued interest, unless the Convertible Bonds are previously purchased and cancelled or redeemed in accordance with the Terms and Conditions. As indicated in Section 9.1.1 (below, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement (as described in Condition 6.4.13 of the Terms and Conditions) or for the delivery of existing Ordinary Shares. Withholding tax may accordingly need to be withheld by the Issuer (or the NBB), unless a withholding tax exemption is applicable. In the absence of withholding at source, the Bondholder will need to report this interest income in his or her income tax return. No other costs will be associated with the conversion of the Convertible Bonds.

Bondholders have limited anti-dilution protection.

The Conversion Price at which the Convertible Bonds may be converted into Ordinary Shares will be adjusted in certain events set out in Condition 6.4.2 of the Terms and Conditions and referred to in the Summary (under the section "*Conversion Price*"). Such events include, among others, a consolidation, reclassification or subdivision of the Ordinary Shares, capitalisation of profits, the payment of dividends above certain amounts or other distributions by the Issuer, rights issue or grant of other subscription rights or other event affecting the Ordinary Shares, but only in the situations and only to the extent provided under the Terms and Conditions. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. In that respect, Bondholders should note that there will be no adjustment in circumstances such as the issuance of Ordinary Shares as a result of a contribution in kind to the capital of the Issuer (including by way of merger). Events in respect of which no adjustment is made may adversely affect the value of the Ordinary Shares and, therefore, adversely affect the value of the Convertible Bonds.

The adjustment events and the way such adjustments are to be calculated are set out in Condition 6.4.2. Any such adjustment aims to neutralize or limit the dilution triggered by the relevant event and is therefore aimed to protect such Bondholders. It will be the responsibility of the Issuer alone, to monitor whether any event requires an adjustment of the Conversion Price.

The market price of the Convertible Bonds will depend on numerous factors, including in particular the risk of fluctuation in the price of the Ordinary Shares.

The market price of the Convertible Bonds is expected to be affected by fluctuations in the market price of the Ordinary Shares, and it is impossible to predict whether the price of the Ordinary Shares will rise or fall. Indeed, the value of the Convertible Bonds is directly influenced by the value of the underlying Ordinary Shares. The delta of the equity option embedded in the Convertible Bonds changes over time and measures the theoretical impact of a change in the share price on the convertible price. The actual market value of the Ordinary Share may not move according to this ratio and there could also be exogenous variables that move both the Ordinary Shares and Convertible Bonds of the Issuer in the same direction. Trading prices of the Ordinary Shares will be influenced by, among other things, the consolidated financial position of the Issuer, its consolidated results of operations and political, economic, financial and other factors. Any decline in the market price of the Ordinary Shares may have an adverse effect on the market price of the Convertible Bonds. In addition, because there will be a delay between when Conversion Rights are exercised and when Ordinary Shares are delivered, the value of the Ordinary Shares to be delivered may decline between the date on which Conversion Rights are exercised and the date on which such Ordinary Shares are delivered.

The future issue of Ordinary Shares by the Issuer or the disposal of Ordinary Shares by any substantial shareholders of the Issuer or the perception that such issues or sales may occur may significantly affect the trading price of the Convertible Bonds and the Ordinary Shares. Cofinimmo has agreed to certain restrictions on its ability to issue or dispose of Ordinary Shares or related securities during the period commencing on the date of the Subscription Agreement (which is expected to be 6 September 2016) and

ending 90 days after the Closing Date (both dates inclusive). Except for such restrictions and the undertakings of the Issuer described in the Terms and Conditions there is no restriction on the Issuer's ability to issue Ordinary Shares, and there can be no assurance that the Issuer will not issue Ordinary Shares or that any substantial shareholder will not dispose of, encumber, or pledge its Ordinary Shares or related securities. The volatility of the Ordinary Shares, an increase of the applicable interest rate, any real or perceived changes in the credit risk, or an increase in dividend payments may also adversely affect the market value of the Convertible Bonds.

Bondholders could modify certain Terms and Conditions of the Convertible Bonds.

The Terms and Conditions of the Convertible Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. 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 Convertible Bonds may be exposed to exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Bonds in euros. 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 euro would decrease (i) the Investor's Currency-equivalent yield on the Convertible Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Convertible Bonds and (iii) the Investor's Currency equivalent market value of the Convertible 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.

No tax gross-up.

The Issuer is not obliged to make any additional payments to Bondholders in the event that any payment in respect of the Convertible Bonds is required by applicable law to be withheld or deducted for taxation. Neither the Issuer nor the Bondholders has any right to require redemption of the Convertible Bonds in the event of such a withholding or deduction.

As indicated in Section 9.1.1 (*Belgian Withholding Tax on the Convertible Bonds*), the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares. Withholding tax may accordingly need to be withheld by the Issuer (or the NBB), unless a withholding tax exemption is applicable. However, the Issuer will not be entitled to opt for a Cash Settlement or to deliver existing Ordinary Shares (and will hence be required to issue new Ordinary Shares), if the Bondholder is a retail investor (*i.e.* an investor who has not indicated in the conversion notice that he is a qualified investor). For Bondholders who are qualified investors and who do not benefit from a withholding tax exemption, the tax consequences of an exercise of the Conversion Right can be different if they receive existing Ordinary Shares or a cash amount, as opposed to newly issued Ordinary Shares.

Changes in governing law could modify certain Terms and Conditions of the Convertible Bonds.

The Terms and Conditions of the Convertible Bonds are based on the laws of Belgium in effect as at the date of this Securities Note. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Belgium, the official application, interpretation or the administrative practice after the date of this Securities Note.

The Agent and the Joint Bookrunners may engage in transactions adversely affecting the interests of the Bondholders and the Issuer may be involved in transactions with the Agent or the Joint Bookrunners.

The Paying and Conversion Agent (and such other agents as may be appointed in respect of the Convertible Bonds) and the Joint Bookrunners might have conflicts of interests which could have an adverse effect to the interests of the Bondholders (e.g. they could (i) underwrite a deal for a similar issuer that reduces the price of the Convertible Bonds due to oversupply (though unlikely in the current environment), (ii) in the normal course of secondary trading business, decide to sell a portion of Convertible Bonds that they own in their portfolio and the price of the Convertible Bonds could fall as a result, (iii) underwrite a debt offering that increases the leverage of the Issuer, increasing perceived credit risk and therefore negatively impacting the market price of the Convertible Bonds). Potential investors should be aware that the Issuer is or may be involved in a general business relation or/and in specific transactions with the Paying and Conversion Agent and/or any of the Joint Bookrunners and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Paying and Conversion Agent and each of the Joint Bookrunners may hold from time to time debt securities (including the Convertible Bonds), shares or/and other financial instruments of the Issuer.

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 (i) Convertible Bonds are legal investments for it, (ii) Convertible Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Convertible Bonds.

The investors should consult their legal advisers to determine the appropriate treatment of Convertible Bonds under any applicable risk-based capital or similar rules.

Applicable securities laws may limit the ability for certain investors to participate in the Offering or to own, purchase or sell the Convertible Bonds and/or the Ordinary Shares.

Any downgrading in the credit rating of the Issuer may affect the trading price of the Convertible Bonds

The Issuer is currently rated by Standard & Poor's¹ ("**Standard & Poor's**") BBB/stable outlook for the long-term debt and A-2 for the short-term debt, *i.e.* a rating in the "investment-grade" category. There can be no guarantee that the Issuer's ratings will not be downgraded. The ratings provided by Standard & Poor's may be suspended, withdrawn or revised at any time. Any revision or downgrading in the above credit ratings may lower the value of the Convertible Bonds and may also affect the Issuer's ability to raise further debt. Standard & Poor's is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") Standard & Poor's appears on the latest update of the list of registered credit rating agencies (as of 1 December 2015) on the ESMA website <http://www.esma.europa.eu>.

Credit ratings are forward-looking opinions about credit risk. Standard & Poor's credit ratings express the agency's opinion about the ability and willingness of an issuer, such as a corporation or state or city government, to meet its financial obligations in full and on time.

The Convertible Bonds will not be rated.

¹ Acting through Standard & Poor's Credit Market Services France SAS.

2. DEFINITIONS

The Terms and Conditions of the Convertible Bonds contain further definitions in respect thereof.

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| Act of 16 June 2006 | The Belgian Act of 16 June 2006 concerning the public offerings of securities and the admission of securities to trading on a regulated market (<i>Loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés / Wet op de openbare aanbieder van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt</i>) |
| Board of directors or Board | The board of directors of the Issuer. |
| Buyback Offer | The buyback of the Convertible Bonds 2013 via an institutional reverse bookbuilding followed by a public tender offer as further described in Section 5.2 (<i>Reasons for the Offering and use of proceeds</i>). |
| Centralising Agent | KBC Bank NV. |
| Clearstream | Clearstream Banking, <i>société anonyme</i> . |
| Closing Date | The date on which the Convertible Bonds are issued, i.e. on or about 15 September 2016. |
| Co-Manager | KBC Bank NV. |
| Condition | A specific clause of the Terms and Conditions governing the Convertible Bonds, as set out in Section 6 (<i>Terms and Conditions of the Bonds</i>). |
| Convertible Bonds | €219,320,616 0.1875% convertible bonds due 15 September 2021. |
| Convertible Bonds 2013 | €190,840,869.56 million 2.00% convertible bonds due 20 June 2018. |
| Coupon | The relevant coupon representing the right to Priority Allocation. |
| EGM of 6 January 2016 | The extraordinary shareholders' meeting of the Issuer held on 6 January 2016. |
| Euroclear | Euroclear Bank SA/NV. |
| Euronext Brussels | The regulated market of Euronext Brussels. |
| Existing Shareholders | The existing shareholders of the Issuer who hold Ordinary and/or Preferential Shares of the Issuer on 6 September 2016, after closing of |

markets on Euronext Brussels.

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| FSMA | The Belgian Financial Services and Market Authority (<i>Autorité des services et des marchés financiers / Autoriteit financiële diensten en markten</i>). |
| Issue Price | The issue price of the Convertible Bonds. |
| Issuer or Cofinimmo | Cofinimmo SA/NV, Boulevard de la Woluwe 58, 1200 Brussels, BE 0426.184.049 RLE Brussels, a limited liability company (<i>société anonyme/naamloze vennootschap</i>) and public regulated real estate company (<i>Société Immobilière Réglementée (SIR) / Gereguleerde Vastgoedvennootschap (GVV)</i>), incorporated under Belgian law. |
| ITC 1992 | The Belgian Income Tax Code 1992. |
| Joint Bookrunners or Underwriters | HSBC, J.P. Morgan Securities plc, and Société Générale. |
| Joint Global Coordinators | HSBC and J.P. Morgan Securities plc. |
| Listing | The admission to trading and listing on Euronext Brussels of the Convertible Bonds. |
| Long-stop Date | 30 June 2017. |
| Member State | A member state of the European Economic Area. |
| N-account | A non-exempt securities account in the NBB-SSS. |
| NBB | The National Bank of Belgium. |
| NBB-SSS | The securities settlement system operated by the NBB or any successor thereto. |
| Offering | The Priority Allocation following a Private Placement and the Listing of the Convertible Bonds. |
| Ordinary Shares | The ordinary shares issued by the Issuer. |
| Paying and Conversion Agent | KBC Bank NV. |
| Preferential Shares | The preferential shares issued by the Issuer. |
| Priority Allocation | The priority allocation of Convertible Bonds to Existing Shareholders of the Issuer only by way of a public offering in Belgium. |

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| <i>Priority Allocation Period</i> | From 9:00 a.m. on 7 September 2016 to 5:00 p.m. (Brussels time) on 9 September 2016. |
| <i>Private Placement</i> | The private placement of Convertible Bonds to qualified investors in Belgium and elsewhere outside the United States of America pursuant to Regulation S under the Securities Act, which took place on 6 September 2016. |
| <i>2010 PD Amending Directive</i> | The Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 amending Directives 2003/71/EC on the prospectus to be published when securities are offered to the public or admitted to trading and 2004/109/EC on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market. |
| <i>Prospectus</i> | This Securities Note, the Registration Document and the Summary. |
| <i>Prospectus Directive</i> | The Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (and amendments thereto, including the 2010 PD Amending Directive). |
| <i>Prospectus Regulation</i> | The Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended by the Commission regulations (EC) No 211/2007 and No 1289/2008 as well as the Commission delegated regulations (EU) No 311/2012, No 486/2012 and No 862/2012. |
| <i>RREC</i> | A regulated real-estate company (<i>société immobilière réglementée / gereguleerde vastgoedvennootschap</i>). |
| <i>RREC Decree</i> | The Royal Decree of 13 July 2014 on regulated real-estate companies (<i>sociétés immobilières réglementées / gereguleerde vastgoedvennootschappen</i>). |
| <i>RREC Law</i> | The Act of 12 May 2014 on regulated real-estate companies (<i>sociétés immobilières réglementées / gereguleerde vastgoedvennootschappen</i>). |
| <i>RREC Legislation</i> | The RREC Decree and the RREC Law. |
| <i>Registration Document</i> | The Issuer's 2015 annual report approved by the FSMA as a registration document on 29 March 2016. |
| <i>Regulation S</i> | Regulation S under the Securities Act. |
| <i>Relevant Member State</i> | Each Member State that has implemented the Prospectus Directive. |

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| <i>Royal Decree of 14 November 2007</i> | The Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a regulated market (<i>Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis à la négociation sur un marché réglementé / Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een geregementeerde markt</i>). |
| <i>Section</i> | Any section in this Securities Note. |
| <i>Securities Act</i> | The U.S. Securities Act of 1933, as amended. |
| <i>Securities Note</i> | This securities note approved by the FSMA on 6 September 2016. |
| <i>Subscription Agreement</i> | The subscription agreement which is expected to be entered into on 6 September 2016 by the Joint Bookrunners and the Issuer. |
| <i>Summary</i> | The summary of the Registration Document and the Securities Notes approved by the FSMA on 6 September 2016. |
| <i>Terms and Conditions</i> | The terms and conditions governing the Convertible Bonds, as set out in Section 6 (<i>Terms and Conditions of the Bonds</i>). |
| <i>Underwriters</i> | The Joint Bookrunners. |
| <i>X-account</i> | An exempt securities account in the NBB-SSS. |

3. IMPORTANT INFORMATION AND CAUTIONARY STATEMENTS

3.1 Approval of the Prospectus

On 6 September 2016, the FSMA approved this English-language Securities Note for the purpose of the Offering in accordance with Article 23 of the Act of 16 June 2006.

This Securities Note has been prepared in accordance with chapter II of the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended by the Commission regulations (EC) No 211/2007 and No 1289/2008 as well as the Commission delegated regulations (EU) No 311/2012, No 486/2012 and No 862/2012.

The FSMA's approval does not imply any judgement on the merits or the quality of the Offering, the Convertible Bonds or the Issuer.

The Securities Note and the Summary have been prepared in English. The Summary has been translated into Dutch and French. The Issuer is responsible for the consistency between the English, Dutch and French versions of the Summary. In connection with the public offering in Belgium and the admission to trading and listing of the Convertible Bonds on the regulated market of Euronext Brussels, in case of inconsistencies between the versions in different languages, the English version will prevail since it is the sole legally binding version.

The Offering and the Prospectus have not been submitted for approval to any supervisory body or governmental authority outside Belgium.

3.2 Person responsible for the Prospectus

The Issuer, Cofinimmo SA/NV, with registered office Boulevard de la Woluwe 58, 1200 Brussels, represented by its Board of directors², assumes responsibility for the content of this Securities Note and the Summary. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note and in the Summary is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

3.3 No representation

Neither the Joint Bookrunners nor the Co-Manager, nor their affiliates or any person acting on their behalf make any representation or warranty, express or implied, as to the accuracy or completeness of the information in this Securities Note or in the Summary, and nothing in this Securities Note or in the Summary is, or shall be relied upon as, a promise or representation by any of the Joint Bookrunners or the Co-Manager and their advisors.

The Prospectus is intended to provide information to the Existing Shareholders in the context of and for the sole purpose of evaluating a possible investment in the Convertible Bonds. It contains selected and summarised information, does not express any commitment or acknowledgement or waiver and does not create any right, expressed or implied, towards anyone other than a potential investor. It cannot be used except in connection with the Offering. The content of this Prospectus is not to be construed as an interpretation of the rights and obligations of the Issuer, of the market practices or of contracts entered into by the Issuer.

The Joint Bookrunners, the Co-Manager and their affiliates are acting exclusively for the Issuer and no one else in connection with the Offering and will not be responsible to any other person for providing the protections afforded to their client or for providing advice in relation to the Offering. The Joint Bookrunners are not making a public offer in Belgium to investors that are not qualified investors and are not assisting

² For details on the composition of the Board of directors, please refer to the Registration Document, p. 113, incorporated by reference in accordance with Section 4 (*Documents incorporated by reference*).

the Issuer with the Priority Allocation insofar it relates to the public offer in Belgium to investors that are not qualified investors and have no duties or responsibilities in this respect.

3.4 Notices to Existing Shareholders and prospective investors

In making an investment decision, Existing Shareholders and prospective investors must rely on their own examination of the Issuer and the terms of the Offering, including the merits and risks involved as described in the Prospectus. Existing Shareholders and prospective investors should rely only on the information contained in the Prospectus. Neither the Issuer nor any of the Joint Bookrunners nor the Co-Manager have authorised any other person to provide Existing Shareholders or other prospective investors with different information. If anyone provides different or inconsistent information, it should not be relied upon.

None of the information in this Securities Note should be considered as an investment, legal or tax advice. Investors should consult their own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing the Convertible Bonds. Neither the Issuer nor any of the Joint Bookrunners nor the Co-Manager make any representation to any offeree or purchaser regarding the legality of an investment in the Convertible Bonds by such offeree or purchaser under applicable investment or similar laws.

The information appearing in this Securities Note should be assumed to be accurate as of the date on the front cover of this Securities Note only. In accordance with Belgian law, if a significant new fact, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the Convertible Bonds and which arises or is noted between the time when the Securities Note is approved and the Closing Date of the Offering, or as the case may be, prior to the start of the trading of the Convertible Bonds on the relevant market, the same will be set out in a supplement to the Prospectus. Any supplement is subject to approval by the FSMA, and must be made public, in the same manner as the Prospectus.

If a supplement to the Prospectus is published on or prior to the Closing Date, subscribers in the Offering shall have the right to withdraw their subscriptions made prior to the publication of the supplement. Such withdrawal must be done within the time limits set forth in the supplement (which shall not be shorter than two (2) business days after publication of the supplement).

3.5 Certain restrictions on the Offering

General

The Offering is conducted as a public offering in Belgium in respect of a priority allocation of Convertible Bonds to Existing Shareholders of the Issuer only. Neither the Offering nor the Prospectus (or any document thereof) have or will be submitted for approval to any supervisory authority outside Belgium.

The Prospectus (or any document thereof) does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of the Prospectus (or any document thereof) and the offering, sale and delivery of Convertible Bonds and the Ordinary Shares to be issued or delivered upon conversion of the Convertible Bonds in certain jurisdictions may be restricted by law. Therefore, no steps may be taken that would constitute or result in a public offering of the Convertible Bonds outside Belgium. Accordingly, the Prospectus (or any document thereof) may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction where such an offer or solicitation is not authorised or is unlawful.

Persons into whose possession the Prospectus (or any document thereof) comes are required by the Issuer and the Joint Bookrunners and the Co-Manager to inform themselves about and to observe any such restrictions. Neither the Issuer nor any of the Joint Bookrunners and the Co-Manager assume any responsibility in respect thereof.

Investors must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer or sell the Convertible Bonds or possess or distribute the Prospectus (or any document thereof) and must obtain any consent, approval or permission required for the purchase, offer or sale of the Convertible Bonds under the laws and regulations in force in any jurisdiction in which any purchase, offer or sale is made.

Authorised Offeror

In the context of the Priority Allocation, the Issuer accepts responsibility for the content of the Prospectus, in relation to any Existing Shareholder to whom any offer of Convertible Bonds is made by any financial intermediary to whom the Issuer has given its consent to use of this Prospectus in connection with the Priority Allocation of the Convertible Bonds, subject to the conditions set out below. However, neither the Issuer nor any Joint Bookrunner nor the Co-Manager has any responsibility for any of the actions of any Authorised Offeror (as defined below), including compliance by an Authorised Offeror (as defined below) with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such Priority Allocation.

Pursuant to the paragraph above, the Issuer consents to the use of this Prospectus in connection with the Priority Allocation in Belgium during the Priority Allocation Period by any financial intermediary which is authorised to make such placements under the Markets in Financial Instruments Directive (Directive 2004/39/EC) (each an "Authorised Offeror").

Any Authorised Offeror who wishes to use this Prospectus in connection with the Priority Allocation is required, for the duration of the relevant Priority Allocation Period, to publish on its website that it is using this Prospectus for such Priority Allocation in accordance with the consent of the Issuer and the conditions attached thereto.

Neither the Issuer nor any Joint Bookrunner nor the Co-Manager has authorised the making of any public offering of any Convertible Bonds by any person in any circumstances and such person is not permitted to use this Prospectus in connection with its offering of any Convertible Bonds unless the offering is made by an Authorised Offeror exclusively in Belgium and within the framework of and subject to the conditions of the Priority Allocation. Any such unauthorised offerings are not made by or on behalf of the Issuer or any Joint Bookrunner or the Co-Manager and none of the Issuer or any Joint Bookrunner or the Co-Manager has any responsibility or liability for the actions of any person making such offerings.

An Existing Shareholder intending to acquire or acquiring any Convertible Bonds from an Authorised Offeror will do so, and offerings and sales of the Convertible Bonds to an Existing Shareholder by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Existing Shareholder including as to settlement arrangements and any expenses or taxes to be charged to the investor (the "Terms and Conditions of the Authorised Offeror"), but subject to compliance with the issue price and the priority allocation ratio set forth in Section 5.3. The Issuer will not be a party to any such arrangements with investors in connection with the offering or sale of the Convertible Bonds and, accordingly, this Prospectus will not contain the Terms and Conditions of the Authorised Offeror. The Terms and Conditions of the Authorised Offeror shall be provided to investors by that Authorised Offeror at the relevant time. None of the Issuer, or any of the Joint Bookrunners or the Co-Manager has any responsibility or liability for such information.

Notice to prospective investors in the United States

Neither the Convertible Bonds, nor the Ordinary Shares that may be issued upon conversion of the Convertible Bonds, have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to U.S. tax requirements. The Convertible Bonds may not be offered or sold within the United States as defined in

Regulation S, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Convertible Bonds are being offered and sold outside the United States in accordance with Regulation S under the Securities Act. There will be no public offering of the Convertible Bonds in the United States. In addition, until 40 days after commencement of the Offering, an offer or sale of Convertible Bonds within the United States by a dealer whether or not participating in the Offering may violate the registration requirements of the Securities Act.

Notice to prospective investors in the European Economic Area

The Issuer has not authorized any offer to the public of Convertible Bonds in any Member State, other than Belgium. With respect to each Relevant Member State other than Belgium, no action has been undertaken or will be undertaken to make an offer to the public of Convertible Bonds requiring a publication of a prospectus in that Relevant Member State. As a result, the Convertible Bonds may only be offered in a Relevant Member State under the following exemptions of the Prospectus Directive, if they have been implemented or have direct effect in that Member State:

- i. to qualified investors as defined in the Prospectus Directive;
- ii. to fewer than 150 natural or legal persons in aggregate (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Joint Bookrunners for any such offer; or
- iii. in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Convertible Bonds shall result in a requirement for the publication by the Issuer or any Joint Bookrunner of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this paragraph, the expression an “offer to the public” of Convertible Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Convertible Bonds to be offered so as to enable an investor to decide to purchase or subscribe to any such securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" includes any relevant implementing measure in each Relevant Member State.

Notice to prospective investors in the United Kingdom

Each Joint Bookrunner will represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**UK FSMA**") received by it in connection with the issue or sale of any Convertible Bonds in circumstances in which section 21(1) of the UK FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Convertible Bonds in, from or otherwise involving the United Kingdom.

This Prospectus is being distributed only to and is directed solely at persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005, as amended (the "**Order**"), (iii) are high net worth entities falling within Article 49(2)(a) to (d) of the Order or (iv) other persons to whom this Prospectus may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**").

Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

Notice to prospective investors in Canada, Australia, South-Africa or Japan

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Convertible Bonds in Canada, Australia, South-Africa or Japan and is not for distribution in or into any of these countries.

3.6 Forward-looking statements

The Prospectus includes forward-looking statements. By their nature, forward-looking statements are subject to inherent risks and uncertainties, both general and specific, and the predictions, forecasts, projections and other forward-looking statements contained in the Prospectus could be materially different from what actually occurs in the future.

In addition, the Prospectus contains estimates of growth in the markets in which the Issuer operates that have been obtained from independent, third party studies and reports. These estimates assume that certain events, trends and activities will occur. Although the Issuer believes that these estimates are generally indicative of the matters reflected in those studies and reports, these estimates are also subject to risks and uncertainties and investors are cautioned to read these estimates in conjunction with the rest of the disclosure in the Prospectus, particularly Section 1, "*Risk Factors*".

Although the Issuer believes that its expectations with respect to forward-looking statements are based on reasonable assumptions within the bounds of its knowledge of its business and operations at the date of the Prospectus, Existing Shareholders and prospective investors are cautioned that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Some of these factors are discussed in Section 1, "*Risk Factors*" and elsewhere in the Prospectus.

The forward-looking statements contained in the Prospectus speak only at the date of the Prospectus or, if obtained from third party studies or reports, the date of the corresponding study or report and are expressly qualified in their entirety by the cautionary statements included in the Prospectus. Without prejudice to the Issuer's obligations under Belgian law in relation to disclosure and ongoing information, the Issuer does not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in the Prospectus might not occur.

3.7 Rounding

Certain amounts that appear in the Securities Note or the Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

3.8 Industry and other statistical information

Unless otherwise mentioned in the Prospectus, industry data and market size/share data provided in the Prospectus are derived from independent publications by leading organisations, from reports by market research firms and from other independent sources or from the Issuer's management own estimates, believed by management to be reasonable. When information has been derived from third parties, the Prospectus refers to such third parties.

The information provided by third parties has been accurately reproduced with their agreement and as far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Issuer and its advisors have not independently verified any of the abovementioned information.

Certain market share information and other statements in the Prospectus regarding the industry and the Issuer's position relative to its competitors may not be based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Issuer's best estimates based upon information obtained from trade and business organisations and associations and other contacts within the industry. This information from the Issuer's internal estimates and surveys has not been verified by any independent sources.

Market information is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of primary data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent to any statistical survey of market information. As a result, prospective investors should be aware that market share, ranking and other similar data in the Prospectus, and estimates and beliefs based on such data, may not be reliable.

3.9 Statutory auditor

Deloitte Réviseurs d'Entreprises SC s.f.d. SCRL, a civil company having the form of a co-operative company with limited liability (*Burgerlijke coöperatieve vennootschap met beperkte aansprakelijkheid/société civile sous forme de société cooperative à responsabilité limitée*) organized and existing under the laws of Belgium, and represented by Mr. Frank Verhaeghen has been reappointed as statutory auditor of the Issuer on 14 May 2014 for a term ending immediately after the closing of the annual shareholders' meeting to be held in 2017.

The statutory standalone financial statements of the Issuer for the years ended on 31 December 2013, 31 December 2014 and 31 December 2015 were prepared in accordance with International Financial Reporting Standards ("**IFRS**"). They have been audited by Deloitte Réviseurs d'Entreprises, who delivered an unqualified opinion.

The consolidated financial statements of the Issuer for the year ended on 31 December 2013, 31 December 2014 and 31 December 2015 were prepared in accordance with IFRS. They have been audited by Deloitte Réviseurs d'Entreprises, who delivered an unqualified opinion.

The half-yearly financial statements ended 30 June 2016 were prepared in accordance with International Financial Reporting Standards ("**IFRS**"). They have been subject to a limited review by Deloitte Réviseurs d'Entreprises, who confirmed that nothing came to their attention that caused them to believe that the consolidated interim financial information of Cofinimmo has not been prepared, in all material respects, in accordance with the IFRS.

3.10 Available information

Prospectus

The Prospectus, which is composed of this Securities Note, the Summary and the Registration Document, is available in English. The Summary of the Prospectus has also been translated into Dutch and French. The English version of the Prospectus and the documents incorporated by reference therein (including the Registration Document) as well as the translations in Dutch and French of the Summary will be made available to investors at no cost at the registered offices of the Issuer. The Prospectus will be made available to investors at no cost upon request from KBC Bank NV at +32 78 152 154 (French) or +32 78 152 153 (Dutch) and at the office of HSBC in Belgium at 23 Square de Meeûs, 1000 Brussels, at the office of JP Morgan in Belgium at Floor 10, 1 Boulevard du Roi Albert II, 1210 Brussels and the head office of Société Générale in Belgium at 11 rue des Colonies, 1000 Brussels Subject to certain conditions, the Prospectus as well as the translations in Dutch and French of the Registration Document and the Summary are also available on the internet at the following websites: www.cofinimmo.com and www.euronext.com.

Company documents and other information

The Issuer must file its (amended and restated) articles of association and all other deeds that are to be published in the Annexes of the Belgian Official Gazette with the Clerk's office of the Commercial Court of Brussels, where they are available to the public. A copy of the most recently restated articles of association (as amended for the last time on 2 May 2016) and the corporate governance charter will also be available on the Issuer's website.

In accordance with Belgian law, the Issuer must also prepare annual and consolidated audited statutory financial statements. The annual and consolidated statutory financial statements and the reports of the board of directors and statutory auditor relating thereto are filed with the National Bank of Belgium, where they are available to the public. Furthermore, as a company listed on a regulated market, the Issuer publishes an annual financial report and a half-yearly financial report. A summary of these documents is made publicly available to the Belgian financial press in the form of a press release. Copies thereof are also available on the Issuer's website.

The Company has to disclose price sensitive information, information about its shareholders' structure, and certain other information to the public. In accordance with the Royal Decree of 14 November 2007, such information and documentation is made available through press releases, the financial press in Belgium, the Issuer's website, the communication channels of Euronext Brussels or a combination of these media.

The Issuer's website can be found at www.cofinimmo.com and the Issuer can be reached at +32 (0) 2 373 00 00.

4. DOCUMENTS INCORPORATED BY REFERENCE

The press releases and extracts listed below of the Issuer's annual reports for the financial years ended 31 December 2013 and 31 December 2014 and of the half-yearly financial report 2016 have been incorporated by reference in this Securities Note. The information so incorporated by reference herein, shall form an integral part of the Prospectus, save that any statement contained in a document which is incorporated by reference herein, shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The table below sets out the relevant pages of the Issuer's annual reports for the financial years ended 31 December 2013 and 31 December 2014 and the half-yearly financial report for the six-month period ended 30 June 2016 that are incorporated by reference in this Prospectus:

Annual report for the financial year ended on 31 December 2013³:

| | |
|---------------------------------------|--------------|
| Consolidated annual accounts | |
| Notes to consolidated annual accounts | pp 140 - 191 |
| Statutory auditor's report | pp. 192 |

Annual report for the financial year ended on 31 December 2014⁴:

| | |
|---------------------------------------|-------------|
| Consolidated annual accounts | |
| Notes to consolidated annual accounts | pp 144-194 |
| Statutory auditor's report | pp. 195-196 |

Half-Yearly report for the six-month period ended on 30 June 2016⁵:

| | |
|-----------------------------------|------------|
| Financial statements | pp 33-44 |
| Notes to the financial statements | pp 45-64 |
| Statutory auditor's report | Schedule 2 |

Any information not listed in the table above but included in the document incorporated by reference is given for information purpose only.

The Registration Document (which consists of the Issuer's 2015 annual report) forms part of the Prospectus.

In addition, the following press releases are incorporated by reference:

- the press release dated 6 September 2016 announcing the launch of the Offering and of the Institutional Reverse Bookbuilding
- the press release dated 8 August 2016 announcing that the Issuer continues to invest in its two main activity segments via the acquisition of a healthcare asset in Goirle (Netherlands) and a portfolio of office buildings in Brussels.

Copies of these documents incorporated by reference, together with the Prospectus, are available free of charge at the registered office of the Issuer, on the Issuer's website (www.cofinimmo.com) and on the website of Euronext (www.euronext.com).

³ The page numbers refer to the English version of the Issuer's annual report.

⁴ The page numbers refer to the English version of the Issuer's annual report.

⁵ The page numbers refer to the English version of the Issuer's annual report.

5. INFORMATION ON THE OFFERING

5.1 Information related to the capital increase

On 5 September 2016, the Board of directors approved the issue of the Convertible Bonds and to increase the capital of the Issuer under the condition precedent and to the extent of the conversion of the Convertible Bonds into new Ordinary Shares of the Issuer.

Pursuant to an authorisation granted by the Issuer's EGM of 6 January 2016 and article 6.2 of the Issuer's articles of association, the Board has the authority to issue Convertible Bonds within the framework of the authorized capital and to increase the share capital in one or more tranches up to a maximum amount of (i) €1,100,000,000, if the contemplated capital increase is a capital increase, the subscription of which is made in cash with possibility for the shareholders to exercise their preferential subscription right, and of (ii) €220,000,000 for any other capital increase, it being understood that, in any cases, the share capital may never be increased for more than €1,100,000,000 within the framework of the authorised capital, for a period of five years as from the publication of the decision (i.e. 3 February 2016). The contemplated Offering falls under the capital increases for which the €220,000,000 maximum threshold applies.

So far, the Board of directors has not yet used this option the authorised capital granted in January 2016. On the date of this Securities Note the amount by which the Board of Directors could increase the subscribed capital under the authorised capital amounts therefore to €220,000,000 (for capital increases for which the €220,000,000 maximum threshold applies)

At the same meeting, the Board also decided - pursuant to article 6.2 of the Issuer's articles of association and the REEC Legislation - to cancel the preferential subscription rights of the Existing Shareholders upon issuance of the Convertible Bonds and to grant a priority allocation right to the Existing Shareholders for the subscription of the Convertible Bonds. Pursuant to the RREC Legislation applicable to the Issuer, the priority allocation right must comply with the following conditions:

- it pertains to the total amount of the new securities to be issued;
- it is granted to the Existing Shareholders *pro rata* their stake in the share capital of the Issuer at the launch of the Offering;
- the public offer period may not be shorter than three (3) business days; and
- the maximum issue price per security (*i.e.* the maximum conversion price in case of convertible bonds) is announced at the latest the day before the start of the public offer.

Finally, the Board has also given a special delegation to two directors, acting jointly, to determine the Issue Price, the interest rate and the Initial Conversion Price of the Convertible Bonds and has also given a special delegation to any Board member (with power of sub-delegation) to enact the issue of the Convertible Bonds effectively placed.

Furthermore, 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 6.5.2 will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed take-over bid to the shareholders of the Issuer, and (b) the occurrence of the Change of Control, (i) the provisions of Condition 6.5.2 have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolution has been filed with the Clerk of the Commercial Court of Brussels. The Issuer has undertaken to submit the Change of Control Resolutions to the vote of the shareholders at a general meeting scheduled to be held no later than on 30 June 2017. The resolution to approve the provision requires an approval of more than 50 per cent of the votes cast at the general meeting and does not have a quorum requirement. There can be no assurance that such approval will be granted at

such meeting. If by not later than 30 June 2017 the Change of Control Resolutions are not adopted at a general meeting of the shareholders of the Issuer, the Issuer shall redeem each Convertible Bond, on the date falling 45 days after 30 June 2017 (i.e. on 14 August 2017) at 102.0 per cent of the higher of (i) its principal amount and (ii) the fair market value of the Convertible Bonds as of 30 June 2017, together with accrued but unpaid interest. See also the risk factor *"The temporary adjustment of the Conversion Price upon a Change of Control and the Bondholders' put option upon Change of Control under the Convertible Bonds is subject to shareholders' approval"* in Section 1 "Risk factors".

5.2 Reasons for the Offering and use of proceeds

Assuming that the gross proceeds from the issue of the Convertible Bonds amount to €220,000,000, the net proceeds from the Offering are expected to amount to approximately € 217,500,000. The aggregate costs of the Offering are estimated to be approximately 1.14% of the gross proceeds of the Offering (assuming the Convertible Bonds are subscribed in full). These costs shall be borne by the Issuer.

The net proceeds will be used by the Issuer to refinance its €190.8 million Convertible Bonds 2013 (including the 152.630 bonds repurchased earlier this year). The remaining amount (if any) will be used to repay partially the amounts currently drawn-down under confirmed credit lines. The impact on the Issuer's debt ratio should therefore be limited. The committed credit lines can then be re-used at a later state for general corporate purposes including refinancing and new investments a. o. in its two main activity segments (Health Care and Office buildings).

As set out the above, the net proceeds of the Offer will in particular be used by the Issuer to refinance the €190,840,869.56, 2.00% convertible bonds due 20 June 2018 that the Issuer has issued on 20 June 2013.

To this end, the Issuer intends to repurchase all Convertible Bonds 2013 not yet owned by it by way of the Buyback Offer consisting of:

- a reverse bookbuilding process (open to qualified investors only) to invite institutional Bondholders - which are qualified investors - to tender their Convertible Bonds 2013 to the Issuer; following this process which took place on 6 September 2016, the Issuer will hold 95.9% of the total initial amount of the Convertible Bonds 2013 upon the settlement which is expected to take place on 16 September 2016 (the "**Institutional Reverse Bookbuilding**");
- a public buyback offer, open to all bondholders from 9 September 2016 to 15 September 2016, which is expected to be settled on 22 September 2016 (the "**Public Tender Offer**").

In order to finance the Buyback Offer, the Issuer has decided to concurrently proceed with the Offering.

The cash repurchase price for the Institutional Reverse Bookbuilding and the Public Tender Offer will be the same. The offer price for the Buyback Offer will amount to €131.43 per tendered Convertible Bond 2013. The total offer price for all Convertible Bonds 2013, which are the subject of the Buyback Offer, will amount to €202,322,816.28. This price includes the interests on the Convertible Bonds 2013 accrued between the last interest payment date and the date of the Institutional Reverse Bookbuilding. In addition, the Issuer will pay to bondholders who tender their Convertible Bonds 2013 in the Public Tender Offer, interests accrued between the settlement date of the Institutional Reverse Bookbuilding and the settlement date of the Public Tender Offer.

The Buyback Offer is subject to the condition precedent of the settlement by the Issuer of the Offering.

Finally, the Issuer expects to derive several benefits from the Buyback Offer and the Offering,

including a reduction of financing costs thanks to a lower cash coupon; an extension of average maturity of its debt as well as a reduction of the associated potential dilution given the lower number of shares underlying the Convertible Bonds 2016.

5.3 Terms and conditions of the Offering

Size and nature of the Offering

The Offering size amounts to €219,320,616.00 senior unsecured Convertible Bonds due 15 September 2021, with a denomination of €146.00 each.

The Offering is comprised of (i) the Priority Allocation of the Convertible Bonds to the Existing Shareholders by way of a public offering in Belgium following a private placement to qualified investors outside the United States of America pursuant to Regulation S under the Securities Act (the "**Private Placement**") and (ii) the admission to trading and listing on Euronext Brussels of the Convertible Bonds (the "**Listing**").

The Private Placement

The Private Placement took place on 6 September 2016 through an accelerated bookbuilding conducted by the Joint Bookrunners.

Pursuant to the Private Placement, the Issuer received firm orders for a principal amount of €219,320,616.00 from qualified investors who have been provisionally allotted subject to claw-back pursuant to the Priority Allocation. In practice, this means that the subscriptions made by Existing Shareholders with the relevant Coupon will benefit from a Priority Allocation and Convertible Bonds will be allotted in full without reduction to Existing Shareholders having subscribed on that basis. As a result thereof, the qualified investors who have been provisionally allotted will see their orders reduced *pro rata* to the exercise by the Existing Shareholders of their Priority Allocation right and will only be delivered the Convertible Bonds that were not subscribed by the Existing Shareholders having exercised their Priority Allocation right in the Offering.

Priority Allocation to Existing Shareholders

The public offering in Belgium in respect of the Priority Allocation will take place during three (3) business days from 9:00 a.m. on 7 September 2016 to 5:00 p.m. (Brussels time) on 9 September 2016 (the "**Priority Allocation Period**"). The public offering in Belgium in respect of the Priority Allocation is made by the Issuer. The Joint Bookrunners are not making a public offer in Belgium to investors that are not qualified investors and are not assisting the Issuer with the Priority Allocation insofar it relates to the public offer in Belgium to investors that are not qualified investors and have no duties or responsibilities in this respect.

The aggregate principal amount of the Convertible Bonds is reserved for priority allocation in favour of the Existing Shareholders, and is available to all Existing Shareholders who can lawfully take part in it under the laws applicable to them. The right to Priority Allocation is represented by a coupon, which is made available in book-entry form for holders of dematerialised Ordinary Shares and Preferential Shares and by way of record in the shareholders' register of the Issuer for the holders of registered Ordinary Shares and Preferential Shares.

The relevant coupon representing the right to priority allocation (the "**Coupon**") is:

- coupon n° 29 for Ordinary Shares (ISIN [BE6289390070](#));
- coupon n° 17 for Preferential Shares 1 (ISIN [BE6289391086](#));
- coupon n° 16 for Preferential Shares 2 (ISIN [BE6289392092](#));

The Coupon for dematerialised Ordinary Shares was detached on 6 September 2016 (after trading

hours).

Holders of the Coupons will be entitled to subscribe for Convertible Bonds, without reduction, at a ratio of 1 Convertible Bond for 14 Coupons, provided that their subscription is accompanied by the required number of Coupons.

The Coupons are not negotiable during the Offering and the Issuer has not made any application for the listing of such Coupons. The Coupons will only be valid during the Priority Allocation Period and, if not submitted as part of a subscription order, will expire at the end of the Priority Allocation Period.

All Convertible Bonds corresponding to unexercised Priority Allocation rights will be subscribed for pursuant to the Private Placement.

Issue Price

The issue price of the Convertible Bonds (the "**Issue Price**") is equal to 100% of the nominal amount of the Convertible Bonds. The Issue Price applies to all investors, whether retail or institutional.

No tax on stock exchange transactions is due upon subscription of the Convertible Bonds.

The issue price results from the Private Placement that took place on 6 September 2016 through an accelerated bookbuilding conducted by the Joint Bookrunners.

5.4 Application procedure for the public offer in respect of the Priority Allocation

The public offer shall be open from 9:00 am on 7 September 2016 to 9 September 2016 at 5:00 pm (Brussels time) (both dates inclusive). No early closing of the Priority Allocation Period is possible.

Subject to restrictions under applicable securities laws, subscriptions may be submitted free of charge during the Priority Allocation Period to KBC Bank NV, which is acting as centralising agent of the Priority Allocation (the "**Centralising Agent**") or to any other financial intermediary. Subscriptions cannot be submitted to the Joint Bookrunners by investors that are not qualified investors. Existing Shareholders wishing to subscribe through other intermediaries should inquire on the costs which these intermediaries may charge them.

To be valid, subscriptions must be submitted to KBC Bank NV (directly or indirectly through a financial intermediary (which financial intermediary should verify the entitlement of such existing shareholder to participate to the Priority Allocation)) at the latest by 5:00 p.m. (Brussels time) on 9 September 2016, together with the Coupons. Coupons must be presented in accordance with the subscription ratio of 14 Coupons for 1 Convertible Bond. Such subscription orders may be placed for the full amount of Convertible Bonds that such Existing Shareholder is entitled to pursuant to the Priority Allocation or a lesser amount.

Subject to restrictions under applicable securities laws, Existing Shareholders holding registered shares and wishing to benefit from the Priority Allocation must submit their subscription orders exclusively with the Centralising Agent. Registered Existing Shareholders will only benefit from the Priority Allocation if they were recorded in the shareholders register on 6 September 2016 (after trading hours). All subscription orders are irrevocable, without prejudice to the right of Existing Shareholders to withdraw their subscriptions in the event of a publication of a supplement to the Prospectus as a result of important new developments, material errors or inaccuracies that could affect the assessment of the Convertible Bonds and which occurs prior to the Closing Date of the Offering. Such withdrawal must be notified within two (2) business days after the publication of the supplement.

The Issuer cannot elect to pay a cash amount in respect of conversions requested either (i) by a Bondholder who is a retail investor or (i) by a Bondholder who is a qualified investor and who

subscribed the relevant Convertible Bonds during the Priority Allocation Period, provided, in the latter case, the Bondholder requests to receive Ordinary Shares upon exercising its Conversion Right and submits to the Issuer the following documents it will receive from its financial intermediary, in addition to the conversion notice:

- a copy of its securities account statement evidencing the number of Coupons that it had upon detachment at the start of the Priority Allocation Period, or
- a copy of its securities account statement evidencing the number of Convertible Bonds subscribed by way of orders submitted during the Priority Allocation Period.

The concept of "qualified investor" refers to a qualified investor (other than a natural person) within the meaning of article 2.1 (e) of the Prospectus Directive (as amended by Directive 2010/73/EU) and a retail investor means a person who is not a "qualified investor".

If an Existing Shareholder having subscribed Convertible Bonds during the Priority Allocation Period has not received the securities accounts statements set out above, he/she should contact his/her financial intermediary to obtain these.

5.5 Minimum amount

The minimum amount of subscription corresponds to the subscription price of one Convertible Bond (i.e. €146.00), which requires that an Existing Shareholder presents 14 Coupons to subscribe for one Convertible Bond.

5.6 Allocation of the Convertible Bonds

In accordance with the terms of the Prospectus, subscriptions made by Existing Shareholders with the relevant Coupon will benefit from a Priority Allocation and Convertible Bonds will be allotted in full without reduction to Existing Shareholders having subscribed on that basis.

For subscriptions made by qualified investors in the Private Placement, the allocation will be determined (i) primarily based on the number of Convertible Bonds that have not been subscribed to by Existing Shareholders in accordance with the Priority Allocation right and (ii) on the quantitative and the qualitative analysis of the order book, including but not limited to the number of subscriptions and the quality of the subscribers.

The results of the Offering will be published by the Issuer on or about 12 September 2016.

5.7 Cancellation of the Offering

The Offering size may not be modified.

The Offering may be cancelled up to the Closing Date in the event of termination of the Subscription Agreement (as defined below) in certain circumstances (see Section 5.9) (*Subscription Agreement*). In such case, subscription orders and allocations will automatically be cancelled.

5.8 Payment, settlement and delivery of the Convertible Bonds

The Issue Price must be paid up in full in euros. Investors shall authorise their financial institutions to debit their bank account with such amount for value on the Closing Date. The Closing Date is set three (3) trading days after the date of final allocations and is expected to occur on 15 September 2016.

On the Closing Date, all Convertible Bonds will be delivered to the investors (or their financial intermediaries on their behalf) in book-entry form through the settlement system operated by the NBB,

i.e. the NBB-SSS.

5.9 Subscription Agreement

The Underwriters (and each one an "Underwriter") entered into a subscription agreement on 6 September 2016 with the Issuer (the "**Subscription Agreement**").

The Subscription Agreement provides, subject to the conditions and events stipulated therein, that each Underwriter agrees, severally but not jointly, in its own name but for the account of the investors, with the Issuer to subscribe for the aggregate principal amount of the Convertible Bonds as set out opposite its names in the table below at the Issue Price:

| Underwriters | Underwriting Commitment (€) |
|----------------------------|------------------------------------|
| HSBC Bank plc | 87,728,246.40 |
| J.P. Morgan Securities plc | 87,728,246.40 |
| Société Générale | 43,864,123.20 |
| Total | 219,320,616.00 |

The Issuer has agreed to reimburse the Underwriters for certain of their expenses incurred in connection with the management of the issue of the Convertible Bonds. The Underwriters will be entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement up to the Closing Date.

The Underwriters' commitment to subscribe and deliver the Convertible Bonds is subject to the fulfilment of certain conditions on or prior to the Closing Date, including:

- the receipt of certain documents, including legal opinions from the Issuer's counsel and the Underwriters' counsel, closing certificates, comfort letters from the Issuer's statutory auditor and evidence of the approval of the Prospectus by the FSMA;
- the execution of the agency agreement with the Paying and Conversion Agent and the calculation agency agreement with the Calculation Agent;
- no material adverse effect having occurred, since the entering into the Subscription Agreement, with respect to (i) the business, operations, property, condition (financial or otherwise) or prospects of the Issuer or the Issuer and its subsidiaries taken as a whole or their investments taken as a whole or (ii) the ability of the Issuer to perform any material obligation under the Convertible Bonds, the Offering, the Buyback Offer, the transaction agreements, or which are otherwise material in the context of the Offering or the Buyback Offer;
- the representations and warranties by the Issuer in the Subscription Agreement being true and correct;

provided, however, that the Underwriters may, at their discretion, waive satisfaction of any of these conditions.

In addition, the Underwriters may terminate the Subscription Agreement on or prior the Closing Date, in certain conditions set out in the Subscription Agreement, including upon the occurrence of certain events since the time of execution of the Subscription Agreement. These events include (among others):

- the representations and warranties by the Issuer in the Subscription Agreement being untrue or incorrect;
- any of the conditions precedent set out in the Subscription Agreement (as summarised above) is not satisfied or waived by the Underwriters on the Closing Date;
- the Issuer fails to perform any of its obligations under the Subscription Agreement;

- there has been any material adverse effect (as summarised above in respect of the conditions precedent);
- certain changes in the financial markets, in national or international monetary, political, financial or economic conditions, in each case as would be likely to prejudice the success of the Offering or the Buyback Offer, or dealings in the Convertible Bonds in the secondary market or the effect of which is such as to make it impracticable to market the Convertible Bonds or to enforce contracts for the issue of the Convertible Bonds or to conduct the Buyback Offer;
- there has occurred any outbreak of hostilities or escalation thereof, incident of terrorism or other calamity or crisis, in each case the effect of which is such as to make it impracticable to market the Convertible Bonds, to enforce contracts for the issue of the Convertible Bonds or to conduct the Buyback Offer;
- trading in any securities of the Issuer has been suspended or materially limited by Euronext Brussels, or trading generally on the New York Stock Exchange, the London Stock Exchange or Euronext Brussels has been suspended or limited, or a material disruption has occurred in the commercial banking or securities settlement or clearance services in certain countries; or
- a general banking moratorium has been declared by certain national regulatory authorities.

Closing of the Offering shall not occur in case the Subscription Agreement is terminated prior thereto. Such closing is a condition for the Buyback Offer.

5.10 Lock-up

The Issuer has undertaken in the Subscription Agreement that during the period commencing on 6 September 2016 and ending 90 days after the Closing Date (both dates inclusive) it will not, without the prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld), directly or indirectly (including through its subsidiaries or affiliate companies), (i) issue, offer, sell, transfer, pledge, lend or otherwise dispose of any shares of the Issuer, whether directly or indirectly, or enter into any agreement to do so, (ii) issue or offer any other securities which confer a right to shares of the Issuer (or any interest therein) or which represent the shares of the Issuer (or any interest therein), including any right to convert or exchange into Ordinary Shares, or enter into any agreement to do so, (iii) enter into any agreement that transfers or might transfer any of the economic consequences of ownership of the shares of the Issuer (including, but not limited to, stock lending, derivative or hedging and swap transactions) (iv) issue any shares through its board of directors, propose, or if proposed by others not to vote, or implement capital increases, or issues of securities that are convertible into or exchangeable for Ordinary Shares or issues of any instrument, in each case of the Issuer, that has the aim or effect of delivery or transferring, directly or indirectly, the ownership of Ordinary Shares or the right to acquire any Ordinary Shares or any securities which are convertible into or exchangeable for Ordinary Shares or which carry rights to acquire Ordinary Shares or such securities (or any interest in any Ordinary Shares or such securities)). The foregoing limitations shall not apply to (i) the issue of the Convertible Bonds, (ii) the granting of options over Ordinary Shares by the Issuer pursuant to the stock option plan launched by the Issuer in 2006 and the transfer of any Ordinary Shares necessary to satisfy the early exercise of such options, (iii) the Issuer's obligations arising upon conversion of any Convertible Bond in accordance with the Terms and Conditions, (iv) the Issuer's obligations arising upon conversion of any convertible bond due 20 June 2018 and issued by the Issuer on 20 June 2013, (v) the conversion of the Preferential Shares 1 and the Preferential Shares 2 of the Issuer which may be converted into Ordinary Shares during certain conversion periods, (vi) the issue of Ordinary Shares by the Issuer within the framework of a capital increase of the Issuer by contribution in kind (including by way of merger) of real estate assets or real estate companies or (vii) the issue of a stock dividend.

5.11 Listing and first trading

An application has been made for the Convertible Bonds to be admitted to trading and listed on

Euronext Brussels as of the Closing Date, which is expected to be 15 September 2016. The Convertible Bonds are expected to be listed under the symbol COFBBB and ISIN BE0002259282 on Euronext Brussels.

5.12 Financial service

KBC Bank NV, has been appointed as Paying and Conversion Agent in relation to payments and conversions to be effected in respect of the Convertible Bonds.

5.13 Yield and costs

The yield of the Convertible Bonds is 0.1875 per cent. The yield is calculated on the Issue Price and is based on the assumption that the Convertible Bonds will be held until their maturity.

The potential gain or loss for a Bondholder upon exercise of its Conversion Right will depend on the future evolution of the stock price of the Issuer's Ordinary Share.

The Co-Managers shall not charge distribution commissions or other expenses to investors in relation to the subscription of Convertible Bonds. Subscriptions cannot be submitted to the Joint Bookrunners by investors that are not qualified investors. Investors must inform themselves about costs their financial institutions might charge to them.

5.14 Interest of natural and legal persons involved in the Offering

J.P. Morgan Limited, HSBC, Société Générale and KBC Bank NV have entered into credit and derivative agreements with the Issuer. In addition, each of the Joint Bookrunners and the Co-Manager and each of their affiliates have or may have, in the past, performed investment banking and advisory services and various banking services for the Issuer and the Cofinimmo group, for which they have received customary fees and expenses. They may, from time to time, engage in further transactions with, and perform services for, the Issuer and the Cofinimmo group in the ordinary course of their businesses.

5.15 Expected timetable of the Offering

This is an indicative timetable showing one possible outcome for the timing of the Offering. This timetable is subject to change and dates and times may be extended or amended by the Issuer in accordance with the terms of the Offering as described in this Prospectus. Accordingly, the actual timetable may differ significantly from the timetable below. Should the Issuer decide to amend such dates, times or periods, it will inform prospective investors through a publication in the financial press or through a supplement to the Prospectus in the circumstances require by the Prospectus Regulation.

| | |
|---|---|
| Private Placement – Bookbuilding commences | 6 September 2016 |
| Bookbuilding closes | 6 September 2016 |
| Pricing | 6 September 2016 |
| Provision allocations to qualified investors (subject to claw-back) | 6 September 2016 |
| Separation of the Coupon representing the Priority Allocation right | 6 September 2016 (after closing of markets) |
| Availability to the public of the Prospectus | 6 September 2016 (after closing of markets) |
| Opening of the Priority Allocation Period | 7 September 2016 at 9:00 a.m. (Brussels time) |
| Closing of the Priority Allocation Period | 9 September 2016 at 5:00 p.m. (Brussels time) |

| | |
|--|-------------------|
| Centralization | 12 September 2016 |
| Final allocations | 12 September 2016 |
| Announcement of the results of the Offering | 12 September 2016 |
| Closing Date: | 15 September 2016 |
| - Payment of the Issue Price / | |
| - Delivery of the Convertible Bonds to the subscribers | 15 September 2016 |
| Listing of the Convertible Bonds | 15 September 2016 |

5.16 Rating

Since 2001, Cofinimmo has a long-and short-term financial rating awarded by the rating agency Standard & Poor's.

On 15 May 2015, the Standard & Poor's agency increased Cofinimmo's financial rating from BBB- to BBB/ stable outlook for long-term debt and from A-3 to A-2 for short-term debt, *i.e.* a rating in the "investment-grade" category. According to S&P, the new financial rating reflects both the significant improvement in the debt level following the capital increase successfully completed on 7 May 2015 and Cofinimmo's goal of keeping its debt ratio below 50%.

The classification of the ratings can be found on the website of Standard & Poor's (www.standardandpoors.com).

The Convertible Bonds will not be rated.

5.17 Conversion Price of the Convertible Bonds and adjustment events

The defined terms used in this Section have the meaning as set forth in Section 6 (*Terms and Conditions of the Convertible Bonds*), except as otherwise provided.

Each Convertible Bond shall entitle the holder to convert such Convertible Bond into existing Ordinary Shares and/or new Ordinary Shares, in each case credited as fully paid. The number of Ordinary Shares to be issued or transferred and delivered on exercise of a Conversion Right shall be determined by dividing the principal amount of the Convertible Bonds to be converted by the Conversion Price in effect on the relevant Conversion Date. The initial Conversion Price of the Convertible Bonds shall be €146.00.

The Conversion Price will be adjusted by the Calculation Agent upon the occurrence of certain events which would otherwise give rise to a financial dilution affecting the Conversion Rights of the Bondholders. Any such adjustment of the Conversion Price aims to neutralize or limit the financial dilution triggered by the relevant event and is therefore aimed to protect the Bondholders. Any such adjustment does not give rise to any costs for Bondholders. The events giving rise to an adjustment (and the way such adjustment shall be calculated) are set out in the Terms and Conditions and include, among others:

(a) *Consolidation, reclassification or subdivision of shares*

a consolidation, reclassification or subdivision in relation to the number of Ordinary Shares (in such case, the adjustment aims to take into account the new number of Ordinary Shares as a result of such event);

(b) *New Shares issued by way of capitalisation of profits or reserves*

an issue of new shares to the shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) (in such case, the adjustment aims to neutralize or limit the financial dilution caused by the circumstance that such shares are issued without payment of a consideration by shareholders);

(c) *Extraordinary Dividend*

any distribution by the Issuer of a dividend (including a stock dividend) exceeding €3.00 (gross of withholding tax)⁶ in respect of any fiscal year (until 2021), (in such case, the adjustment aims to protect the Bondholders against the additional financial dilution which would be caused by a dividend distribution exceeding such threshold);

(d) *Issue of Ordinary Shares (or Securities which are convertible into or exchangeable for Ordinary Shares) by way of rights to Ordinary Shareholders at a price which is less than 95 per cent. of the Current Market Price*

an issue of new Ordinary Shares (or other securities giving right to Ordinary Shares) to the Ordinary Shareholders as a class by way of rights, at a price per Ordinary Share which is less than 95 per cent. of the current market price per Ordinary Share at the time of the transaction (in such case, the adjustment aims to neutralize the financial dilution caused by such discounted issue of Ordinary Shares or other securities giving right to Ordinary Shares);

(e) *Issue of other Securities by way of rights to Ordinary Shareholders*

an issue of securities (other than Ordinary Shares, Preferential Shares or securities giving right to Ordinary Shares) to Ordinary Shareholders as a class by way of rights or grant to Ordinary Shareholders (in such case the adjustment aims to neutralize or limit the value of the right granted to the shareholders);

(f) *Issue of Ordinary Shares (or rights to subscribe or purchase Ordinary Shares) at a price which is less than 95 per cent. of the Current Market Price, otherwise than as mentioned under (d) above*

an issue of new Ordinary Shares (or other securities giving right to Ordinary Shares) for cash or no consideration (other than in the situations referred to under (d) above), at a price per Ordinary Share which is less than 95 per cent of the current market price per Ordinary Share at the time of the transaction (in such case, the adjustment aims to neutralize the financial dilution caused by such discounted issue of Ordinary Shares or other securities giving right to Ordinary Shares);

(g) *Issue by the Issuer or a Subsidiary of Securities convertible into Ordinary Shares at a price which is less than 95 per cent. of the Current Market Price*

an issue of securities carrying a right of conversion into, or exchange or subscription for Ordinary Shares (other than the cases already covered under (d), (e) and (f) above) and the consideration per Ordinary Share receivable upon conversion, exchange or subscription is less than 95 per cent of the current market price per Ordinary Share at the time of the transaction (in such case, the adjustment aims to neutralize or limit the financial dilution caused by the fact that Ordinary Shares could be issued at a discount of 5% or more);

(h) *Modification of the terms of issue of Securities convertible into Ordinary Shares, as a result of which the consideration payable for Ordinary Shares is less than 95 per cent. of the Current Market Price*

any modification of the terms of issues of the securities referred to under (g) above, as a result of which the consideration per Ordinary Share receivable upon conversion, exchange or subscription has been reduced and is less than 95 per cent of the current market price per Ordinary Share at the time of announcement of any such modification (in such case, the adjustment aims to neutralize or limit the financial dilution caused by the fact that Ordinary Shares could be issued at a discount of 5% or more as a result of such modification);

(i) *Other issues of Securities to Shareholders*

an issue of securities in connection with which shareholders as a class are entitled to acquire them (other than in situations already covered above or as would have been covered if the relevant issue was at less than 95 per cent. of the current market price per Ordinary Share) (in such case, the adjustment aims to neutralize or limit the value of the right granted to the shareholders);

(j) Change of Control

if a person has acquired (or is entitled to acquire following tenders made as part of a takeover bid) 50% or more of the voting rights of the Issuer (in such case, the adjustment aims to compensate the Bondholders against the loss of time value of the Convertible Bonds);

(k) Adjustments as a result of other circumstances

any circumstance other than those referred to above and for which the Issuer determines that an adjustment of the conversion price should be made, provided such adjustment gives rise to a reduction of the conversion price (in such case, the Issuer shall request an independent financial adviser to determine what adjustment is fair and reasonable, in accordance with the procedure set out in the Terms and Conditions). The issue of Ordinary Shares as a result of a contribution in kind to the capital of the Issuer (including by way of merger) or a conversion of the Preferential Shares shall not give rise to any adjustment of the Conversion Price. Hence, Bondholders shall not be protected against the dilution which can be caused by such transactions.

See the Terms and Conditions for a detailed description of the events giving rise to an adjustment of the Conversion Price and the way such adjustments shall be calculated.

6. TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

The issue of the € 219,320,616.00 0.1875 per cent. convertible bonds due 15 September 2021 (the "**Convertible Bonds**", which expression shall, unless otherwise indicated, include any Further Convertible Bonds) was (save in respect of any Further Convertible Bonds) authorised by a resolution of the board of directors of Cofinimmo SA/NV (the "**Issuer**") passed on 5 September 2016.

The Convertible Bonds are the subject of a paying and conversion agency agreement expected to be dated 15 September 2016 (the "**Agency Agreement**") relating to the Convertible Bonds between the Issuer and KBC Bank NV (the "**Paying and Conversion Agent**", which expression shall include any successor as Paying and Conversion Agent under the Agency Agreement). The Issuer will also enter into a calculation agency agreement expected to be dated 15 September 2016 (the "**Calculation Agency Agreement**") relating to the Convertible Bonds with Conv-Ex Advisors Limited (the "**Calculation Agent**") which expression shall include any successor as calculation agent under the Calculation Agency Agreement) whereby the Calculation Agent has been appointed to make certain calculations in relation to the Convertible Bonds.

Certain provisions of these Conditions are summaries of the Agency Agreement or Calculation Agency Agreement and subject to their detailed provisions. Copies of the Agency Agreement and Calculation Agency Agreement are available for inspection at the specified office of the Paying and Conversion Agent.

6.1 Form, Denomination, Title and Status

6.1.1 *Form, Denomination and Title*

The Convertible Bonds are convertible bonds in accordance with Article 489 *et seq.* of the Belgian Company Code, and are in dematerialised form in accordance with Article 468 *et seq.* of the Belgian Company Code. The Convertible Bonds will be represented by a book entry in the records of the securities settlement system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB-SSS**"). The Convertible Bonds can be held by their holders through participants in the NBB-SSS, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Convertible Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB-SSS, and their respective participants. The Convertible Bonds are accepted for clearance through the NBB-SSS, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB-SSS and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition, in each case as modified or replaced from time to time, being referred to herein as the "**NBB-SSS Regulations**"). Possession of the Convertible Bonds will pass by account transfer.

Payments of principal, interest and other sums due under the Convertible Bonds will be made in accordance with the NBB-SSS Regulations 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 defined for the purposes of Article 474 of the Belgian Company 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 Convertible Bonds (or the position held by the financial institution through which their Convertible 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 Convertible Bonds may not be exchanged for convertible bonds in bearer or registered form, subject to applicable law.

The Convertible Bonds have a denomination of EUR 146.00, and can only be settled through the NBB-SSS in nominal amounts equal to that denomination or integral multiples thereof.

6.1.2 *Status*

The Convertible Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 6.1.3) unsecured obligations of the Issuer ranking *pari passu*, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer but, in the event of a winding-up, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

6.1.3 *Negative Pledge*

So long as any Convertible Bond remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any Security Interest for the benefit of any one or more creditors, upon assets representing in aggregate 30% or more of the consolidated gross assets of the Group (measured on the basis of the latest available consolidated financial statement of the Issuer), unless the benefit of such Security Interest is extended to secure the Convertible Bonds equally and rateably.

The provisions of this Condition 6.1.3, however, do not apply to Security Interests arising pursuant to mandatory provisions of law.

6.2 Definitions and interpretation

6.2.1 *Definitions*

In these Conditions, unless otherwise provided:

"**Additional Ordinary Shares**" means the additional Ordinary Shares (if any) issued by way of a retroactive adjustment pursuant to Condition 6.4.3.

"**Bondholder**" means, in respect of any Convertible Bond, the person entitled thereto in accordance with the NBB-SSS Regulations.

"**Business Day**" means, in relation to any place, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in that place.

"**Calculation Agent**" has the meaning provided in the preamble to these Terms and Conditions.

"**Capital Distribution**" has the meaning provided in Condition 6.4.2.3 (a).

"**Cash Alternative Amount**" means an amount in euros calculated by the Calculation Agent in accordance with the following formula and which shall be payable to a Bondholder upon an exercise of a Conversion Right if a Cash Alternative Election is applicable to such exercise:

N

$$CAA = \sum_{n=1} 1/N \times S \times P_n$$

where:

- CAA = the Cash Alternative Amount;
- S = the number of Cash Settled Shares;
- P_n = the Volume Weighted Average Price of an Ordinary Share on the n^{th} Dealing Day of the Cash Alternative Calculation Period; and
- N = 20, being the number of Dealing Days in the Cash Alternative Calculation Period, provided that if any Dividend or other entitlement in respect of the Ordinary Shares is announced and the Ex-Date in respect of such Dividend or entitlement is after the relevant Conversion Date and before the end of the Cash Alternative Calculation Period, then on each Dealing Day in the Cash Alternative Calculation Period which is on or after the Ex-Date in respect of such Dividend or entitlement the price determined as provided above shall be increased by an amount equal to the Fair Market Value of any such Dividend or other entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement (or, if that is not a Dealing Day, the immediately preceding Dealing Day).

"Cash Alternative Calculation Period" means the period of 20 consecutive Dealing Days commencing on the Dealing Day following the Cash Election Date.

"Cash Alternative Election" means an election made by the Issuer to settle a conversion of Convertible Bonds in cash rather than in Ordinary Shares, in accordance with Condition 6.4.13.

"Cash Dividend" has the meaning provided in Condition 6.4.2.3(a).

"Cash Election Date" means the date falling three Brussels Business Days following the relevant Conversion Date.

"Cash Settled Shares" means the number of Ordinary Shares (including any fraction of an Ordinary Share) which is equal to the Reference Shares minus, if any, the Fixed Number of Shares.

"Change of Control" shall occur if an offer is made by any 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 or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled (such entitlement being unconditional and not being subject to any discretion of the offeror as to whether to exercise it or not) to acquire as a result of such offer, post completion thereof, Shares or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast at a general meeting of the Issuer.

"Change of Control Notice" means a notice of Change of Control given by the Issuer to the Paying and Conversion Agent and to the Bondholders in accordance with Condition 6.12, as specified in Condition 6.4.8.

"Change of Control Period" means the period commencing on the occurrence of a Change of Control and ending 60 calendar days following the Change of Control or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 6.4.8.

"Change of Control Put Date" means the date which is 80 calendar days following a Change of Control or, if the Issuer has failed to deliver a Change of Control Notice in accordance with Condition 6.4.8, the date which is 15 calendar days following the applicable Change of Control Put Exercise Notice.

"Change of Control Put Exercise Notice" means a notice given by a Bondholder requiring the Issuer to redeem a Convertible Bond on a Change of Control Put Date in accordance with Condition 6.5.2.

"Change of Control Resolutions" means one or more resolutions duly adopted at a general meeting of the Shareholders of the Issuer approving and confirming the provisions of Condition 6.5.2 and Condition 6.4.2.10.

"Clearstream, Luxembourg" means Clearstream Banking, *société anonyme*.

"Closing Date" means 15 September 2016.

"Closing Price" means, in respect of any Dealing Day:

- (a) in the case of Shares, the closing price of a Share on the Relevant Stock Exchange published by or derived from Bloomberg page COFB BB Equity HP (or any successor page) (setting Last Price, or any other successor setting and using values not adjusted for any event occurring after such Dealing Day; and for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) in respect of such Dealing Day; and
- (b) in the case of any options, warrants or other rights or assets, the closing price of such options, warrants or other rights or assets as published by or derived from the equivalent Bloomberg page in respect of the Relevant Stock Exchange on such Dealing Day or, if not able to be so determined, the closing price on the Relevant Stock Exchange as obtained or derived from such other source (if any) as shall be determined to be appropriate by an Independent Financial Adviser on such Dealing Day,

provided that if on any such Dealing Day such price is not available or cannot otherwise be determined as provided above, the Closing Price of a Share or, as the case may be, any options, warrants or other rights or assets in respect of such Dealing Day shall be the Closing Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined, all as calculated by the Calculation Agent, or, if such price cannot be so calculated as aforesaid, calculated by an Independent Financial Adviser in such manner as it might otherwise determine in good faith to be appropriate;

"Conversion Date" means the conversion date in respect of a Convertible Bond, determined in accordance with Condition 6.4.9.

"Conversion Notice" means a duly completed and signed notice of conversion of a Convertible Bond, delivered in accordance with Condition 6.4.9.

"Conversion Period" means the period during which Conversion Rights may be exercised by a Bondholder, as specified in Condition 6.4.1.

"Conversion Price" means initially EUR 146.00 per Ordinary Share, subject to adjustment in the circumstances described in Condition 6.4.2.

"Conversion Right" means the right of a Bondholder to convert its Convertible Bonds into Ordinary Shares, subject to the terms of Condition 6.4.

"Current Market Price" means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Price of an Ordinary Share on each of the five consecutive Dealing Days ending on the Dealing Day immediately preceding such date; as determined by the Calculation Agent; provided that if at any time during the said five-dealing-day period the Volume Weighted Average Price shall have been based on a price ex-Dividend (or ex- any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum-any other entitlement), then:

- (a) if the Ordinary Shares to be issued or transferred and delivered do not rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum-Dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date in respect of Dividend or entitlement (subject to paragraph (2) below), in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; or
- (b) if the Ordinary Shares to be issued or transferred and delivered do rank for the Dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-Dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement (subject to paragraph (2) below), in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit,

and provided further that:

- (1) if on each of the said five Dealing Days the Volume Weighted Average Price shall have been based on a price cum-Dividend (or cum- any other entitlement) in respect of a Dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued or transferred and delivered do not rank for that Dividend (or other entitlement) the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the date in respect of which the Current Market Price is being determined (subject to proviso (2) below), in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;
- (2) for the purpose of any of the above provisos only, where such Dividend or entitlement is deemed to constitute a Cash Dividend pursuant to paragraph (a) of

the definition of "Dividend", the amount thereof shall be deemed to be equal to the amount of the Fair Market Value of the cash amount of such Dividend as was declared by the Company, or, as the case may be, the Fair Market Value of such number of Shares or Preferential Shares or other property or assets deemed to constitute such Cash Dividend (or, in each case, in the absence of such declared amount, or, as the case may be, number, being available on the date in respect of which the Current Market Price is being determined, such amount or, as the case may be, number, as was last publicly announced, proposed or estimated by the Company), in each case as at the date specified in the relevant proviso for the purpose of determining the Fair Market Value of such Dividend or entitlement);

- (3) for the purposes of any calculation or determination required to be made pursuant to paragraph (a) of the definition of "Dividend", if on any of the said five Dealing Days the Volume Weighted Average Price shall have been based on a price cum the relevant Dividend or capitalisation giving rise to the requirement to make such calculation or determination, the Volume Weighted Average Price on any such Trading Day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the relevant Cash Dividend as at the first date on which the Ordinary Shares are traded ex- the relevant Dividend or capitalisation, and;
- (4) if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five Dealing Days (disregarding for this purpose the provisos to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five-dealing-day period shall be used (subject to a minimum of two such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period the Current Market Price shall be determined by an Independent Financial Adviser.

"Dealing Day" means a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is open for business and on which Shares, Securities, Spin-Off Securities options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange or relevant stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time).

"Dividend" means any dividend or distribution to Shareholders (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue or delivery of Shares or other Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the issue or delivery of Ordinary Shares, Preferential Shares or other property or assets, or where an issue or delivery of Ordinary Shares, Preferential Shares or other property or assets by way of a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to (unless otherwise specified in these Conditions) the sum of (i) (in respect of the portion (which may be none or the whole) of such Dividend or capitalisation that is actually

satisfied (at the election of the Shareholders or otherwise) by the payment of cash), the Fair Market Value of such cash amount and (ii) (in respect of the portion (which may be none or the whole) of such Dividend or capitalisation that is actually satisfied (at the election of the Shareholders or otherwise) by the issue or delivery of Ordinary Shares, Preferential Shares or other property or assets), the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such Preferential Shares or other property or assets (plus, if applicable, the amount of tax withheld by the Issuer in respect of such Dividend or capitalisation and the amount of cash paid in lieu of fractions of Ordinary Shares, Preference Shares or other property or assets), in any such case as at the first date on which the Ordinary Shares are traded ex- the relevant Dividend or capitalisation on the Relevant Stock Exchange;

- (b) any issue of Shares falling within Condition 6.4.2.2 shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Shares by or on behalf of the Issuer or any of its Subsidiaries, the weighted average price per Share (before expenses) on any one day (a "Specified Share Day") in respect of such purchases or redemptions or buy backs (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than 5 per cent. the Current Market Price of an Ordinary Share as at the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Shares at some future date at a specified price or where a tender offer is made, as at the date of such announcement or the date of first public announcement of such tender offer (and regardless of whether or not a price per Share, a minimum price per Share or a price range or formula for the determination thereof is or is not announced at such time), as the case may be, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency to the extent that the aggregate price paid (before expenses) in respect of such Shares purchased, redeemed or bought back by the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of the Current Market Price of an Ordinary Share determined as aforesaid and (ii) the number of Shares so purchased, redeemed or bought back, all as determined by the Calculation Agent;
- (d) if the Issuer or any of its Subsidiaries shall purchase, redeem or buy back any depositary or other receipts or certificates representing Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Adviser;
- (e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Shares held by them from a person other than (or in addition to) the Issuer, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly, and any such determination shall be made on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit; and

- (f) a dividend or distribution that is a Spin-Off shall be deemed to be a Dividend paid or made by the Issuer.

"Effective Date relating to such Dividend or entitlement" means the first date on which the Ordinary Shares are traded ex- the relevant Dividend or entitlement on the Relevant Stock Exchange (and, for the purposes of Conditions 6.4.2.3 to 6.4.2.9, **"Effective Date"** has the meaning provided in these Conditions).

"EUR", "euro" or "€" means the currency of the economic and monetary union established in accordance with Article 3.4 of the Treaty on European Union.

"Euroclear" means Euroclear Bank SA/NV.

"Euroclear Belgium" means the Belgian clearing house for securities which operates under the trade name "Euroclear Belgium".

"Euronext Brussels" means the regulated market of Euronext Brussels.

"Event of Default" means each of the events set out in Condition 6.8.

"Extraordinary Resolution" means a resolution passed at a meeting of Bondholders duly convened and held in accordance with Condition 6.11.1 by a majority of not less than that three quarters of the votes cast.

"Ex-Date" means, in respect of any Dividend or entitlement, the first Dealing Day on which the Ordinary Shares are traded ex- the relevant Dividend or entitlement on the Relevant Stock Exchange, or, in the case of a Dividend pursuant to paragraph (c) of the definition thereof, the date on which such purchase, redemption or buy back is made.

"Fair Market Value" means, with respect to any property on any date, (i) in the case of a Cash Dividend, the amount (subject to proviso (b)(1) below) of such Cash Dividend; (ii) in the case of any other cash amount, the amount (subject to proviso (b)(1) below) of such cash; (iii) in the case of Securities, Spin-Off Securities, options, warrants or other rights or assets that are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by the Calculation Agent), (a) in the case of Shares or Spin-Off Securities, the arithmetic mean of the daily Volume Weighted Average Prices of such Securities or Spin-Off Securities and (b) in the case of Securities (other than Shares or Spin-Off Securities), options, warrants or other rights or assets, the arithmetic mean of the daily Closing Prices of such Securities, options, warrants or other rights or assets, in the case of both (a) and (b) during the period of five Dealing Days on the Relevant Stock Exchange commencing on such date (or, if later, the first such Dealing Day such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded) or such shorter period as such Securities, Spin-Off Securities, options, warrants or other rights or assets are publicly traded; (iv) in the case of Securities, Spin-Off Securities, options, warrants or other rights or assets which are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid), the Fair Market Value of such Securities, Spin-Off Securities, options, warrants or other rights shall be determined by an Independent Financial Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Securities, Spin-Off Securities, options, warrants or other rights or assets, including as to the expiry date and exercise price (if any) thereof.

The above applies, provided that:

- (a) such amounts shall, in the case of (i) above, be translated by the Calculation Agent into the Relevant Currency (if declared or paid or payable in a currency other than the Relevant Currency) at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and in any other case, shall be translated by the Calculation Agent into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date; and
- (b) in the case of (i) and (ii) above,
 - (1) the amount of such Cash Dividend, or, as the case may be, such cash, shall be such amount (subject as provided in paragraph (a) of the definition of "Dividend") as was declared by the Issuer, or, in the absence of such declared amount being available on the date in respect of which the Fair Market Value is being determined, such cash amount as was last publicly announced, proposed or estimated by the Issuer;
 - (2) , the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

"Final Maturity Date" means 15 September 2021.

"Fixed Number of Shares" means the whole number of Ordinary Shares specified as the Fixed Number of Shares in a Cash Alternative Election Notice, which may be zero.

"Further Convertible Bonds" means any further Convertible Bonds issued pursuant to Condition 6.13 and consolidated and forming a single series with the then outstanding Convertible Bonds.

"Group" means the Issuer and each of its Subsidiaries from time to time.

"Independent Financial Adviser" means an independent financial institution of international repute, which may be the Calculation Agent, appointed by the Issuer or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by Resolution of the Bondholders in their sole discretion), appointed by Resolution of the Bondholders, in each case at the expense of the Issuer.

"Interest Payment Date" means 15 September in each year, commencing with the first Interest Payment Date falling on 15 September 2017.

"Interest Period" means the period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Long-stop Date" means 30 June 2017.

"Material Subsidiary" means a subsidiary of the Issuer:

- (a) whose operating profits represent 10% or more of the consolidated operating profits of the Group or whose assets represent 10% or more of the total consolidated assets of

the Group, those consolidated operating profits or assets being measured on the basis of the latest available consolidated financial statements of the Issuer; or

- (b) to which is transferred all or a substantial part of the assets and liabilities of another Subsidiary which immediately prior to such transfer was a Material Subsidiary.

"NBB Payment Day" means any Brussels Business Day on which (i) the NBB-SSS is operating and (ii) on which day the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System is open.

"Non-Cash Dividend" has the meaning provided in Condition 6.4.2.3 (a).

"Ordinary Shares" means fully paid ordinary shares in the capital of the Issuer, currently without par value.

"outstanding" means, in relation to the Convertible Bonds, all the Convertible Bonds issued except (a) those that have been redeemed, (b) those in respect of which Conversion Rights have been exercised, and all the obligations of the Issuer have been duly performed in relation thereto, (c) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such redeemed Convertible Bonds to the date for such redemption) have been duly paid to the Paying and Conversion Agent and remain available for payment, (d) those which have become void, (e) those which have been purchased and cancelled as provided in these Conditions, provided that for each of the following purposes, namely (i) the right to attend and vote at any meeting of Bondholders, and (ii) the determination of how many and which Bonds are for the time being outstanding for the purposes of Condition 6.1.3 (*Negative Pledge*), Condition 6.8 (*Events of Default*), and Condition 6.11 (*Meetings of Bondholders; Modification and Waiver*) (and any meetings of Bondholders held), those Convertible Bonds (if any) which are for the time being held by any person (including but not limited to the Issuer or any Subsidiary of either) for the benefit of the Issuer or any Subsidiary of either shall (unless and until ceasing to be so held) be deemed not to remain outstanding

"Person" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"Preferential Shares" means preferential shares in the capital of the Issuer having the rights and entitlements set out in Article 8 of the articles of association (*statuts/statuten*) of the Issuer.

"Prevailing Rate" means, in respect of any currencies on any day, the spot mid-rate of exchange between the relevant currencies prevailing as at 12 noon (Brussels time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at 12 noon (Brussels time) on the immediately preceding day on which such rate can be so determined or if such rate cannot be so determined by reference to the Relevant Page, the rate determined in such other manner as an Independent Financial Adviser shall prescribe.

"Rate of Interest" means 0.1875 per cent per annum.

"Reference Date" means, in relation to a Retroactive Adjustment, the date as of which the relevant Retroactive Adjustment takes effect or, in any such case, if that is not a Dealing Day, the next following Dealing Day.

"Reference Shares" means the number of Ordinary Shares (including, for this purpose, any fraction of an Ordinary Share) to which the relevant Bondholder would have been entitled in respect of the relevant exercise of Conversion Rights (disregarding for this purpose Condition 6.4.1(g) and Condition 6.4.3) in the absence of a Cash Alternative Election being applicable to such exercise.

"Relevant Currency" means euro or, if at the relevant time or for the purposes of the relevant calculation or determination, Euronext Brussels is not the Relevant Stock Exchange, the currency in which the Ordinary Shares are quoted or dealt in on the Relevant Stock Exchange at such time.

"Relevant Page" means the "Bloomberg FX Fixings" (page BFIX, using the setting "Mid price") on Bloomberg or, if not available from Bloomberg, such other information service provider (as determined by the Independent Adviser) that at the relevant time displays the relevant information.

"Relevant Stock Exchange" means (i) in the case of Ordinary Shares, Euronext Brussels or if at the relevant time the Ordinary Shares are not listed and admitted to trading Euronext Brussels, the principal stock exchange or securities market on which the Ordinary Shares are then listed, admitted to trading or quoted or dealt in; and (ii) in the case of Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants, or other rights or assets, the principal stock exchange or securities market on which such Securities (other than Ordinary Shares), Spin-Off Securities, options, warrants, or other rights or assets are then listed, admitted to trading or quoted or dealt in.

"Resolution of the Bondholders" means a resolution duly adopted at a meeting of Bondholders held in accordance with Condition 6.11.1.

"Retail Investor" means any Person who is not a "qualified investor" as defined in article 2.1 (e) of Directive 2003/71/EC (as amended by Directive 2010/73/EU) or who is a natural person.

"Retroactive Adjustment" means an adjustment to the Conversion Price made in the circumstances set out in Condition 6.4.3.

"Securities" means any securities including, without limitation, Shares, or options, warrants or other rights to subscribe for or purchase or acquire Shares.

"Security Interest" means any mortgage, charge, lien, pledge or other security interest.

"SEPA Account" means a bank account held within the Single Euro Payments Area, as defined from time to time by the European Payments Council.

"Shareholders" means the holders of Ordinary Shares or Preferential Shares.

"Shares" means Ordinary Shares or Preferential Shares.

"Specified Date" has the meaning provided in Conditions 6.4.2.7 and 6.4.2.8.

"Spin-Off" means:

- (a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted by any entity) by any entity (other than

the Issuer) to Shareholders as a class pursuant to any arrangement with the Issuer or any of its Subsidiaries.

"Spin-Off Securities" means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

"Subsidiary" means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued share capital (or equivalent) is then beneficially owned by the Issuer and/or one or more of its Subsidiaries. For this purpose, for a company to be **"controlled"** by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

"Volume Weighted Average Price" means, in respect of an Ordinary Share, Security or, as the case may be, a Spin-Off Security on any Dealing Day, the volume-weighted average price of an Ordinary Share, Security or, as the case may be, a Spin-Off Security published by or derived (in the case of an Ordinary Share) from Bloomberg page COFB BB <EQUITY> HP (using the setting labelled Weighted Average Line, or any equivalent successor to this page or this setting and using values not adjusted for any event occurring after such Dealing Day; for the avoidance of doubt, all values will be determined with all adjustment settings on the DPDF Page, or any successor or similar setting, switched off) or (in the case of a Security (other than Ordinary Shares), Spin-Off Security options, warrants or other rights) from the equivalent Bloomberg page in respect thereof or, in any such case, such other source (if any) as shall be determined to be appropriate by an Independent Financial Adviser on such Dealing Day, provided that if on any such Dealing Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share, Security, Spin-Off Security option, warrant or other right, as the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined, as determined by the Calculation Agent, and provided further that if the Volume Weighted Average Price in respect of such Dealing Day cannot be so determined, such Volume Weighted Average Price shall be determined in good faith by an Independent Financial Adviser.

6.2.2 *Interpretation*

- 6.2.2.1 References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.
- 6.2.2.2 References to any issue or offer or grant to Shareholders **"as a class"** or **"by way of rights"** shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders other than Shareholders to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.
- 6.2.2.3 In making any calculation or determination of Current Market Price or Volume Weighted Average Price, such adjustments (if any) shall be made as the Calculation Agent or Independent Financial Adviser considers appropriate to reflect any consolidation or sub-division of the Shares, any change in the conversion ratio between Preferential Shares and Ordinary

Shares or any issue of Shares by way of capitalisation of profits or reserves, or any like or similar event.

- 6.2.2.4 For the purposes of Conditions 6.4.1, 6.4.2, 6.4.3, 6.4.9, 6.4.10 and 6.9 only, (a) references to the "**issue**" of Shares or Shares being "**issued**" shall include the transfer and/or delivery of Shares, whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries, and (b) Shares held by or on behalf of the Issuer or any of its Subsidiaries (and which, in the case of Condition 6.4.2.4 and 6.4.2.6, do not rank for the relevant right or other entitlement) shall not be considered as or treated as "**in issue**" or "**issued**" or entitled to receive the relevant Dividend, right or other entitlement.
- 6.2.2.5 Headings and sub-headings are for ease of reference only and shall not affect the construction of these terms and conditions.

6.3 Interest

6.3.1 Interest Rate

The Convertible Bonds bear interest from (and including) the Closing Date at the rate of 0.1875 per cent. per annum (the "**Rate of Interest**") calculated by reference to the principal amount thereof and payable annually in arrear on 15 September in each year (each an "**Interest Payment Date**"), commencing with the Interest Payment Date falling on 15 September 2017.

The amount of interest payable in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the number of days from (and including) 15 September immediately preceding the last day of such period to (but excluding) the next 15 September.

6.3.2 Accrual of Interest

Each Convertible Bond will cease to bear interest (i) where the Conversion Right shall have been exercised by a Bondholder, from the Interest Payment Date immediately preceding the relevant Conversion Date or, if none, the Closing Date or (ii) where such Convertible Bond is redeemed or repaid pursuant to Condition 6.5 or Condition 6.8, from the due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 6.3.1 (both before and after judgment) until all sums due in respect of such Convertible Bond up to that day are duly paid in accordance with Condition 6.6.

6.4 Conversion of Convertible Bonds

6.4.1 Conversion Period and Conversion Price

(a) Subject to the provisions of Condition 6.4.13 and otherwise as provided in these Conditions, each Convertible Bond shall entitle the holder to convert such Convertible Bond into existing Ordinary Shares and/or new Ordinary Shares, in each case credited as fully paid (a "**Conversion Right**").

Subject to the provisions of Condition 6.4.13, the number of Ordinary Shares to be issued or transferred and delivered on exercise of a Conversion Right shall be determined by the Calculation Agent by dividing the principal amount of the Convertible Bonds to be converted by the conversion price (the "**Conversion Price**") in effect on the relevant Conversion Date.

(b) The initial Conversion Price is EUR 146.00 per Ordinary Share. The Conversion Price is subject to adjustment in the circumstances described in Condition 6.4.2.

(c) A Bondholder may exercise the Conversion Right in respect of a Convertible Bond by delivering a duly completed Conversion Notice, together with the Convertible Bond to be converted, to the specified office of the Paying and Conversion Agent in accordance with Condition 6.4.9 whereupon the Issuer shall (subject to the provisions of Condition 6.4.13 and as otherwise provided in these Conditions) procure the delivery, to or as directed by the relevant Bondholder, of Ordinary Shares credited as paid up in full as provided in this Condition 6.4.

(d) Subject to and as provided in these Conditions, the Conversion Right in respect of a Convertible Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) from 26 October 2016 to the close of business (in Brussels) on the date falling seven Brussels Business Days prior to the Final Maturity Date (both days inclusive) unless there shall be a default in making payment in respect of such Convertible Bond on such date fixed for redemption, in which event the Conversion Right shall extend up to (and including) the close of business (in Brussels) on the date on which the full amount due is duly paid in accordance with Condition 6.6 or, if earlier, the Final Maturity Date or, if the Final Maturity Date is not a Brussels Business Day, the immediately preceding Brussels Business Day; provided that, in each case, if such final date for the exercise of Conversion Rights is not a Brussels Business Day, then the period for exercise of Conversion Rights by Bondholders shall end on the immediately preceding Brussels Business Day.

Conversion Rights may not be exercised in respect of a Convertible Bond in respect of which the relevant Bondholder has exercised its right to require the Issuer to redeem that Convertible Bond pursuant to Condition 6.5.2.

(e) The period during which Conversion Rights may (subject as provided below) be exercised by a Bondholder is referred to as the "**Conversion Period**".

(f) Conversion Rights may only be exercised in respect of the whole of the principal amount of a Convertible Bond.

(g) Fractions of Ordinary Shares will not be issued on conversion or pursuant to Condition 6.4.3 and, except where any individual entitlement would be less than €5, a cash payment shall be made by the Issuer in respect of any such fraction determined by the Calculation Agent by reference to the Volume Weighted Average Price of an Ordinary Share on the relevant Conversion Date and the Issuer shall make payment of the relevant amount to the relevant Bondholder not later than five Brussels Business Days following the relevant Conversion Date by transfer to a SEPA Account, in accordance with instructions contained in the relevant Conversion Notice. If the Conversion Right in respect of more than one Convertible Bond is exercised at any one time such that Ordinary Shares are to be issued to the same person, the number of such Ordinary Shares to be issued in respect thereof, and any fraction of an Ordinary Share, shall be calculated by the Calculation Agent on the basis of the aggregate principal amount of such Convertible Bonds being so converted (rounded down, if necessary, to the nearest whole number of Ordinary Shares).

(h) The Issuer will procure that Ordinary Shares to be issued or delivered on exercise of Conversion Rights will be issued or delivered to the holder of the Convertible Bonds completing the relevant Conversion Notice or his nominee. Such Ordinary Shares will be

deemed to be issued or delivered as of the relevant Conversion Date, to the extent permitted by law. Any Additional Ordinary Shares to be issued or transferred and delivered pursuant to Condition 6.4.3 will be deemed to be issued or delivered as of the relevant Reference Date.

6.4.2 *Adjustment of Conversion Price*

Upon the happening of any of the events described below, the Conversion Price shall be determined and calculated by the Calculation Agent as follows (provided that any adjustment made pursuant to Conditions 6.4.2.2 to 6.4.2.11 shall operate downwards only):

6.4.2.1 Consolidation, reclassification or subdivision of shares

If and whenever there shall be a consolidation, reclassification or subdivision in relation to the Ordinary Shares, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such consolidation, reclassification or subdivision by the following fraction:

A

B

where:

A is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification or subdivision, as the case may be; and

B is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification or subdivision, as the case may be, takes effect.

6.4.2.2 New Shares issued by way of capitalisation of profits or reserves

If and whenever the Issuer shall issue any Shares credited as fully paid to the Ordinary Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than where such issue of Shares is deemed to constitute a Cash Dividend pursuant to paragraph (a) of the definition of "Dividend", the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

A

B

where:

A is the aggregate number of Ordinary Shares in issue immediately before such issue; and

B is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

6.4.2.3 Extraordinary Dividend

(a) If and whenever a Relevant Date shall occur, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

A - B

A - C

where:

- A is the Current Market Price of one Ordinary Share on the Relevant Date;
- B is the portion of the Fair Market Value of the aggregate Extraordinary Dividend attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Extraordinary Dividend by the number of Ordinary Shares entitled to receive such Extraordinary Dividend (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back); and
- C is the amount (if any) by which the Threshold Amount in respect of the Relevant Fiscal Year exceeds an amount equal to the aggregate of the Fair Market Values of any previous Dividends per Ordinary Share paid or made in such Relevant Fiscal Year (where "C" shall be zero if such previous Dividends per Ordinary Share are equal to, or exceed, the Threshold Amount in respect of such Relevant Fiscal Year). For the avoidance of doubt "C" shall equal the Threshold Amount in respect of the Relevant Fiscal Year where no previous Dividends per Ordinary Share have been paid or made in such Relevant Fiscal Year.

Such adjustment shall become effective on the Effective Date.

"**Cash Dividend**" means (i) any Dividend which is to be paid or made in cash (in whatever currency), but other than falling within paragraph (b) of the definition of "**Spin-Off**" and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of "**Dividend**", and for the avoidance of doubt, a Dividend falling within paragraphs (b), (c) or (d) of the definition of "**Dividend**" shall be treated as being a Non-Cash Dividend.

"**Effective Date**" means, in respect of this Condition 6.4.2.3, the Relevant Date of the Relevant Dividend, or, if later, the first date upon which the Fair Market Value of the relevant Extraordinary Dividend is capable of being determined as provided herein.

"**Extraordinary Dividend**" means any Dividend (the "**Relevant Dividend**") declared, announced, proposed or estimated by the Issuer to be paid or made during a fiscal year of the Issuer (the "**Relevant Fiscal Year**"), if (a) the Fair Market Value of the Relevant Dividend per Ordinary Share or (b) the sum of (i) the Fair Market Value of the Relevant Dividend per Ordinary Share and (ii) an amount equal to the aggregate of the Fair Market Value or Values of any other Dividend or Dividends per Ordinary Share declared, announced, proposed or estimated by the Issuer to be paid or made during the Relevant Fiscal Year and which Ex-Date or Ex-Dates in respect thereof falls or fall prior to the Relevant Date, exceeds the Threshold Amount in respect of such Relevant Fiscal Year, and in that case the Extraordinary Dividend shall be the Relevant Dividend.

"Non-Cash Dividend" means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

"Relevant Date" means, in respect of this Condition 6.4.2.3, the Ex-Date in respect of the Relevant Dividend.

"Threshold Amount" means in respect of any Relevant Fiscal Year, € 3.00 per Ordinary Share (adjusted pro rata for any adjustments to the Conversion Price made pursuant to the provisions of this Condition 6.4.2).

- (b) For the purposes of this Condition 6.4.2.3 only,
- (i) the Fair Market Value of any Dividend shall (subject as otherwise provided above or in paragraph (a) of the definition of "Dividend" or in the definition of "Fair Market Value") be determined as at the Ex-Date in respect of such Dividend;
 - (ii) the amount of any Dividend (including for the avoidance of doubt a Dividend which is deemed to be a Cash Dividend pursuant to paragraph (a) of the definition of "Dividend") which is declared, announced, proposed or estimated by the Issuer to be paid or made in a fiscal year subsequent to the fiscal year in which the Ex-Date thereof occurs shall be such cash amount (if any) in respect thereof as was last declared, announced, proposed or estimated by the Issuer (or, if no such cash amount is available on the Relevant Date, an amount as determined in good faith to be appropriate by an Independent Adviser);
 - (iii) where more than one Relevant Date in respect of a Dividend falls on the same day (each of such Dividends with the same Relevant Date as aforesaid being a **"Simultaneous Dividend"**):
 - (y) any of such Simultaneous Dividends which are paid or made or to be paid or made in the same fiscal year shall together be deemed to constitute a single Dividend in an amount equal to the sum of the Fair Market Values of each such Simultaneous Dividend; and,
 - (z) where any of such Simultaneous Dividends are declared, announced, proposed or estimated by the Issuer to be paid or made in different fiscal years, any adjustment required to be made to the Conversion Price in respect of any of such Simultaneous Dividends pursuant to this Condition 6.4.2.3 shall be made in the same order as the fiscal years in which such Simultaneous Dividends are declared, announced, proposed or estimated by the Issuer to be paid or made, and for the purpose of any such adjustment "A" in paragraph (a) above shall be reduced by an amount equal to the sum of Fair Market Values of each such Simultaneous Dividend declared, announced, proposed or estimated by the Issuer to be paid or made in a fiscal year which falls earlier than the fiscal year in which the Relevant Dividend declared, announced, proposed or estimated by the Issuer to be paid or made (and, for the avoidance of doubt, such amount shall be equal to zero in the case of an adjustment to be made in respect of the first such Simultaneous Dividend).
- (c) In making any calculations for the purposes of this Condition 6.4.2.3, such adjustments (if any) shall be made as the Calculation Agent or an Independent Financial

Adviser may determine in good faith to be appropriate to reflect (i) any consolidation or sub-division of any Ordinary Shares or the issue of Ordinary Shares by way of capitalisation of profits or reserves (or any like or similar event) or any increase in the number of Ordinary Shares in issue in relation to the fiscal year of the Issuer in question, or (ii) any change in the fiscal year of the Issuer.

6.4.2.4 Issue of Ordinary Shares (or Securities which are convertible into or exchangeable for Ordinary Shares) by way of rights to Ordinary Shareholders at a price which is less than 95 per cent. of the Current Market Price

If and whenever the Issuer shall issue Ordinary Shares to Ordinary Shareholders as a class by way of rights, or shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any Securities (including, for the avoidance of doubt, Preferential Shares) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Relevant Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$\frac{A + B}{A + C}$

where:

- A is the number of Ordinary Shares in issue on the Relevant Date;
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights plus the additional consideration (if any) receivable upon (and assuming) the exercise of such options, warrants or rights at the initial subscription, purchase or acquisition price, would purchase at such Current Market Price per Ordinary Share; and
- C is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate.

Such adjustment shall become effective on the Effective Date

"**Effective Date**" means, in respect of this Condition 6.4.2.4, the date of issue of such Ordinary Shares, or, as the case may be, options, warrants or other rights or Securities as aforesaid.

"**Relevant Date**" means, in respect of this Condition 6.4.2.4, the Ex-Date in respect of such rights as aforesaid.

6.4.2.5 Issue of other Securities by way of rights to Ordinary Shareholders

If and whenever the Issuer shall issue any Securities (other than Ordinary Shares, Preferential Shares or options, warrants or other rights to subscribe for or purchase any Ordinary Shares) to Ordinary Shareholders as a class by way of rights or grant to Ordinary Shareholders as a class by way of rights any options, warrants or other rights to subscribe for or purchase any Securities (other than Ordinary Shares, Preferential Shares or options, warrants or other rights to subscribe for or purchase Ordinary Shares), the Conversion Price shall be ad-

justed by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

A

where:

A is the Current Market Price of one Ordinary Share on the Relevant Date; and

B is the Fair Market Value on the Relevant Date of the portion of the rights attributable to one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.4.2.5, the date of issue of such Securities, or, as the case may be, options, warrants or other rights as aforesaid.

"**Relevant Date**" means, in respect of this Condition 6.4.2.5, the Ex-Date in respect of such rights as aforesaid.

6.4.2.6 Issue of Ordinary Shares (or rights to subscribe or purchase Ordinary Shares) at a price which is less than 95 per cent. of the Current Market Price, otherwise than as mentioned in Condition 6.4.2.4

If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6.4.2.4) wholly for cash or for no consideration any Ordinary Shares (other than Ordinary Shares issued on conversion of Convertible Bonds or Preferential Shares or on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Ordinary Shares) or issue or grant (otherwise than as mentioned in Condition 6.4.2.4) wholly for cash or for no consideration any options, warrants or other rights to subscribe for or purchase any Ordinary Shares (other than the Convertible Bonds, which term shall for this purpose include any Further Convertible Bonds, but including, for the avoidance of doubt, Preferential Shares), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Relevant Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A + B}{A + C}$$

A + C

where:

A is the number of Ordinary Shares in issue immediately before the Relevant Date;

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the issue of such Ordinary Shares or, as the case may be, for the Ordinary Shares to be issued or otherwise made available upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Ordinary Share; and

C is the number of Ordinary Shares to be issued pursuant to such issue of such Ordinary Shares or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or rights calculated as at the date of issue of such options, warrants or rights.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.4.2.6, the date of issue of such Ordinary Shares or, as the case may be, the grant of such options, warrants or rights as aforesaid.

"**Relevant Date**" means, in respect of this Condition 6.4.2.6, the date of first public announcement of the terms of such issue of Ordinary Shares or, as the case may be, such grant of options, warrants or rights as aforesaid.

6.4.2.7 Issue by the Issuer or a Subsidiary of Securities convertible into Ordinary Shares at a price which is less than 95 per cent. of the Current Market Price

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity (otherwise than as mentioned in Conditions 6.4.2.4, 6.4.2.5 or 6.4.2.6) shall issue wholly for cash or for no consideration any Securities (other than the Convertible Bonds which term shall for this purpose exclude any Further Convertible Bonds, but including, for the avoidance of doubt, Preferential Shares) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, Ordinary Shares (or shall grant any such rights in respect of existing Securities so issued) or Securities which by their terms might be redesignated as Ordinary Shares, and the consideration per Ordinary Share receivable upon conversion, exchange, subscription or redesignation is less than 95 per cent. of the Current Market Price per Ordinary Share on the Relevant Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

A + B

A + C

where:

A is the number of Ordinary Shares in issue immediately before the Relevant Date (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for Ordinary Shares which have been issued, purchased or acquired by the Issuer or any Subsidiary of the Issuer (or at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued, purchased or acquired);

B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription attached to such Securities or, as the case may be, for the Ordinary Shares to be issued or to arise from any such redesignation would purchase at such Current Market Price per Ordinary Share; and

C is the maximum number of Ordinary Shares to be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such right of subscription attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Ordinary Shares which may be issued or arise from any such redesignation.

provided that if at the time of issue of the relevant Securities or date of grant of such rights (as used in this Condition 6.4.2.7, the "**Specified Date**") such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights of subscription are exercised or, as the case may be, such Securities are redesignated or at such other time as may be provided), then for the purposes of this Condition 6.4.2.7, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, redesignation had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.4.2.7, the date of issue of such Securities or, as the case may be, the grant of such rights. as aforesaid.

"**Relevant Date**" means, in respect of this Condition 6.4.2.7, the date of first public announcement of such issue of Securities or, as the case may be, such grant of rights as aforesaid.

It is expressly understood that any subsequent exercise, conversion or exchange of such Securities into Ordinary Shares, or redesignation of such Securities into Ordinary Shares, shall not trigger an additional adjustment of the Conversion Price or other terms of the Convertible Bonds.

6.4.2.8 Modification of the terms of issue of Securities convertible into Ordinary Shares, as a result of which the consideration payable for Ordinary Shares is less than 95 per cent. of the Current Market Price

If and whenever there shall be any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such Securities (other than the Convertible Bonds, which term shall for this purpose include any Further Convertible Bonds, but including, for the avoidance of doubt, Preferential Shares) as are mentioned in Condition 6.4.2.7 (other than in accordance with the terms (including terms as to adjustment) applicable to such Securities upon issue) so that following such modification the consideration per Ordinary Share receivable has been reduced and is less than 95 per cent. of the Current Market Price per Ordinary Share on the Relevant Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

A + B

A + C

where:

- A is the number of Ordinary Shares in issue on the Relevant Date (but where the relevant Securities carry rights of conversion into or rights of exchange or subscription for, or purchase or acquisition of, Ordinary Shares which have been issued, purchased or acquired by the Issuer or any Subsidiary of the Issuer (or at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) for the purposes of or in connection with such issue, less the number of such Ordinary Shares so issued, purchased or acquired);
- B is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares to be issued or otherwise made available upon conversion or exchange or upon exercise of the right of subscription, purchase or acquisition attached to the Securities so modified would purchase at such Current Market Price per Ordinary Share or, if lower, the existing conversion, exchange, subscription, purchase or acquisition price or rate of such Securities; and
- C is the maximum number of Ordinary Shares which may be issued or otherwise made available upon conversion or exchange of such Securities or upon the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription, purchase or acquisition price or rate but giving credit in such manner as the Calculation Agent or an Independent Financial Adviser shall consider appropriate for any previous adjustment under this Condition 6.4.2.8 or Condition 6.4.2.7;

provided that if at the time of such modification (as used in this Condition 6.4.2.8, the "**Specified Date**") such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such Securities are converted or exchanged or rights

of subscription, purchase or acquisition are exercised or at such other time as may be provided), then for the purposes of this Condition 6.4.2.8, "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Specified Date.

Such adjustment shall become effective on the Effective Date.

"**Effective Date**" means, in respect of this Condition 6.4.2.8, the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities as aforesaid.

"**Relevant Date**" means, in respect of this Condition 6.4.2.8, the date of first public announcement of the terms of the modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such Securities as aforesaid.

It is expressly understood that any subsequent exercise, conversion or exchange of such Securities into Ordinary Shares, or redesignation of such Securities into Ordinary Shares, shall not trigger an additional adjustment of the Conversion Price or other terms of the Convertible Bonds.

6.4.2.9 Other issues of Securities to Shareholders as a class

If and whenever the Issuer or any Subsidiary of the Issuer or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary of the Issuer) any other company, person or entity shall offer any Securities in connection with which Shareholders as a class are entitled to participate in arrangements whereby such Securities may be acquired by them (except where the Conversion Price falls to be adjusted under Conditions 6.4.2.2, 6.4.2.3, 6.4.2.4, 6.4.2.6 or 6.4.2.8 above or 6.4.2.11 below (or would fall to be so adjusted if the relevant issue or grant was at less than 95 per cent. of the Current Market Price per Ordinary Share on the relevant day) or under Condition 6.4.2.5), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

A

where:

A is the Current Market Price of one Ordinary Share on the Relevant Date; and

B is the Fair Market Value on the Relevant Date of the rights to subscribe for the relevant offer attributable one Ordinary Share.

Such adjustment shall become effective on the Effective Date.

"**Relevant Date**" means, in respect of this Condition 6.4.2.9, the date of issue of such Securities as aforesaid.

"**Effective Date**" means, in respect of this Condition 6.4.2.9, the Ex-Date in respect of the rights as aforesaid.

6.4.2.10 Change of Control

If a Change of Control shall occur, then upon any exercise of Conversion Rights where the Conversion Date falls during the Change of Control Period, the Conversion Price applicable solely in respect of any such exercise of Conversion Rights (the "**Change of Control Conversion Price**") shall be determined as set out below:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

where:

| | | |
|------------------------|---|--|
| COCCP | = | means the Change of Control Conversion Price |
| OCP Conversion Date | = | means the Conversion Price in effect on the relevant Conversion Date |
| CP | = | means 27.41 per cent. (expressed as fraction) |
| c Change of | = | means the number of days from and including the date the Control occurs to but excluding the Final Maturity Date |
| t to but | = | means the number of days from and including the Closing Date to but excluding the Final Maturity Date. |

This Condition 6.4.2.10 will only become effective if and when the Change of Control Resolutions are approved.

6.4.2.11 Adjustments as a result of other circumstances

If, following consultation with the Calculation Agent, the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more circumstances not referred to above in this Condition 6.4.2 (even if the relevant circumstance is specifically excluded from the operation of Conditions 6.4.2.1 to 6.4.2.10), the Issuer shall, at its own expense and acting reasonably, request an Independent Financial Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and the date on which such adjustment (if any) should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 6.4.2.11 if such Independent Financial Adviser is so requested to make such a determination not more than 21 days after the date on which the relevant circumstance arises and if the adjustment would result in a reduction to the Conversion Price.

6.4.2.12 General provisions regarding adjustments

Notwithstanding the foregoing provisions:

- (a) where the events or circumstances giving rise to any adjustment pursuant to this Condition 6.4.2 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, following consultation with the Calculation Agent, a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made, to the operation of the adjustment provisions as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result;
- (b) such modification shall be made, following consultation with the Calculation Agent, to the operation of these Conditions as may be advised by an Independent Financial Adviser to be in its opinion appropriate (i) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once and (ii) to ensure that the economic effect of a Dividend is not taken into account more than once; and
- (c) for the avoidance of doubt, the issue of Ordinary Shares pursuant to the exercise of Conversion Rights, the conversion of Preferential Shares into Ordinary Shares pursu-

ant to Article 8.2 of the statutes of the Issuer as in effect on the Closing Date, or the exercise of any other options, warrants or other rights, or in consideration for a contribution in kind to the capital of the Issuer (including by way of merger), shall not result in an adjustment to the Conversion Price.

For the purpose of any calculation of the consideration receivable or price pursuant to Conditions 6.4.2.4, 6.4.2.6, 6.4.2.7 and 6.4.2.8, the following provisions shall apply:

- (a) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;
- (b) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Securities shall be deemed to be the consideration or price received or receivable for any such Securities, (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Securities or upon the exercise of any options, warrants or rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Securities or, as the case may be, for such options, warrants or rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or rights as at the date of the first public announcement as referred to in Conditions 6.4.2.6, 6.4.2.7 or 6.4.2.8, as the case may be, plus in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Securities, or upon the exercise of such rights or subscription attached thereto or, as the case may be, upon exercise of such options, warrants or rights, and (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Securities or, as the case may be, upon the exercise of such options, warrants or rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;
- (c) if the consideration or price determined pursuant to (a) or (b) above (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the date of the first public announcement of the terms of issue of such Ordinary Shares or, as the case may be, Securities;
- (d) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Securities or options, warrants or rights, or otherwise in connection therewith; and
- (e) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

6.4.3 *Retroactive Adjustments*

Subject as provided in Condition 6.4.13, if the Conversion Date in relation to the conversion of any Convertible Bond shall be after the record date in respect of any consolidation, re-classification or sub-division as is mentioned in Condition 6.4.2.1, or after the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Condition 6.4.2.2, 6.4.2.3, 6.4.2.4, 6.4.2.5 or 6.4.2.9, or after the date of the first public announcement of the terms of any such issue or grant as is mentioned in Condition 6.4.2.6 or 6.4.2.7 or of the terms of any such modification as is mentioned in Condition 6.4.2.8, but before the relevant adjustment to the Conversion Price becomes effective under Condition 6.4.2 (such adjustment, a "**Retroactive Adjustment**"), then the Issuer shall (conditional upon the relevant adjustment becoming effective, and subject to Condition 6.4.14.2 where the relevant exercise of Conversion Rights is the subject of a Cash Alternative Election) procure that there shall be issued or transferred and delivered to the converting Bondholder, in accordance with the instructions contained in the Conversion Notice, such additional number of Ordinary Shares (if any) (the "**Additional Ordinary Shares**") as, together with the Ordinary Shares issued or to be transferred and delivered on conversion of the relevant Convertible Bonds (together with any fraction of an Ordinary Share not so issued or delivered), is equal to the number of Ordinary Shares which would have been required to be issued or delivered on conversion of such Convertible Bond if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date.

6.4.4 *Decision of the Calculation Agent or an Independent Financial Adviser*

Adjustments to the Conversion Price shall be determined and calculated by the Calculation Agent, and/or, to the extent so specified in the Conditions in good faith by an Independent Financial Adviser. Adjustments to the Conversion Price calculated by the Calculation Agent or, where applicable, an Independent Financial Adviser and any other determinations made by the Calculation Agent or, where applicable, an Independent Financial Adviser pursuant to the Conditions shall be final and binding (in the absence of manifest error) on the Issuer, the Bondholders and the Paying and Conversion Agent, and (in the case of a determination by an Independent Financial Adviser) the Calculation Agent.

The Calculation Agent may consult, at the expense of the Issuer, on any matter (including but not limited to, any legal matter), any legal or other professional adviser and it shall be able to rely upon, and it shall not be liable and shall incur no liability as against the Bondholders in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with, that adviser's opinion. The Calculation Agent shall act solely as agent of and upon request from the Issuer, and the Calculation Agent, or, as the case may be, any Independent Financial Adviser appointed by the Issuer in accordance with these Conditions, will not thereby assume any obligations towards or relationship of agency or trust with, and they shall not be liable and shall incur no liability as against, the Bondholders.

The Issuer reserves the right under the Calculation Agency Agreement at any time to vary or terminate the appointment of the Calculation Agent and appoint another Calculation Agent, provided that it will maintain a Calculation Agent which shall be a financial institution of international repute or a financial adviser with appropriate expertise.

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Issuer and an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect thereof shall be conclusive and binding on the Issuer, the Calculation Agent and the Bondholders, save in the case of manifest error.

6.4.5 *Share Option Schemes, Dividend Reinvestment Plans*

No adjustment will be made to the Conversion Price where Shares or other Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including Directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme or pursuant to any dividend reinvestment plan or similar plan or scheme.

6.4.6 *Rounding Down and Notice of Adjustment to the Conversion Price*

On any adjustment, the resultant Conversion Price and Threshold Amount, if not an integral multiple of €0.0001, shall be rounded down to the nearest whole multiple of €0.0001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Conversion Price and Threshold Amount shall be given by the Issuer to Bondholders in accordance with Condition 6.12 and to the Paying and Conversion Agent promptly after the determination thereof.

6.4.7 *Adjustments not permitted by law*

The Conversion Price shall not in any event be reduced to below the minimum level permitted by Belgian law (if any) and the Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such minimum level.

6.4.8 *Change of Control*

Within five Brussels Business Days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Paying and Conversion Agent and to the Bondholders in accordance with Condition 6.12 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Convertible Bonds pursuant to Condition 6.5.2

The Change of Control Notice shall also specify:

- 6.4.8.1 to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;
- 6.4.8.2 the Conversion Price immediately prior to the occurrence of the Change of Control and the Change of Control Conversion Price applicable pursuant to Condition 6.4.2.10 during the Change of Control Period on the basis of the Conversion Price in effect immediately prior to the occurrence of the Change of Control;

- 6.4.8.3 the Closing Price of the Ordinary Shares as derived from the Relevant Stock Exchange as at the latest practicable date prior to the publication of the Change of Control Notice;
- 6.4.8.4 the last day of the Change of Control Period; and
- 6.4.8.5 the Change of Control Put Date.

6.4.9 *Procedure for exercise of Conversion Rights*

Conversion Rights may be exercised by a Bondholder during the Conversion Period by delivering to the specified office of the Paying and Conversion Agent, during its usual business hours, a duly completed and signed notice of conversion (a "**Conversion Notice**") in the form (for the time being current) obtainable from the Paying and Conversion Agent, and by delivering to the Paying and Conversion Agent, by transfer to such securities account the details of which are obtainable from the Paying and Conversion Agent, the Convertible Bonds to be converted. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in Belgium.

If such delivery is made after the end of normal business hours or on a day which is not a Brussels Business Day, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following Brussels Business Day.

Any determination as to whether a Conversion Notice has been duly completed and properly delivered shall be made by the Paying and Conversion Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Paying and Conversion Agent and the relevant Bondholder.

A Conversion Notice, once delivered, shall be irrevocable.

The conversion date in respect of a Convertible Bond (the "**Conversion Date**") shall be the Brussels Business Day immediately following the date of the delivery of the relevant Conversion Notice and the Convertible Bonds to be converted as provided in this Condition 6.4.9 and, if applicable, the making of any payment to be made as provided below.

A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any taxes and capital, stamp, issue and registration and transfer taxes and duties arising on conversion (other than any capital, stamp, issue, registration and transfer taxes and duties payable in Belgium in respect of the issue or transfer and delivery of any Ordinary Shares in respect of such exercise (including any Additional Ordinary Shares), which shall be paid by the Issuer). Any withholding tax arising in connection with the conversion shall be payable by the relevant Bondholder, and the Issuer (or the NBB in accordance with the NBB-SSS Regulations) shall be entitled to deduct the amount of such withholding tax, or the applicable number of Ordinary Shares, from any payment or delivery of Ordinary Shares made to the Bondholder. If the Issuer shall fail to pay any taxes and capital, stamp, issue and registration and transfer taxes and duties payable for which it is responsible as provided above, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

Such Bondholder must also pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Convertible Bond or interest therein in connection with the exercise of Conversion Rights by it.

The Issuer may, in its own discretion, decide to fulfil its obligations, in connection with any Conversion Notice by the transfer of existing Ordinary Shares and/or the allotment and issue of new Ordinary Shares, provided that the Issuer may not transfer existing Ordinary Shares in connection with a Conversion Notice delivered by a Bondholder who is a Retail Investor.

Following delivery of a duly completed Conversion Notice and of the Convertible Bonds to be converted, the Issuer shall on or prior to the Delivery Date (as defined below):

- 6.4.9.1 cause the issue (if applicable) and use all reasonable endeavours to cause the admission to trading on the Relevant Stock Exchange of the Ordinary Shares to be issued and delivered in satisfaction of the relevant Conversion Right; and
- 6.4.9.2 procure that all such Ordinary Shares to be delivered in satisfaction of the relevant Conversion Right be credited to such account of the relevant Bondholder held at Euroclear Belgium or any financial institution which is a member of Euroclear Belgium as is specified in the relevant Conversion Notice.

For the purposes of the previous paragraph, "**Delivery Date**" means:

- (a) if the Conversion Date or, as the case may be, the Reference Date occurs on or prior to the fifteenth calendar day in any month during the Conversion Period, the last calendar day in such month; or
- (b) if the Conversion Date or, as the case may be, the Reference Date occurs after the fifteenth calendar day in any month during the Conversion Period, the last calendar day in the next following month.

6.4.10 *Ordinary Shares*

- 6.4.10.1 Ordinary Shares issued or transferred and delivered on exercise of Conversion Rights will be fully paid and will in all respects rank pari passu with the fully paid Ordinary Shares in issue on the relevant Conversion Date or, in the case of Additional Ordinary Shares, on the relevant Reference Date, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Ordinary Shares or, as the case may be, Additional Ordinary Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments for which the record date or other due date for the establishment of entitlement falls prior to the relevant Conversion Date or, as the case may be, the relevant Reference Date.
- 6.4.10.2 No payment or adjustment shall be made on exercise of Conversion Rights for any interest which otherwise would have accrued on the relevant Convertible Bonds since the last Interest Payment Date preceding the Conversion Date relating to such Convertible Bonds (or, if such Conversion Date falls before the first Interest Payment Date, since the Closing Date).

6.4.11 *Purchase or Redemption of Ordinary Shares*

The Issuer or any Subsidiary of the Issuer may exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares of the Issuer (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of the Bondholders.

6.4.12 *No Duty to Monitor*

Neither the Paying and Conversion Agent nor the Calculation Agent shall not be under any duty to monitor whether any event or circumstance has happened or exists or may happen or exist and which requires or may require an adjustment to be made to the Conversion Price.

6.4.13 *Cash Settlement/Cash Alternative Election*

6.4.13.1 Upon exercise of Conversion Rights by a Bondholder, the Issuer may make an election (a "**Cash Alternative Election**") by giving notice (a "**Cash Alternative Election Notice**") to the relevant Bondholder by not later than the date falling three Brussels Business Days following the relevant Conversion Date (such date falling three Brussels Business Days following the relevant Conversion Date being the "**Cash Election Date**") to the address (or, if a fax number or email address is provided in the relevant Conversion Notice, that fax number or email address) specified for that purpose in the relevant Conversion Notice (with a copy to the Paying and Conversion Agent) to satisfy the exercise of the Conversion Rights in respect of the relevant Convertible Bonds by (A) delivering to or to the order of the relevant Bondholder the Fixed Number of Shares and (B) making payment, or procuring that payment is made, to the relevant Bondholder of the Cash Alternative Amount, together with any other amount payable by the Issuer to such Bondholder pursuant to these Conditions in respect of or relating to the relevant exercise of Conversion Rights. The Issuer, however, may not make a Cash Alternative Election at any time when such election would prevent the relevant Bondholder from participating to any rights issue or other issuance to which that Bondholder is entitled to participate pursuant to Article 491 of the Belgian Company Code.

The Issuer, however, may not make a Cash Alternative Election in respect of the conversion of Convertible Bonds held by a Bondholder who:

- (a) is a Retail Investor; or
- (b) (i) was a Shareholder of the Issuer as of the Closing Date, (ii) subscribed to these Convertible Bonds as of the Closing Date pursuant to the priority allocation rights allocated to the then Shareholders of the Issuer, (iii) certifies in the relevant Conversion Notice that it has held those Convertible Bonds without interruption since then, and (iv) attaches with the relevant Conversion Notice evidence of the circumstances set out under items (i) and (ii) above.

A Cash Alternative Election shall be irrevocable.

The Issuer will pay the Cash Alternative Amount, together with any other amount as aforesaid, by not later than five Brussels Business Days following the last day of the Cash Alternative Calculation Period by transfer to a SEPA Account in accordance with instructions contained in the relevant Conversion Notice, and will deliver the Fixed Number of Shares on or prior to the Delivery Date in accordance with Condition 6.4.9.

6.4.13.2 If there is a Retroactive Adjustment to the Conversion Price following the exercise of Conversion Rights by a Bondholder which has given rise to a Cash Alternative Election, the Issuer shall

- (a) other than where the Fixed Number of Shares is equal to zero, deliver such number of Additional Ordinary Shares as is equal to the product (rounded down if necessary to the nearest whole number of Ordinary Shares) of (x) the Fixed Number of Shares and (y) and the ratio of (i) the number of Additional Ordinary Shares applicable to such

exercise of Conversion Rights (in the absence of a Cash Alternative Election) over (ii) the Reference Shares; and,

- (b) pay to the relevant Bondholder an additional amount (the "**Additional Cash Alternative Amount**") equal to the Current Market Price of such number of shares as is equal to (i) the number of Additional Ordinary Shares applicable to such exercise of Conversion Rights (in the absence of a Cash Alternative Election) minus (ii) the number of Ordinary Shares deliverable (if any) pursuant to paragraph (a) above.

The Issuer will pay the Additional Cash Alternative Amount not later than five Brussels Business Days following the relevant Reference Date by transfer to a SEPA Account in accordance with instructions contained in the relevant Conversion Notice.

6.4.14 *Consolidation, Amalgamation or Merger*

In the case of any consolidation, amalgamation or merger of the Issuer with any other corporation (other than a consolidation, amalgamation or merger in which the Issuer is the continuing corporation), the Issuer will forthwith give notice thereof to the Paying and Conversion Agent and to the Bondholders in accordance with Condition 6.12 of such event and take such steps as shall be necessary to ensure that each Convertible Bond then outstanding will (during the period in which Conversion Rights may be exercised) be convertible into the class and amount of shares and other Securities and property receivable upon such consolidation, amalgamation or merger by a holder of the number of Ordinary Shares which would have become liable to be issued or transferred and delivered upon exercise of Conversion Rights immediately prior to such consolidation, amalgamation or merger. The above provisions of this Condition 6.4.14 will apply, *mutatis mutandis* to any subsequent consolidations, amalgamations or mergers.

6.5 **Redemption and Purchase**

6.5.1 *Final Redemption*

Unless previously purchased and cancelled, redeemed or converted as herein provided, the Convertible Bonds will be redeemed at their principal amount on the Final Maturity Date. The Convertible Bonds may not be redeemed at the option of the Issuer prior to the Final Maturity Date.

6.5.2 *Redemption at the Option of Bondholders upon a Change of Control*

Following the occurrence of a Change of Control, the holder of each Convertible Bond will have the right to require the Issuer to redeem that Convertible Bond on the Change of Control Put Date at its principal amount, together with accrued but unpaid interest to (but excluding) such date and calculated by the Calculation Agent. To exercise such right, the holder of the relevant Convertible Bond must deliver to the specified office of the Paying and Conversion Agent a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of the Paying and Conversion Agent (a "**Change of Control Put Exercise Notice**"), together with the Convertible Bond to be redeemed, at any time during the Change of Control Period. The "**Change of Control Put Date**" shall be the date which is 80 calendar days following the Change of Control or, if the Issuer has failed to deliver a Change of Control Notice in accordance with Condition 6.4.8, the date which is 15 calendar days following the applicable Change of Control Put Exercise Notice.

Payment in respect of any such Convertible Bond shall be made by transfer to a SEPA Account as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Convertible Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

6.5.3 *Early redemption if the Change of Control Resolutions are not passed*

If by not later than the Long-stop Date, the Change of Control Resolutions are not adopted at a general meeting of the Shareholders of the Issuer; each Convertible Bond will become due and payable, and the Issuer shall redeem each Convertible Bond, on the date falling 45 days after the Long-stop Date at 102 per cent. of the higher of (i) its principal amount and (ii) its Fair Market Value as of the Long-stop Date as determined and calculated by the Calculation Agent, together with accrued but unpaid interest to (but excluding) such date. If the Convertible Bonds become due and payable in accordance with this Condition 6.5.3, the Issuer shall give notice thereof to the Paying and Conversion Agent and to the Bondholders in accordance with Condition 6.12 within two Brussels Business Days of the Long-stop Date.

6.5.4 *Purchase*

Subject to the requirements (if any) of any stock exchange on which the Convertible Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Convertible Bonds in the open market or otherwise at any price.

6.5.5 *Cancellation*

All Convertible Bonds which are redeemed or in respect of which Conversion Rights are exercised will be cancelled and may not be reissued or resold. Convertible Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or surrendered to the Paying and Conversion Agent for cancellation.

6.5.6 *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 6.5, the first of such notices to be given shall prevail.

6.6 Payments

6.6.1 Principal, Premium and Interest

All payments of principal, premium or interest in respect of the Convertible Bonds shall be made through the Paying and Conversion Agent and the NBB-SSS in accordance with the NBB-SSS Regulations. Any payment so made will constitute good discharge for the Issuer. Any payment will only be made through the NBB-SSS on an NBB Payment Day. If the date for payment of any amount in respect of any Convertible Bond is not an NBB Payment Day, the holder thereof shall not be entitled to payment until the next following NBB Payment Day and shall not be entitled to further interest or other payment in respect of such delay.

6.6.2 Payments subject to fiscal laws

All payments in respect of the Convertible Bonds are subject in all cases to any applicable fiscal or other laws and regulations.

6.6.3 Paying and Conversion Agent

The initial Paying and Conversion Agent and its initial specified office are listed below. The Issuer reserves the right under the Agency Agreement at any time to vary or terminate the appointment of the Paying and Conversion Agent and appoint another Paying and Conversion Agent, provided that it will at all times maintain a Paying and Conversion Agent which is a participant in the NBB-SSS. Notice of any change in the Paying and Conversion Agent or its specified office will promptly be given by the Issuer to the Bondholders in accordance with Condition 6.12.

Initial Paying and Conversion Agent and initial specified office:

KBC Bank NV
Havenlaan 12
1080 Brussels
Belgium

6.6.4 No Charges

The Paying and Conversion Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment or conversion in respect of the Convertible Bonds.

6.6.5 Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

6.7 Taxation

All payments made by on or behalf the Issuer in respect of the Convertible Bonds will be made subject to and after deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax required to be made by law. The Issuer will not be required to pay any additional or further amounts in respect of such deduction or withholding.

6.8 Events of Default

If any of the following events (each an "Event of Default") occurs and is continuing:

- 6.8.1 *Illegality*: it becomes unlawful for the Issuer to perform its obligations under the Convertible Bonds;
- 6.8.2 *Non-payment*: the Issuer fails to pay the principal of or interest on any of the Convertible Bonds when due and such failure continues for a period of seven Brussels Business Days;
- 6.8.3 *Breach of other covenants*: the Issuer fails to perform or comply with any one or more of its covenants (other than in respect of payment as contemplated in Condition 6.8.2) in connection with the Convertible Bonds and such failure continues for a period of 15 Brussels business days after notice thereof is given by any Bondholder to the Issuer;
- 6.8.4 *Breach of Euronext Brussels requirements*: the Convertible Bonds are delisted or suspended from Euronext Brussels for a period of 15 consecutive Brussels Business Days for a reason attributable to the Issuer, unless the Issuer obtains an effective listing and admission to trading of the Convertible Bonds on another regulated market within the European Economic Area by the end of that period;
- 6.8.5 *Cross-default*: the Issuer or any of its Material Subsidiaries fails to pay any indebtedness in an aggregate amount of EUR 20,000,000 on the due date therefor or (as the case may be) within any originally applicable grace period in respect thereof, and (a) a formal demand (*mise en demeure / aanmaning*) for payment thereof has been made by the creditors concerned or (b) one or more holders of any outstanding bonds of the Issuer have demanded early repayment of these bonds by reason of such failure;
- 6.8.6 *Reorganisation or change of business*: the Issuer or any of its Material Subsidiaries is subject to any reorganisation which leads to a significant reduction of the assets of the Issuer or the Group, or a substantial change occurs in the business of the Issuer or the Group which is prejudicial to the interests of the Bondholders, unless in each case the Issuer has been able to remedy the same within a period of three months;
- 6.8.7 *Bankruptcy or insolvency*: the Issuer or any of its Material Subsidiaries is in a situation of cessation of payments, a liquidator (save in the case of a voluntary liquidation of a Subsidiary in the context of an internal reorganisation), a judicial administrator or an ad hoc representative is appointed to the Issuer or any of its Material Subsidiaries, or any corporate action, legal proceedings or other procedure or step is taken in relation to the liquidation, the amicable or judicial dissolution, an amicable or judicial moratorium of all or part of the indebtedness, the judicial reorganisation or the bankruptcy of, or any similar situation in respect of, the Issuer or any of its Material Subsidiaries (provided that summons for bankruptcy or judicial reorganisation given by a third party will only constitute an Event of Default if they have not been dismissed within 60 days of service); or
- 6.8.8 *Change of Control Resolutions*: the Issuer has not proposed to have the Change of Control Resolutions (expressed in generic terms) approved at a general meeting of Shareholders of the Issuer to be held not later than three Brussels Business Days before the Long-stop Date, or the Issuer has not, prior to the Long Stop Date (and, provided such Change of Control Resolutions have been approved at such general meeting of the Shareholders of the Issuer), filed a copy thereof with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*) or the Issuer has not given notice to Bondholders in accordance with Condition 6.12 informing them that, upon the occurrence of a Change of Control, Bondholders would be entitled to exercise their rights pursuant to Condition 6.5.2 and Condition 6.4.2.10 within 5 Business Days after the filing thereof with the

Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*),

each Bondholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Paying and Conversion Agent, declare its Convertible Bonds to be immediately due and payable, whereupon such Convertible Bonds shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

6.9 Undertakings

Whilst any Conversion Right remains exercisable, the Issuer will, save with the approval of a Resolution of the Bondholders:

- 6.9.1 not issue or pay up any Securities, in either case by way of capitalisation of profits or reserves, other than:
 - 6.9.1.1 by the issue of fully paid Shares to Shareholders and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive Shares or other shares or securities on a capitalisation of profits or reserves; or
 - 6.9.1.2 by the conversion of Preferential Shares into Ordinary Shares pursuant to Article 8.2 of the statutes of the Issuer as in effect on the Closing Date; or
 - 6.9.1.3 by the issue of Shares paid up in full (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of the whole or part of a cash dividend; or
 - 6.9.1.4 by the issue of fully paid equity share capital (other than Ordinary Shares) to the holders of equity share capital of the same class and other holders of shares in the capital of the Issuer which by their terms entitle the holders thereof to receive equity share capital (other than Ordinary Shares); or
 - 6.9.1.5 by the issue of Shares or any equity share capital to, or for the benefit of, any employee or former employee, director or executive holding or formerly holding executive office of the Issuer or any of its Subsidiaries or any associated company or to trustees or nominees to be held for the benefit of any such person, in any such case pursuant to an employee, director or executive share or option scheme whether for all employees, directors, or executives or any one or more of them,

unless, in any such case, the same constitutes a Dividend or otherwise gives rise (or would, but for the provisions of Condition 6.4.6 relating to roundings or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price; or

- 6.9.2 not modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Ordinary Shares but so that nothing in this Condition 6.9.2 shall prevent:
 - 6.9.2.1 the issue of equity share capital to employees or former employees or directors (including directors holding or formerly holding executive office or the personal service company of any such person) (or the spouse or relative of any such person) whether of the Issuer or any of its Subsidiaries or associated companies by virtue of their office or employment pursuant to any employees' share or option scheme; or
 - 6.9.2.2 any consolidation, reclassification or subdivision of the Shares; or

- 6.9.2.3 any modification of such rights which is not, in the opinion of an Independent Financial Adviser, materially prejudicial to the interests of the holders of the Convertible Bonds; or
- 6.9.2.4 any issue of equity share capital where the issue of such equity share capital results, or would, but for the provisions of Condition 6.4.6 relating to roundings or the carry forward of adjustments or the fact that the consideration per Ordinary Share receivable therefor is at least 95 per cent. of the Current Market Price per Ordinary Share, otherwise result, in an adjustment to the Conversion Price; or
- 6.9.2.5 any issue of equity share capital or modification of rights attaching to the Shares, where prior thereto the Issuer shall have instructed an Independent Financial Adviser to determine what (if any) adjustments should be made to the Conversion Price as being fair and reasonable to take account thereof and such Independent Financial Adviser shall have determined either that no adjustment is required or that an adjustment resulting in a decrease in the Conversion Price is required and, if so, the new Conversion Price as a result thereof and the basis upon which such adjustment is to be made and, in any such case, the date on which the adjustment shall take effect (and so that the adjustment shall be made and shall take effect accordingly);
- 6.9.3 procure that no Securities (whether issued by the Issuer or any Subsidiary of the Issuer or procured by the Issuer or any Subsidiary of the Issuer to be issued or issued by any other person pursuant to any arrangement with the Issuer or any Subsidiary of the Issuer) issued without rights to convert into, or exchange or subscribe for, Ordinary Shares shall subsequently be granted such rights exercisable at a consideration per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share at the close of business on the last Dealing Day preceding the date of the first public announcement of the proposed inclusion of such rights unless the same gives rise (or would, but for the provisions of Condition 6.4.6 relating to roundings or the carry forward of adjustments, give rise) to an adjustment to the Conversion Price, and that at no time shall there be in issue Ordinary Shares of differing nominal values, save where such Ordinary Shares have the same economic rights;
- 6.9.4 not make any issue, grant or distribution or any other action taken if the effect thereof would be that, on the exercise of Conversion Rights, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- 6.9.5 not reduce its issued share capital, share premium account, or any uncalled liability in respect thereof, or any non-distributable reserves, except:
 - 6.9.5.1 pursuant to the terms of issue of the relevant share capital; or
 - 6.9.5.2 by means of a purchase or redemption of share capital of the Issuer to the extent permitted by applicable law; or
 - 6.9.5.3 where the reduction does not involve any distribution of assets; or
 - 6.9.5.4 to create distributable reserves; or
 - 6.9.5.5 by way of transfer to reserves as permitted under applicable law; or
 - 6.9.5.6 where the reduction is permitted by applicable law and results in (or would, but for the provisions of Condition 6.4.6 relating to roundings or the carry forward or adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purpose of determining whether such an adjustment should be made,

provided that, without prejudice to the other provisions of these Conditions, the Issuer may exercise such rights as it may from time to time enjoy pursuant to applicable law to purchase, redeem or buy back its Shares and any depositary or other receipts or certificates representing Shares without the consent of Bondholders;

- 6.9.6 if any offer is made 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 with the offeror (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof)) to acquire all or a majority of the issued share capital of the Issuer, give notice of such offer to the Paying and Conversion Agent and the Bondholders at the same time as any notice thereof is sent to Shareholders (or as soon as practicable thereafter) that details concerning such offer may be obtained from the specified office of the Paying and Conversion Agent, and use all reasonable endeavours to procure that a like offer is extended to the holders of any Ordinary Shares issued during the period of the offer arising out of the exercise of the Conversion Rights by the Bondholders and/or to the holders of the Convertible Bonds;
- 6.9.7 use its reasonable endeavours to ensure that the Ordinary Shares issued upon exercise of Conversion Rights will, as soon as is practicable, be admitted to listing and to trading on the Relevant Stock Exchange and will be listed, quoted or dealt in, as soon as is practicable, on any other stock exchange or securities market on which the Ordinary Shares may then be listed or quoted or dealt in;
- 6.9.8 for so long as any Convertible Bond remains outstanding, use its reasonable endeavours to ensure that its issued and outstanding Ordinary Shares shall be admitted to listing on the Relevant Stock Exchange;
- 6.9.9 procure that the Issuer shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction (other than Belgium) unless the Issuer would not thereafter be required pursuant to the then current laws and regulations to withhold or deduct for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of such jurisdiction or any political subdivision thereof or therein having power to tax in respect of any payment on or in respect of the Convertible Bonds; and
- 6.9.10 use all reasonable endeavours to procure that the Change of Control Resolutions are approved by a resolution of the Shareholders of the Issuer in a general meeting.

As used in these Conditions, "**equity share capital**" has the meaning given to it in Article 476 of the Belgian Company Code.

6.10 Prescription

Claims against the Issuer for payment in respect of the Convertible Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the due date for such payment.

Claims in respect of any other amounts payable in respect of the Convertible Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

6.11 Meetings of Bondholders, Modification and Waiver

6.11.1 Meetings of Bondholders

Meetings of Bondholders may be convened to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 *sq.* of the Belgian Company Code with respect to bondholders meetings; provided however that the Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Convertible Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal of Brussels, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and to modify or waive any provision of these Conditions, including a (i) proposal to change any date fixed for payment of principal or interest in respect of the Convertible Bonds, to reduce the amount of principal or interest payable on any date in respect of the Convertible Bonds or to alter the method of calculating the amount of any payment in respect of the Convertible Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Convertible Bonds for, or the conversion of the Convertible Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which amounts due in respect of the Convertible Bonds are payable; or (iv) proposal to change any aspect of the Conversion Right; (v) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, provided, in each case, such matters are sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Convertible Bonds form a quorum.

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

A resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. 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.

6.11.2 *Modification and Waiver*

These Convertible Bonds, the Agency Agreement, the Calculation Agency Agreement, any agreement supplemental to the Agency Agreement or the Calculation Agency Agreement and these Conditions may be amended without the consent of the Bondholders to correct a manifest error or to comply with mandatory provisions of law. In addition, the parties to the Agency Agreement and/or the Calculation Agency Agreement may agree to modify any provision thereof or any agreement supplemental to the Agency Agreement and/or the Calculation Agency Agreement, but the Issuer shall not agree, without the consent of the Bondholders, 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 the parties to the Agency Agreement and/or the Calculation Agency Agreement, not materially prejudicial to the interests of the Bondholders.

6.11.3 *Meetings of Shareholders and Right to Information*

The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with Article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

6.12 Notices

The Issuer shall ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Convertible Bonds are for the time being listed and shall be delivered to the National Bank of Belgium and the NBB shall publish such notices to the participants to the NBB-SSS. The Issuer shall ensure that all notices are also published through the electronic communication system of Bloomberg. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

The Issuer shall send a copy of all notices given by it to Bondholders pursuant to these Conditions simultaneously to the Calculation Agent and the Paying and Conversion Agent.

With respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with article 570 of the Belgian Company Code by an announcement to be inserted, not less than 15 calendar days prior to the meeting, in the Belgian Official Gazette (Moniteur Belge – Belgisch Staatsblad) and in a nationwide newspaper. Resolutions to be submitted to the meeting must be described in the convening notice. In addition, the convening notice shall specify the procedures in respect of voting on resolutions to be decided by the meeting.

6.13 Further Issues

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

6.14 Governing Law and Jurisdiction

6.14.1 *Governing Law*

The Agency Agreement and the Convertible Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Belgian law.

6.14.2 *Jurisdiction*

The courts of Brussels have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Convertible Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Convertible Bonds ("**Proceedings**") may be brought in such courts. This Condition shall not limit the right of the Issuer or of any of the Bondholders to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

6.15 **Language**

The English version of these terms and conditions is the sole binding version.

7. INFORMATION REGARDING THE ISSUER

7.1 General

The information relating to the Issuer is contained in the Registration Document and the documents incorporated by reference in this Securities Note as well as in Section 7.2 (*Recent developments after the Half-Yearly Report for the six months ending 30 June 2016*) below in accordance with article 28 § 3 of the Act of 16 June 2006.

The Issuer confirms its profit forecast in relation to the net current result (excluding IAS 39 impact) per share for the 2016 financial year as made in the Registration Document and reiterated in its Half Year Report for the six months ending 30 June 2016.

7.2 Recent developments after the Half-Yearly Report for the six months ending 30 June 2016

Acquisition in the Issuer's two main segments

On 8 August 2016, the Issuer announced the acquisition of a healthcare asset in Goirle (Netherlands) and of a portfolio of office buildings in Brussels. It is referred to the press release published on 8 August 2016 and incorporated by reference in accordance with Section 4 (*Documents incorporated by reference*).

Tender Offer on Convertible Bonds 2013

On 6 September 2016, the Issuer announced the launch of a buyback of its Convertible Bonds 2013, i.e. the Buyback Offer, via an Institutional Reverse Bookbuilding and the Public Tender Offer described in Section 5.2 (*Reasons for the Offering and use of proceeds*), as well as the launch of the Offering in order to finance the Buyback Offer. It is referred to the press release published on 6 September 2016 and incorporated by reference in accordance with Section 4 (*Documents incorporated by reference*).

7.3 Working capital statement

As at 30 June 2016, the consolidated working capital of the Issuer amounted to EUR -327.25 million. The working capital is calculated as the current assets minus the current liabilities. The negative working capital is mainly due to the short term financial debts maturing within the year. At 30 June 2016, the current consolidated liability of the Issuer amounted to EUR 426.43 million, including short term financial debt for:

- EUR 290.50 million in commercial papers with a term of less than one year;
- EUR 21.50 million in debt maturing within the year.

As at 30 June 2016, the short term financial debt of EUR 312.04 million was fully covered by the undrawn portions of long-term confirmed credit facilities totalling EUR 946.50 million. Hence, at 30 June 2016 the Issuer had EUR 1,269.00 million of committed revolving credit facilities at its availability, of which EUR 322.50 million was drawn. Hence, an amount of EUR 946.50 million was available on committed credit facilities.

On the date of this Securities Note, the Issuer is of the opinion that, taking into account its available cash and equivalents, it has sufficient working capital to meet its present requirements and cover the working capital needs for a period of at least 12 months as of the date of the Securities Note. As at 30 June 2016, Cofinimmo had EUR 946.50 million available on undrawn committed credit facilities. This

amount allows to cover the financial obligations of the company for the coming 12 months. These obligations include:

- the commercial paper program for EUR 290.50 million;
- debt maturities for EUR 21.50 million.
- the investment pipeline for EUR 186.01 million:
 - health care assets: EUR 66.60 million
 - offices: EUR 95.72 million
 - distribution property networks: EUR 5.70 million

The below table describes the expected use of the working capital for the coming 12 months:

| (amounts in EUR million) | | | | |
|--|--------------|-------------|--------------|----------------|
| Undrawn credit facilities on 30 June 2016 | 946.50 | | | |
| Back up short term commercial paper programme | 290.50 | | | |
| Available headroom under credit facilities | 656.00 | | | |
| | 2016 | | 2017 | |
| | Q3 | Q4 | Q1 | until 30.06.17 |
| Available headroom under credit facilities start of period | 656.00 | 509.42 | 463.61 | 418.91 |
| Investments | 117.58 | 16.80 | 14.96 | 18.68 |
| <i>distribution property networks</i> | <i>1.12</i> | <i>2.72</i> | <i>0.84</i> | <i>1.01</i> |
| <i>healthcare real estate</i> | <i>49.54</i> | <i>6.08</i> | <i>4.08</i> | <i>6.91</i> |
| <i>offices</i> | <i>66.92</i> | <i>8.00</i> | <i>10.04</i> | <i>10.76</i> |
| Debt maturities | 0.00 | 0.00 | 0.00 | 21.00 |
| Dividend | 29.00 | 29.00 | 29.75 | 29.75 |
| Available headroom under credit facilities end of period | 509.42 | 463.61 | 418.91 | 349.49 |

At the end of this 12 months period, it is expected that the balance of available headroom under credit facilities will amount to approximatively EUR 349.49 million, ceteris paribus.

The application of the net proceeds from the Offering will not result in a decrease of the credit facilities; while the part of the proceeds not used to refinance the Convertible Bonds 2013 will be used to repay outstanding loans under such credit facilities, the commitments thereunder will not be cancelled as a consequence thereof.

7.4 Capitalization and indebtedness

As at 30 June 2016, the shareholders' equity of the Issuer amounted to EUR 1,852.14 million as shown in the table below;

| | in million EUR |
|---|------------------------|
| Shareholders' equity | 1,852.14 |
| <i>Shareholders' equity attributable to shareholders of the parent company</i> | <i>1,787.53</i> |
| Capital | 1,124.52 |
| Share premium account | 504.47 |
| Reserves | 123.94 |
| Net result | 34.61 |
| <i>Minority interests</i> | <i>64.61</i> |

The net result (including IAS 39 impact) as at 30 June 2016 represents a gain of EUR 22.50 million.

As at 30 June 2016, the consolidated debt of the Issuer amounted to EUR 1,672.92 million as shown in the table below:

| | in million EUR |
|---|-----------------|
| Liabilities | 1,672.92 |
| Non-current liabilities | 1,246.49 |
| Provisions | 17.18 |
| Non-current financial debts | 1,094.13 |
| Other non-current financial liabilities | 99.58 |
| Deferred taxes | 35.60 |
| Current liabilities | 426.43 |
| Current financial debts | 312.04 |
| Other current financial liabilities | 18.23 |
| Trade debts and other current debts | 77.27 |
| Accrued charges and deferred income | 18.90 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 3,525.07 |

As at 30 June 2016, the consolidated financial debts of the Issuer amounted to EUR 1,406.16 million, comprising of:

- EUR 379,46 million in the form of non-convertible bonds:

| Issuer | Par value (in million EUR) | Issue price | Coupon | Issue date | Maturity date |
|-----------|----------------------------------|-------------|--------|------------|------------------|
| Cofinimmo | 140.0 | 100% | 3.598% | 26.07.2012 | 07.02.2020 |
| Cofinimmo | 50.0 | 100% | 2.78% | 23.10.2013 | 23.10.2017 |
| Cofinimmo | 190.0 | 100% | 1.929% | 25.03.2015 | 25.03.2022 |

- EUR 197,33 million in the form of a bond convertible into Cofinimmo shares:

| Issuer | Par value (in million EUR) | Issue price | Conversion price | Coupon | Issue date | Maturity date |
|-----------|----------------------------------|-------------|---------------------|--------|------------|------------------|
| Cofinimmo | 174.35 | 100% | EUR | 2.00% | 20.06.2013 | 20.06.2018 |

The latter bond is booked at market value on the balance sheet. The conversion price can be adjusted in accordance with the terms and conditions applicable to such convertible bond.

- EUR 336.50 million in commercial papers, including 290.50 million EUR for an initial period of under one year and 46.00 million EUR for an initial period of over three years;
- EUR 483.00 million in bilateral medium- and long-term loans, with an initial term of three to seven years, of which EUR 21.00 is maturing within the year;
- EUR 3.42 million in minimum coupons of the mandatory convertible bonds issued by Cofinimur I (a subsidiary of the Issuer) in December 2011;
- EUR 6.45 million of other loans and advances (account debits and rental guarantees received).

The short-term financial debt of EUR 312.04 million is fully covered by the undrawn portions of long-term confirmed credit facilities totalling EUR 946.50 million at 30 June 2016.

The long-term financial commitments mature in a staggered manner until 2023. All of the debts maturing in 2017 and 2018 (other than the Convertible Bonds 2013) have been refinanced.

As at 30 June 2016, the debt ratio (as defined in the RREC Legislation) stood at 42.09%.

The impact of the Offering, as described in the Securities Note, on the Issuer's profit and loss account 2016 is estimated at 1 million EUR of decrease of financial expenses of the company.

As far as the Buyback Offer is concerned, in accordance with the conditions set out in the Buyback prospectus, the impact on the Issuer's profit and loss account 2016 is estimated at approximately 13 million EUR. This estimated amount, at the date of the Buyback prospectus, shall be accounted for in accordance with IAS 39 and shall consist of, on the one hand, an estimated amount of 8 million EUR of changes in fair value between 1 January 2016 and the settlement of the Convertible Bonds 2013 and, on the other hand, an estimated amount of 5 million EUR of costs relating to the Buyback Offer.

7.5 Alternative Performance Measures used by the Issuer in its financial information

ESMA has issued guidelines regarding alternative performance measures (financial measures that are not defined in accordance with the IFRS accounting standards) ("**APM**") disclosed by issuers when publishing regulated information or prospectuses on or after 3 July 2016. Certain APMs mentioned in the half-yearly report for the six months ending 30 June 2016 that do not comply with the ESMA guidelines shall be renamed in the following financial information disclosures in order to be fully compliant.

Furthermore, the following clarifications can be made in respect of APMs disclosed in the half-yearly report for the six months ending 30 June 2016:

7.5.1 Net Current Result (excluding IAS39 impact)

This APM is used in order to measure the operational performances of the company activity, after the financial result but before the result on portfolio as described at Section 7.5.2 (*Results on the portfolio*). Its basis of calculation is described and detailed in the regular corporate and financial external communication, as being more generally based on the operating result + financial result (financial income – financial charges) - income taxes.

Cofinimmo considers that the Net Current Result (excluding IAS39 impact) is the most relevant key performance indicator as it measures the result from strategic operational activities, i.e. without any costs like (i) change in the fair values of hedging instruments, (ii) cost of hedging restructuring, (iii) costs related to the issue of financial debt instrument accounted at fair value and (iv) gains and losses realised or unrealised on the real estate portfolio.

7.5.2 Results on the portfolio

This APM is used in order to measure gains and losses realised and unrealised compared with the last valuation by the independent real estate expert. Its basis of calculation is as follows (using the half-year figures as at 30 June 2016 incorporated by reference in the Prospectus):

| Result on the portfolio | 30/06/2016 | 30/06/2015 |
|---|-------------------|-------------------|
| Gains or losses on disposals of investment properties | 1.412 | 1.957 |
| Change in fair value of investment properties | 11.718 | -8.740 |
| Results of Affiliated Companies Accounted for under the Equity Method | 311 | 0 |
| Other result on the portfolio | -855 | -210 |
| Result on portfolio | 12.586 | -6.993 |
| Minority interests | -473 | -89 |
| Result on the portfolio - group share | 12.113 | 7.083 |

7.5.3 Revaluation of derivative financial instruments (IAS 39)

This APM is used in order to measure non-recurring financing costs (cash or non-cash) of the company, mainly change in the fair value of hedging instruments, hedge restructuring costs and costs related to the issue of financial debt instruments accounted at fair value. Its basis of calculation is as follows (using the half-year figures as at 30 June 2016 incorporated by reference in the Prospectus):

| Revaluation of derivative financial instruments (IAS 39) | 30/06/2016 | 30/06/2015 |
|---|-------------------|-------------------|
| Recycling Cash Flow Hedge | -3.122 | -7.845 |
| Change in fair value USD option | -636 | 0 |
| Others | 0 | -362 |
| Authorised hedging instruments qualifying for hedge accounting | -3.758 | -8.207 |
| Change in fair value IRS | -31.946 | 17.785 |
| Change in fair value convertibles | -1.778 | -8.160 |
| Authorised hedging instruments not qualifying for hedge accounting | -33.724 | 9.625 |
| Total impact IAS 39 | -37.482 | 1.418 |

7.5.4 EPRA related APMs

The Issuer discloses various APMs which are performance indicators established by the European Public Real Estate Association (EPRA). EPRA is a forefront sector organisation whose mission is to promote, develop and represent the European public real estate sector; the Issuer has been an EPRA member for many years. EPRA performance measures aim at enhancing a consistent reporting among public real estate companies throughout Europe. The basis of calculation of the various EPRA performance indicators disclosed by the Issuer is set out in the Registration Document (pages 140 and following). The Issuer follows the "EPRA Best Practices Recommendations" when calculating these performance indicators.

The EPRA performance indicators provide useful information in order to enhance the transparency, comparability and relevance of the published results of listed real estate companies in Europe ; these indicators take into consideration the feedback of all the real estate companies as well as investors, stakeholders, financial specialist...for increased consistency.

8. DESCRIPTION OF THE ISSUER'S SHARES

8.1 General

Each Convertible Bond shall entitle the holder to convert such Convertible Bond into new Ordinary Shares or, at the Issuer's option, existing Ordinary Shares in accordance with the Terms and Conditions of the Convertible Bonds.

The Ordinary Shares are listed on Euronext Brussels under the symbol COFB and ISIN BE0003593044.

Information about the past performance and projections regarding future performance of the Ordinary Shares and their volatility can be obtained on the Issuer's website (www.cofinimmo.com) and on the website of Euronext (www.euronext.com).

Information about shareholders rights and main features of an Ordinary Share is available in this Section 8 (*Description of the Issuer's shares*) and in the Registration Document.

The Issuer has agreed to use all reasonable endeavours to ensure that the shares issued upon conversion of any Convertible Bonds will be admitted to trading on Euronext Brussels and will be listed, quoted or dealt in on any other stock exchange or securities market on which the shares may then be listed, quoted or dealt in.

8.2 Share capital and shares

On the date of this Securities Note, the share capital of the Issuer amounts to €1,127,008,439.63 and is fully paid-up. It is represented by 20,345,001 Ordinary Shares, without nominal value. In order to modify the rights attaching to these, the procedure referred to in the articles of association, as provided by law, is applicable.

In addition to the Ordinary Shares, the Issuer issued 2 series of Preferential Shares in 2004. The key features of the Preferential Shares are:

- priority right to an annual fixed gross dividend of EUR 6.37 per share, capped at this amount;
- priority right in case of liquidation to a distribution equal to the issue price, capped at this amount;
- option for the holder to convert his Preferential Shares into Ordinary Shares from the 5th anniversary of their issue date (1 May 2009), at a rate of one new Ordinary Share for one Preferential Share;
- option for a third party designated by Cofinimmo (for example one of its subsidiaries) to purchase in cash and at their issue price, from the 15th anniversary of their issue, the Preferential Shares that have not yet been converted;
- the Preferential Shares are in registered form, listed on Euronext Brussels and carry a voting right identical to that for Ordinary Shares.

The 1st series of 702,490 Preferential Shares (denomination on Euronext: COFP1) was issued on 30 April 2004, the 2nd series of 797,276 shares (denomination on Euronext: COFP2) was issued on 26 May 2004. The characteristics of these series of Preferential Shares are identical, with the exception of the issue price (€107.89 for the COFP1 vs. €104.44 for the COFP2).

Considering the conversions effected so far, there are 685,747 Preferential Shares outstanding, of which 395,048 are COFP1 and 290,699 COFP2.

The Preferential Shares are convertible into Ordinary Shares, on one or more occasions, at the option of their holders in the following cases:

- since 2010, during the last ten days of each quarter of the calendar year;
- at any time during a period of one month following notification of the exercise of the call option referred to above; and
- in the event of the Issuer being liquidated, during a period starting two weeks after publication of the decision to liquidate the Issuer and ending on the day before the General Meeting convened to resolve on the closing of the liquidation process.

The conversion rate is one Ordinary Share for one Preferential Share.

The conversion is effected by issuing new Ordinary Shares without increasing the Issuer's capital. The conversion request must be addressed to the Issuer by the holder of the Preferential Shares by registered post, indicating the number of Preferential Shares for which conversion is requested. Conversion will be deemed to have taken effect on the date of dispatch of the request for conversion.

8.3 Form and transferability of the shares

Existing Ordinary Shares of the Issuer are in registered or dematerialised form. The new Ordinary Shares to be issued upon conversion of the Convertible Bonds will be, at the choice of the shareholder, either in registered form or in dematerialised form.

The Ordinary Shares in dematerialised form are held in book-entry form through the settlement system of Euroclear Belgium, the Belgian central securities depository.

8.4 Currency

The Ordinary Shares are denominated in Euro.

8.5 Governing Law

The Ordinary Shares and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Belgian law.

8.6 Rights attached to the shares

Under Belgian law, the main rights attached to shares in a *société anonyme / naamloze vennootschap* are the right to vote, the right to attend shareholders meetings, the right to dividend and the right to liquidation proceeds.

8.6.1 Voting rights attached to the shares

Each shareholder of the Issuer is entitled to one vote per share irrespective of whether the share is an Ordinary Share or a Preferential Share.

Each shareholder has the right to participate in and to vote at a shareholders' meeting in person or by proxy. In accordance with the Articles of Association, proxies must be delivered to the Issuer at least six days prior to the shareholders' meeting. The Board of directors may request Shareholders to use a standard form of proxy.

Co-owners, usufructuaries and bare owners, creditors and debtors-pledgees must be represented respectively by one and the same person.

Voting rights can be suspended in the circumstances provided for in the Belgian Company Code and in particular if the shareholder has not complied with its notification of major holdings obligations (see "Legislation and jurisdiction - Notification of major holdings"). In addition, in accordance with the Belgian Company Code, the voting rights attached to shares owned by the Issuer are suspended.

Generally, the General Meeting has sole authority with respect to:

- the approval of the annual financial statements and the remuneration report of the Issuer;
- the distribution of profits;
- the appointment and dismissal of the Issuer's directors and statutory auditor;
- the granting of release from liability to the directors and the statutory auditor;
- the determination of the remuneration of the directors and of the statutory auditor for the exercise of their mandate, including inter alia, as relevant, (i) in relation to the remuneration of executive and non-executive directors, the approval of an exemption from the rule that share based awards can only vest during a period of at least three years as of the grant of the awards, (ii) in relation to the remuneration of executive directors, the approval of an exemption from the rule that (unless the variable remuneration is less than a quarter of the annual remuneration) at least one quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least two years and that at least another quarter of the variable remuneration must be based on performance criteria that have been determined in advance and that can be measured objectively over a period of at least three years, and (iii) in relation to the remuneration of independent directors, the approval of any variable part of the remuneration;
- the approval of provisions of service agreements to be entered into with executive directors, members of the management committee and other executives providing (as the case may be) for severance payments exceeding 12 months' remuneration (or, subject to a motivated opinion by the remuneration committee, 18 months' remuneration);
- the filing of a claim for liability against directors;
- decisions relating to the dissolution, merger and certain other re-organizations of the company; and
- the approval of amendments to the Articles of Association.

8.6.2 Right to attend General Meetings

The annual General Meeting is held at the place determined in the notice convening the meeting. It is held every year on the second Wednesday of May at 15:30 (Central European Time, GMT+1). If this date is a public holiday in Belgium, the meeting is held the next business day at the same time.

The Board of directors and the company's statutory auditor submit their respective annual report at the annual General Meeting which then discusses the annual accounts. Before approving the annual accounts and the proposed allocation of the company's profit or loss, the General Meeting must vote on the release from liability of the directors and the statutory auditor. When applicable, the annual General Meeting also votes on the (re-) appointment or dismissal of the statutory auditor and/or of all or certain directors and on all remuneration issues falling within its remit. The annual General Meeting shall also approve by a separate vote the remuneration report to be included in the annual report.

The Board of directors or the statutory auditor may, whenever the interest of the company so requires, convene a special or extraordinary General Meeting.

Such General Meeting must also be convened every time one or more shareholders holding shares representing at least 5 per cent. of the Issuer's share capital so request.

Shareholders holding at least 3 per cent. of the Issuer's share capital are entitled to request that one or more items be put on the agenda of a General Meeting already convened and to make proposal of

resolutions with respect to items already existing or to be put on the agenda.

The notice convening the General Meeting must state the place, date and hour of the meeting and must include an agenda indicating the items to be discussed as well as any motions for resolutions. The notice must be published at least 30 days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge / Belgisch Staatsblad*), in a nation-wide newspaper as well as in media that can reasonably be relied upon for the dissemination of information within the EEA. The convening notice must in addition be sent by ordinary mail to the holders of registered shares or registered bonds. The annual financial statements, the annual report of the board of directors and the annual report of the statutory auditor must be made available to the public at the company's registered office from the date of the convening notice. The company must also publish on its website various information including the convening notice and all documents to be submitted to the General Meeting.

All holders of shares and bonds issued by the Issuer can attend General Meetings. Only shareholders, however, may vote. The right to participate to and vote at a General Meeting is subject to the shareholder being recorded as such on the 14th day preceding the General Meeting (the record date) either in the shareholders register (in the case of registered shares), or on the books of a recognized account holder or a settlement institution (in the case of dematerialized shares), or by submission of the shares to a financial intermediary. The actual holding on the date of the General Meeting is not relevant. Holders of dematerialized shares wishing to participate to and vote at a General Meeting must submit, at least 6 days prior to the meeting, to the Issuer a certificate issued by the recognized account holder, settlement institution or financial intermediary establishing their holding on the record date. Holders of registered shares must notify the Issuer of their wish to participate to and vote at a General Meeting at least 6 days prior to the meeting.

Each shareholder has the right to participate to and to vote at a General Meeting in person or by proxy. Proxies must be delivered to the Issuer at least 6 days prior to the meeting. The Board of directors can request that shareholders use a standard form of proxy.

The Issuer's Articles of Association allow the Board of directors to authorise in the convening notice shareholders to vote by mail by means of a form that is made available by the company. The form must be filled in and signed by the shareholders and returned to the company by registered mail at least 6 days before the meeting.

In general, there is no attendance quorum requirement for a General Meeting and decisions are passed with a simple majority of the votes of the shares present or represented. However, capital increases (other than those decided by the Board of directors pursuant to the authorized capital), decisions with respect to the company's dissolution, mergers, de-mergers and certain other reorganizations of the company, amendments to the Articles of Association and certain other matters referred to in the Belgian Company Code require that at least 50 per cent. of the share capital of the Issuer be present or represented and that at least 75 per cent. of the votes cast be in favour of the resolution. When an attendance quorum requirement exists and is not met at the first meeting, a second meeting must be convened and the second meeting can validly deliberate and vote on the items of the agenda irrespective of the shares present or represented.

In accordance with Article 560 of the Belgian Company Code, any decision to modify the rights of a class of shares or to replace a class of shares with another class of shares require compliance in each class of shares with the quorum and majority requirements applicable to amendments to the Articles of Association. This means that any amendment to the rights attached to Ordinary Shares and/or to Preferential Shares "P1" and/or to Preferential Shares "P2" require that at least 50 per cent. of the share capital of the Issuer represented by the relevant class of shares be present or represented in each class of shares and that at least 75 per cent. of the votes cast in each class of shares be in favour of the resolution.

Any proposed change of the Issuer's Articles of Association is subject to the prior approval of the

FSMA.

During any general meeting, shareholders have the right to ask questions to the directors in connection with any item on the agenda. They may also ask questions to the directors or the statutory auditor in connection with their respective reports presented during the meeting.

8.6.3 Right to dividends

All Ordinary Shares entitle their holders to an equal right to participate in Cofinimmo's profits (if any). Preferential Shares entitle their holders to a fixed dividend which amounts to EUR 6.37 on a gross annual basis to be paid by priority over the dividend relating to Ordinary Shares.

The distribution of a dividend is as a matter of principle decided by the General Meeting. The Board of directors may however declare an interim dividend in accordance with the conditions set forth in the Belgian Company Code.

Dividends can only be distributed if following the declaration and issuance of the dividends the amount of the company's net assets on the date of the closing of the last financial year, does not fall below the amount of the paid-up capital (or, if higher, the issued capital), increased with the amount of non-distributable reserves.

The distribution of a dividend by the Issuer to its shareholders constitutes an obligation under the Belgian RREC Legislation, which applies without prejudice to the provisions of Articles 617 and following of the Belgian Company Code and of their accounting implications. The Issuer must in that respect distribute at least 80 per cent. of an amount to be calculated pursuant to the Belgian RREC Legislation. This amount corresponds essentially to the current cash flow (thus not taking into account the change in fair value of investment properties and certain other non cash items that are included in the net current result). A RREC can also waive the distribution of an amount equal to the decrease of its net debts between the beginning and the end of the financial year.

The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including future revenue, capital requirements, financial conditions, general economic and business conditions, and future prospects and such other factors as the Board and the executive committee may deem relevant and will in any case be subject to the approval of the General Meeting, without prejudice to the possibility for the Board to declare an interim dividend.

Claims against the Issuer for payment of dividend shall be prescribed and become void unless made within five years (in the case of interest) from the due date for such payment.

8.6.4 Changes to the share capital

As a matter of principle, changes to the share capital are decided by the General Meeting. The General Meeting may at any time decide to increase or decrease the share capital. Such resolution must satisfy the quorum and majority requirements that apply to amendments of the Articles of Association (see "*Right to attend General Meetings*").

Subject to the same quorum and majority requirements, the General Meeting may authorize the Board of directors, within certain limits, to increase the share capital without any further approval of the shareholders. This is the so-called authorized capital. This authorization needs to be limited in time (i.e., it can only be granted for a renewable period of maximum five years) and in scope (i.e., the authorized capital may not exceed the amount of the registered capital at the time of the authorization). See Section 5.1 (*Information related to the capital increase*) for an overview of the outstanding authorized capital.

The RREC Legislation provides for specific rules to be complied with in case of capital increases, in addition to the requirements laid down in the Belgian Company Code.

In the event of a capital increase for cash with the issue of new shares, or in the event of an issue of convertible bonds or warrants, the existing shareholders have a preferential right to subscribe, *pro rata*, to the new shares, convertible bonds or warrants. These preferential subscription rights are transferable during the subscription period. The General Meeting or the Board of directors, as the case may be, may decide to limit or cancel this preferential subscription right, provided certain conditions are satisfied. However, pursuant to the RREC Legislation, in case the preferential subscription right is limited or cancelled, existing shareholders must be granted a priority allocation right under the following conditions:

- it pertains to the total amount of the new securities to be issued;
- it is granted to the Existing Shareholders *pro rata* their stake in the share capital of the Issuer at the launch of the Offering;
- the public offer period may not be shorter than three (3) business days; and
- the maximum issue price per security is announced at the latest the day before the start of the public offer.

The General Meeting has also authorised the Board of directors to increase the share capital through contributions in cash with cancellation or limitation of the preferential subscription right of the existing shareholders (but with application of the priority allocation right) in case of public takeover bids in accordance with the conditions laid down in the Belgian Company Code.

Capital increases by contribution in kind must comply with the following conditions, which are laid down in the Belgian Company Code and in the RREC Legislation. Those conditions are summarised in the Articles of Association and below.

- the identity of the person contributing in kind should be mentioned in a Board report;
- the issue price cannot be lower than the lowest value between (a) a net asset value dated no longer than four months preceding the contribution agreement or, at the company's discretion, preceding the date of the deed enacting the capital increase and (b) the average market closing price of the thirty calendar days preceding that date.
- unless the issue price and its modalities are determined and publicly disclosed at the latest on the business day following the conclusion of the contribution agreement specifying the term within which the capital increase shall effectively be realised, the deed related to the capital increase should be enacted within maximum four months; and
- the report referred to hereabove should also explain the impact of the proposed contribution on the financial situation of the existing shareholders, in particular with regard to their share in the profits, in the net inventory value and in the capital as well as the impact with regard to the voting rights.

These additional requirements are not applicable in case of a share issue related to a stock dividend.

The preferential subscription right does not apply in the case of capital increases by contribution in kind.

8.6.5 *Purchase and sale of own shares*

In accordance with the Issuer's Articles of Association and the Belgian Company Code, the Issuer is authorised to purchase, take a pledge on and sell its own shares either by a resolution of the General Meeting or by a resolution of the Board of directors.

A shareholders resolution to that effect must be approved by at least 80 per cent. of the votes validly

cast at a shareholders' meeting where at least 50 per cent. of the share capital are present or represented (if at such shareholders' meeting 50 per cent. of the share capital is not present or represented, a new shareholder's meeting must be convened which will be able to resolve even if 50 per cent. of the share capital is not present or represented).

The General Meeting of 5 December 2013 has authorised the Board of directors to approve a purchase, pledge or sale of the Issuer's own shares for a price per share which may not be less than 85 per cent. nor more than 115 per cent. of the closing price on the date preceding the transaction. The Issuer may never hold more than 10 per cent. of the outstanding shares.

Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders.

As at the date of the Prospectus, the Issuer and its Subsidiaries held 46,499 treasury Ordinary Shares.

8.6.6 Rights in case of dissolution and liquidation

The Issuer can only be dissolved by a shareholders' resolution passed with a majority of at least 75 per cent. of the votes cast at an extraordinary General Meeting where at least 50 per cent. of the share capital is present or represented.

If, as a result of losses incurred, the ratio of the Issuer's net assets to share capital is less than 50 per cent., the Board of directors must convene an extraordinary General Meeting within two months as of the date upon which the Board of directors became aware or should have become aware of these losses. At this General Meeting, the Board of directors needs to propose either the dissolution or the continuation of the Issuer. In the latter case, the Board must propose measures to redress the financial situation. Shareholders representing at least 75 per cent. of the votes validly cast at this meeting have the right to dissolve the Issuer, provided that at least 50 per cent. of the share capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Issuer's net assets to share capital is less than 25 per cent., the same procedure must be followed. However, in that case, shareholders representing 25 per cent. of the votes validly cast at the meeting can decide to dissolve the company. If the amount of the company's net assets drops below EUR 61,500 (i.e. the minimum amount of share capital of a *société anonyme / naamloze vennootschap*), any interested party may request the competent court to dissolve the company. The court can order the dissolution of the company or grant a grace period within which the company is to remedy the situation.

8.7 Applicable Legislation

8.7.1 Notification of major holdings

Belgian law imposes disclosure requirements on any individual or entity acquiring or transferring voting securities or securities which give a right to voting securities, as soon as, following such acquisition or transfer, the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, goes above or falls below a threshold of 5 per cent., or any multiple of 5 per cent., of the total number of voting rights attached to the company's securities. Notwithstanding the possibility to provide for other thresholds⁷, the Issuer's Articles of Association provide for the same thresholds (i.e. 5 per cent. and any multiple of 5 per cent.).

In case a threshold is crossed, a notification must be made to the Issuer and to the FSMA. Forms for the latter notification can be found on the website of the FSMA (www.fsma.be). Breaches of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The FSMA may also impose administrative fines.

The Issuer is required to publicly disclose any notifications received regarding increases or decreases in major holdings of the Issuer's securities, and must mention these notifications in the notes to its financial statements. A list as well as a copy of such notifications can be viewed on Cofinimmo's website (www.cofinimmo.com).

It should be noted that notifications are also required where, as a result of events changing the allocation of voting rights, the percentage of voting rights attached to securities with voting rights reaches, exceeds or falls below the applicable thresholds, even where no acquisition or disposal of securities occurred (e.g., share capital increase or cancellation of treasury shares) as well as when natural or legal persons enter into, change or terminate an agreement to act in concert, where as a result of such event, the percentage of voting rights subject to the action in concert or the percentage of voting rights of one of the parties acting in concert, reaches, exceeds or falls below the applicable thresholds.

8.7.2 Public takeover bids

Public takeover bids for the Issuer's shares and other securities giving access to voting rights (such as warrants or convertible bonds) are subject to supervision by the FSMA. Any public takeover bid must be extended to all of the company's voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus, approved by the FSMA prior to publication.

Belgium implemented the Thirteenth Company Law Directive (Directive 2004/25/EC) by an act of 1 April 2007 and a royal decree of 27 April 2007 (the "takeover bid legislation"). According to the takeover bid legislation, a mandatory bid will need to be launched if a person, as a result of his own acquisition or the acquisition by persons acting in concert with him or by persons acting for his account, directly or indirectly holds more than 30 per cent. of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by a Royal Decree. This requirement applies to shares in the Issuer.

There are several provisions of the Belgian Company Code and certain other provisions of Belgian law, such as the obligation to disclose major holdings (see "*Notification of major holdings*") and merger control, that may apply towards the Issuer and which may create hurdles to an unsolicited tender offer, merger, change in management or other change in control. These provisions could

⁷ The transparency act of 2 May 2007 provides that a listed issuer's articles of association may provide for one or more of the following additional disclosure thresholds: 1%, 2%, 3%, 4% or 7.5%.

discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Issuer's shares. Such provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium. In addition, pursuant to the Belgian Company Code, the Board of directors of the Issuer may in certain circumstances, and subject to prior authorization by the shareholders, deter or frustrate public takeover bids through dilutive issuances of equity securities (pursuant to the authorized capital) or through share buy-backs (i.e. purchase of own shares). (see also "*Changes to the share capital*" and "*Purchase and sale of own shares*").

Pursuant to the RREC Legislation, an offeror which would control the Issuer as a result of a takeover bid would be considered as a sponsor (*promoteur/promotor*) of the Issuer. As long as the Issuer has a RREC status, the sponsor must ensure that at least 30 per cent. of the Issuer's shares are held by investors who do not act in concert with such sponsor or who do not have a link of participation of interest ("*lien de participation / deelnemingsverhouding*") (within the meaning of the Belgian Company Code) with the sponsor. Non-compliance with this requirement may result in the termination of the RREC status by the FSMA in accordance with the provisions of the RREC Legislation.

No public takeover bid for the Issuer's shares and other securities giving access to voting rights has been launched during the financial year which closed on 31 December 2015 up to the date of this Securities Note. As detailed in Section 5.2 (*Reasons for the Offering and use of proceeds*), the Issuer has however the intention to buy back its Convertible Bonds 2013 by way of the Institutional Reverse Bookbuilding and the Public Tender Offer to be financed by way of the proceeds of this Offering.

8.7.3 *Squeeze-out*

Pursuant to Article 513 of the Belgian Company Code, a person or entity, or different persons or entities acting alone or in concert, who, together with the relevant company, own 95 per cent. of the voting securities in a public company, can acquire the totality of the securities conferring (potential) voting rights in that company following a squeeze-out offer. The shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure. The consideration for the securities must be in cash and must represent the fair value as to safeguard the interests of the transferring shareholders and is, for these purposes, verified by an independent expert.

A squeeze-out offer is also possible upon completion of a public takeover, provided that the bidder holds 95 per cent. of the voting securities and, in case of a voluntary takeover bid, that the bidder has acquired 90 per cent. of the voting securities to which the offer relates. The bidder may require that all remaining shareholders sell their securities to the bidder at the offer price of the takeover bid. Shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure. The bidder is required to reopen the public takeover offer within three months following expiration of the offer period.

The 95 per cent. ownership would be contrary to the free float requirement discussed in "Public takeover bids" above and the de-listing which would follow a squeeze-out is contrary to the requirement for a RREC such as the Issuer to have its shares admitted to trading on a Belgian regulated market. This could result in the termination of the Issuer's RREC status.

8.7.4 *Sell-out right*

Holders of securities conferring (potential) voting rights may require an offeror who, acting alone or in concert, following a takeover bid, owns 95 per cent. of the voting capital or 95 per cent. of the securities conferring voting rights in a public company to buy their securities at the price of the bid, upon the condition that the offeror has acquired, through the bid, securities representing at least 90 per cent. of the voting capital subject to the takeover bid.

Again, the 95 per cent. ownership would be contrary to the free float requirement discussed in *Public takeover bids* above.

8.8 Impact on the Issuer and dilution

To the extent that an Existing Shareholder does not exercise its Priority Allocation rights to subscribe for the Convertible Bonds, such Existing Shareholder's proportionate ownership and voting interest in the Issuer is likely to be reduced, and the percentage that such shareholder held in the Issuer's share capital prior to the issuance of new Ordinary Shares as a result of the exercise of Convertible Bonds will accordingly be reduced. The extent of such dilution will depend on the number of Convertible Bonds which will be actually converted and, if such a conversion is requested, on whether the Issuer will opt to deliver existing Ordinary Shares or a corresponding cash amount in lieu of new Ordinary Shares, as it is entitled to do so pursuant to the Terms and Conditions.

On the date of the Prospectus, an Existing Shareholder holding 1% of the share capital (on a non-fully diluted basis) of the Issuer and who does not exercise its Priority Allocation right, would experience a maximal dilution of 6.67% in terms of voting rights if all Convertible Bonds are converted into new Ordinary Shares. Such maximal dilution would amount to 7.39%, assuming that 10% of Convertible Bonds 2013 are outstanding following the Buyback Offer and all such outstanding Convertible Bonds 2013 are converted at a one share per bond ratio (for more information on the Buyback Offer, see Section 5.2 (*Reasons for the Offering and use of proceeds*)).

An Existing Shareholder who holds less than 14 Coupons or less than a multiple of 14 Coupons will not be able to subscribe for a Convertible Bond or, as the case may be, an additional Convertible Bond. Due to the features of the transaction, the Coupons representing the Priority Allocation right will not be listed on any market and Existing Shareholders will therefore not be able to buy such additional number of Coupons as required to hold 14 Coupons or a multiple thereof. As a result, Existing Shareholders could be prevented from subscribing an additional Convertible Bond that they would otherwise have been entitled to subscribe for if they held the required number of Coupons. This will not cause a financial dilution to such Existing Shareholders, given that the initial Conversion Price of the Convertible Bonds is set at a premium to the current stock price of the Ordinary Shares. It will cause a very limited dilution in terms of voting rights if the Convertible Bond is converted into new Ordinary Shares, to the extent that such Existing Shareholder will only be prevented from subscribing one (additional) Convertible Bond. The constraints of issuing the Convertible Bonds at a nominal amount even lower than the nominal amount currently set, would have off-set the benefit for Existing Shareholders to be able to subscribe that (additional) Convertible Bond.

The number of coupons (representing the Priority Allocation right) required to subscribe for one Convertible Bond was determined based on the total number of shares issued by Cofinimmo (total number of outstanding Ordinary Shares and total number of outstanding Preferential Shares) and is the same for holders of Ordinary Shares and holders of Preferential Shares. As Preferential Shares give right to a fixed and capped yearly priority dividend as well as to a fixed priority dividend in case of liquidation (equal to their issue prices), this would imply that the holders of Preferential Shares are not affected by a financial dilution if they do not subscribe to the Convertible Bonds whilst the holders of Ordinary Shares could be slightly affected if they do not subscribe to the Convertible Bonds (provided the holders of Preferential Shares have not at that time converted their Preferential Shares into Ordinary Shares). It should also be noted that Preferential Shares and Ordinary Shares will be treated equally for the Priority Allocation Right, despite the fact that they have different economic rights.

9. TAXATION IN BELGIUM

The following is a general description of certain Belgian tax considerations relating to the Convertible Bonds and the Ordinary Shares into which the Convertible Bonds (subject to their Terms and Conditions) can be converted. It does not purport to be a complete analysis of all tax considerations which may be relevant to a decision to purchase, own, exchange, dispose of or convert the Convertible Bonds or to purchase, acquire, hold or dispose of Shares. Prospective investors should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium of acquiring, holding and disposing of Convertible Bonds and Ordinary Shares and receiving payments of interest, dividend, principal and/or other amounts thereunder. This summary 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.

For the purpose of this summary, a Belgian resident is: (i) an individual subject to Belgian personal income tax (i.e. an individual who has his domicile or his centre of financial interest in Belgium, or a person assimilated to a Belgian resident); (ii) a company subject to Belgian corporate income tax (i.e. a company that has its registered office, its main establishment or its principal place of management in Belgium); or (iii) a legal entity subject to Belgian legal entity income tax (i.e. an entity other than a company subject to corporate income tax having its registered office, its main establishment or its principal place of management in Belgium). A non-resident is a person that is not a Belgian resident.

9.1 Convertible Bonds

9.1.1 Belgian Withholding Tax on the Convertible Bonds

Interest paid or attributed to the Bondholders on the Convertible Bonds made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax at a rate of 27%, subject to such relief as may be available under applicable domestic provisions and tax treaties concluded by Belgium. For Belgian income tax purposes, interest includes: (i) periodic interest income; (ii) amounts paid by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer) and (iii) if the Convertible Bonds qualify as fixed income securities pursuant to Article 2, § 1, 8° Belgian Income Tax Code 1992 ("**ITC 1992**"), in case of a sale of the Convertible Bonds to any third party, excluding the Issuer, the *pro rata* of accrued interest corresponding to the detention period. Interest also includes the value of the existing Ordinary shares or the Cash Alternative Amount received by the Bondholder upon Conversion up to an amount equal to the difference between the total value received upon Conversion and the issue price of the Convertible Bond. The value of the new Ordinary Shares received upon Conversion does not give rise to interest for Belgian tax purposes. If, upon exercise by a Bondholder of its Conversion Right, the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares, that Bondholder (unless it has the benefit of an exemption from withholding tax) will thus be subject to a withholding tax that would not have arisen if the Issuer had merely issued new Ordinary Shares pursuant to that conversion.

9.1.2 NBB-SSS

The holding of the Convertible Bonds in the NBB securities settlement system permits most types of investors (the "**Eligible Investors**", see below) to collect interest on their Convertible Bonds free of Belgian withholding tax, and to trade their Convertible Bonds on a gross basis. Participants in the NBB-SSS operated by the NBB must keep the Convertible Bonds they hold for the account of Eligible Investors on an exempt securities account (an "**X-account**"), and those they hold for the account of "**Non-Eligible Investors**" on a non-exempt securities account "**N-account**".

Payments of interest made through X-accounts will be made free of Belgian withholding tax; payments of interest made through N-accounts are subject to a withholding tax of 27%, which the NBB deducts from the interest payment and pays over to the tax authorities. Transfers of Convertible

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 or 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 or 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 Convertible Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax;
- transfers of Convertible Bonds between two N-accounts give rise to the payment by the transferor or 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 or Non-Eligible Investor of withholding tax on the same interest amount.

These adjustment mechanics are such that parties trading the Convertible Bonds on the secondary market, irrespective of whether they are Eligible or Non-Eligible Investors, are in a position to quote prices on a gross basis.

The main categories of Eligible Investors are the following:

- Belgian resident corporate investors;
- state regulated institutions for social security or institutions assimilated therewith;
- corporate investors who are non-residents of Belgium, regardless of whether they have a permanent establishment in Belgium or not;
- individuals who are non-residents of Belgium, unless their holding of the Convertible Bonds is connected to a professional activity in Belgium; and
- non-incorporated foreign collective investment schemes (such as *beleggingsfondsen / fonds de placement*) whose units are not publicly offered or marketed in Belgium.

The main categories of Non-Eligible Investors are the following:

- Belgian resident individuals;
- Belgian non-profit organisations (other than pension funds); and
- Belgian pension funds recognised in the framework of pension savings as referred to in Article 145/16, 1 of the ITC 1992;
- Non-incorporated Belgian collective investment schemes (*beleggingsfondsen / fonds de placement*) and similar foreign funds whose units are publicly offered or marketed in Belgium.

The above categories summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, to which investors should refer for a precise description of the relevant eligibility rules.

When opening an X-account with the NBB clearing and settlement system, an Eligible Investor will be required to provide a statement regarding its eligible status on a standard form approved by the Belgian Minister of Finance and to send it to the financial institution where this account is kept. There are no ongoing certification requirements although Eligible Investors must update their statement should their eligible status change. Different identification requirements apply to investors who are non-residents of Belgium and keep their Convertible Bonds on a securities account through Euroclear or Clearstream.

9.1.3 Interest, Capital Gains and Income Tax

9.1.3.1 Belgian resident individuals

For Belgian resident individuals holding the Convertible Bonds as a private investment, the payment of the 27% withholding tax fully discharges them from their tax liability with respect to these interest payments. They may nevertheless elect to declare the interest in their personal income tax return. Where the beneficiary opts to report them, interest will normally be taxable at the lower of the applicable withholding tax rate of 27% or at the progressive personal tax rate 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 at source may, under certain conditions, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due.

Capital gains realised on the disposal or upon the conversion of the Convertible Bonds (save to the extent that this capital gain is treated as interest, as to which please see the following paragraph and except for the *pro rata* of accrued interest corresponding to the detention period included in the capital gain) are as a rule tax exempt, unless these Convertible Bonds are held for professional purposes or if the realised capital gain falls outside the scope of the normal management of one's private estate. Belgian resident individuals may, however, be subject to a 33% tax (plus local surcharges) if the capital gain is deemed to be realised outside the scope of the normal management of one's private estate. Specific tax rules apply to Belgian resident individuals who do not hold the Convertible Bonds as a private investment.

As indicated in Section 9.1.1 (*Belgian withholding tax on the Convertible Bonds*) above, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares. Such interest would in that case be subject to withholding tax at the rate of 27%

9.1.3.2 Belgian Resident Companies

Belgian resident companies will be subject to Belgian corporate income tax, generally (unless the reduced corporate income tax rates apply) levied at a rate of 33.99%, on the interest payments made on the Convertible Bonds. Capital gains realised in respect of the Convertible Bonds, including the conversion gain realised upon conversion of the Convertible Bonds, will also be part of the company's taxable income. Capital losses should be tax deductible.

9.1.3.3 Belgian legal entities

Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income are required to pay the Belgian withholding tax themselves (unless they can benefit from an exemption). Belgian legal entities which do not qualify as Eligible Investors are subject to a 27% Belgian withholding tax on the interest income.

Capital gains realised on the disposal or the upon conversion of the Convertible Bonds (save to the extent that this capital gain is treated as interest, as to which please see the following paragraph and except for the *pro rata* of accrued interest corresponding to the detention period included in the capital gain) are as a rule tax exempt.

As indicated in 9.1.1 (*Belgian withholding tax on the Convertible Bonds*) above, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares. Such interest would in that case be subject to withholding tax at the rate of 27%.

9.1.3.4 Organisations for Financing Pensions

Interest paid or attributed to "Organisations for Financing Pensions" as defined by the Law of 27

October 2006 on the activities and supervision of institutions for occupational retirement provision is as a rule subject to Belgian withholding tax at a rate of 27%. This Belgian withholding tax is creditable against corporate income tax due and any excess is as a rule refundable. Capital gains realised on the disposal or upon the conversion of the Convertible Bonds (save to the extent that this capital gain is treated as interest, as to which please see the following paragraph and except for the *pro rata* of accrued interest corresponding to the detention period included in the capital gain) are as a rule tax-exempt.

As indicated in 9.1.1 (*Belgian withholding tax on the Convertible Bonds*) above, the exercise by a Bondholder of its Conversion Right may be treated as giving rise to the allocation to that Bondholder of taxable interest, if the Issuer opts for a Cash Settlement or for the delivery of existing Ordinary Shares. Such interest would in that case be subject to withholding tax at the rate of 27%

9.1.3.5 Non-residents

Interest paid or attributed to and capital gains realised by non-resident companies and individuals will generally not be subject to Belgian tax if not connected to a Belgian fixed base or permanent establishment, provided that the beneficiaries qualify as Eligible Investors and that they hold their Convertible Bonds in an X-account.

9.2 Ordinary Shares

9.2.1 *Belgian Withholding Tax on the Ordinary Shares*

A withholding tax of 27% is levied on the gross amount of dividends paid on or attributed to Ordinary Shares, subject to such relief as may be available under applicable domestic provisions and tax treaties concluded by Belgium. Dividends subject to the dividend withholding tax include all benefits paid on or attributed to shares, irrespective of their form, as well as reimbursements of statutory capital, except reimbursements of fiscal capital made in accordance with the Belgian Company Code. In principle, fiscal capital includes the paid-up statutory capital, paid-up issue premiums and the amounts subscribed to at the time of the issue of profit-sharing certificates, if treated in the same way as capital according to the articles of association of the Issuer.

If the Issuer redeems its own shares, the redemption distribution (after deduction of the portion of fiscal capital represented by the redeemed shares) will be treated as a dividend which may normally be subject to the abovementioned withholding tax of 27%, subject to such relief as may be available under applicable domestic provisions. In particular, a withholding tax exemption is applicable if the redemption is carried out by an investment company in the meaning of Article 2 (1) (5) (f) of the ITC 1992, such as the Issuer.

In case of liquidation of the Issuer, the liquidation proceeds (after deduction of the portion of fiscal capital represented by the Shares) will be treated as a dividend which may normally be subject to a withholding tax of 27%, subject to such relief as may be available under applicable domestic provisions. In particular, a withholding tax exemption is applicable on the liquidation proceeds resulting from the liquidation of an investment company in the meaning of Article 2 (1) (5) (f) of the ITC 1992, such as the Issuer.

Dividends distributed to Belgian resident companies will be exempt from withholding tax provided that the Ordinary Shares held by the Belgian resident company, upon attribution of the dividends, amount to at least 10% of the Issuer's capital and are held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the Belgian resident company must provide the Issuer or its paying agent with a certificate confirming its qualifying status and the fact that it meets the required

conditions. If the Belgian resident company holds the shares for less than one year, at the time the dividends are paid on or attributed to the shares, the Issuer will withhold the tax but will not transfer it to the Belgian Treasury provided that the investor certifies: (i) its qualifying status; (ii) the date from which it has held the shares; and (iii) its commitment to hold the shares for an uninterrupted period of at least one year. The investor must also inform the Issuer or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of the Issuer's capital before the end of the one year holding period. Upon satisfying the one-year shareholding requirement, the deducted dividend withholding tax will be refunded to the investor.

Belgium has concluded tax treaties with more than 80 countries, reducing the dividend withholding tax rate to 10%, 5% or 0% for residents of those countries, depending on certain conditions, among others, related to the size of the shareholding and certain identification formalities.

Prospective holders should consult their own tax advisors as to whether they qualify for reduction in withholding tax upon payment of dividends, and as to the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

9.2.2 Dividends, Capital Gains and Income Tax

9.2.2.1 Belgian resident individuals

For Belgian resident individuals who acquire and hold shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return. Where the beneficiary opts to report them, dividends will normally be taxable at the lower of the applicable withholding tax rate of 27% or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is lower. If the dividends are reported, the dividend withholding tax withheld at source may, under certain conditions, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due.

As a general rule, Belgian resident individuals are not subject to Belgian capital gains tax on the disposal of the shares and capital losses are not tax deductible. Belgian resident individuals may, however, be subject to a 33% tax (plus local surcharges) if the capital gain is deemed to be realised outside the scope of the normal management of one's private estate. A sale of Ordinary Shares which are directly or indirectly part of a stake representing more than 27% of the share capital in the Issuer may, under certain conditions, give rise to a 16,5% tax (plus local surcharges).

Effective as of 1 January 2016, a so-called "speculation tax" has been introduced for resident and non-resident individual taxpayers. The tax is due, at a rate of 33%, on the capital gains realised (outside the exercise of a professional activity) on quoted shares, options and warrants or other quoted financial instruments which have been acquired for consideration less than 6 months before the alienation for consideration. The shares, options, warrants or other quoted financial instruments should be quoted (i) on a Belgian or foreign regulated market in the sense of Art. 2, 1st ind., 3° of the Law of 2 August 2002, or (ii) on a multilateral trading facility in the sense of Art. 2, 1st ind., 4° of the Law of 2 August 2002 (provided there is daily trading and a central order book), or (iii) on a trading platform of a third country fulfilling a similar function. For purposes of the speculation tax, the notion "shares" is defined as any shares in companies or assimilated securities as well as share certificates, except shares in collective investment vehicles (as meant by the Law of 3 August 2012), in undertakings investing in debt claims (as meant by the Law of 19 April 2014) and in regulated real estate companies. As the Issuer qualifies as a regulated real estate company, the speculation tax should not be applicable in the case at hand.

Capital gains realised by Belgian resident individuals or non-resident individuals upon the redemption of the shares or upon liquidation of the Issuer will be taxed as a dividend as discussed hereinabove.

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

9.2.2.2 Belgian resident companies

For Belgian resident companies, the dividend withholding tax does not fully discharge the corporate income tax liability. Gross dividends received must be reported and will be subject to corporate income tax generally (unless the reduced corporate income tax rates apply) at a rate of 33.99%.

If withholding tax is withheld at source, in principle, it may be offset against the corporate income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own the shares in full legal ownership at the time the dividends are paid or attributed; and (ii) the dividend distribution may not give rise to a reduction in value of or a capital loss on the shares. The latter condition is not applicable if the company can demonstrate that it has held the shares on full legal ownership for an uninterrupted period of 12 months prior to the payment of or attribution on the dividends or if during the said period, the shares never belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the shares in a Belgian permanent establishment.

Belgian resident companies may deduct up to 95% of gross dividends included in their taxable profits (the "Dividend Received Deduction") if, at the date the dividends are paid or attributed: (i) they hold at least 10 per cent. of the capital of the Issuer or a participation with an acquisition value of at least €2,500,000; (ii) they hold full legal ownership of the shares; (iii) they held or will hold the shares for an uninterrupted period of at least one year; and (iv) the taxation condition as described in Article 203 of the ITC 1992 has been met.

The above conditions (i), (ii) and (iii) are not applicable to dividends paid on or attributed by an investment company in the meaning of Article 2(1)(5)(f) of the ITC 1992, such as the Issuer.

With respect to dividends distributed by an investment company in the meaning of Article 2(1)(5)(f) of the Belgian Income Tax Code, such as the Issuer, the Dividend Received Deduction will only be applicable if (a) the Articles of Association of the Issuer provide for the obligation to annually distribute at least 90% of the profit (after deduction of costs, fees and remunerations) and (b) provided that and to the extent that the profit derives from dividends that satisfy the taxation condition as described in article 203, §1, of the ITC 1992 and/or capital gains realised on shares that qualify for the exoneration set out by Article 192 of the ITC 1992.

Belgian resident companies are normally (save when the gain is realized within one year following the acquisition of the shares and save the application of the so-called "0.4% separate tax" on capital gains on shares realized after one year following the acquisition of the shares by certain qualifying companies) not subject to Belgian corporate taxation on gains realised upon the disposal of shares provided that the condition set out by Article 192 of the ITC 1992 is met. However, the Ordinary Shares will normally not qualify for this exemption so that the gains realised on the Ordinary Shares will be subject to corporate income tax generally (unless the reduced corporate income tax rates apply) at the ordinary rate of 33.99%. Losses realised upon the disposal of shares are normally not tax deductible save, and subject to certain conditions, in case of liquidation.

9.2.2.3 Belgian legal entities

For Belgian legal entities, the Belgian dividend withholding tax fully discharges their income tax liability. Capital gains realised with respect to the shares are as a rule not subject to income tax, save in case of a sale of shares which are directly or indirectly part of a stake representing more than 25% of the share capital in the Issuer which may, under certain conditions, give rise to a 16.5% tax (plus local surcharges).

9.2.2.4 Non-resident persons

For non-resident individuals, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds the shares in connection with a business conducted in Belgium through a fixed base in Belgium. In this latter case, specific tax rules will apply. As indicated in Section 9.2.2.1 (*Belgian resident individual*) above, since the Issuer qualifies as a regulated real estate company, the so-called speculation tax should not be applicable in the case at hand.

For non-resident companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident company holds the shares in connection with a business conducted in Belgium through a Belgian permanent establishment. If the shares are acquired by a non-resident company in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable non-resident corporate income tax rate. In principle, the withholding tax withheld at source may be credited against non-resident corporate income tax and is reimbursable to the extent that it exceeds the income tax due subject to two conditions: (i) the taxpayer must own the shares in full legal ownership at the time the dividends are paid or attributed; and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the shares. The latter condition is not applicable if the non-resident company can demonstrate that the shares were held in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends or if during the said period the shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner invested the shares in a Belgian permanent establishment. In a similar way to Belgian resident companies, non-resident companies who invested the shares in a Belgian permanent establishment will normally not be entitled to the Dividend Received Deduction on the Ordinary Shares (see above).

Capital gains realised on the disposal of the Ordinary Shares by non-resident companies are normally not taxable in Belgium, unless the non-resident company holds the shares in connection with a business conducted in Belgium through a Belgian permanent establishment. If the Shares are invested by a non-resident company in connection with a business in Belgium, capital gain/losses realised by the non-resident company will normally be subject to the Belgian corporate tax in a similar way than Belgian resident companies (see above).

For non-resident legal entities, the Belgian dividend withholding tax is the final tax due in Belgium, subject to such relief as may be available under applicable domestic law or tax treaty provisions.

9.2.2.5 Organisations for Financing Pensions

Dividends paid or attributed to “Organisations for Financing Pensions” within the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision are as a rule subject to Belgian withholding tax at a rate of 27%. In principle, this Belgian withholding tax is creditable against corporate income tax due and any excess is as a rule refundable.

Capital gains realised by “Organisations for Financing Pensions” within the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision are generally not subject to income tax.

9.2.3 Tax on Stock Exchange Transactions

Secondary market trades in respect of the Convertible Bonds (including the conversion of Convertible Bonds into existing Ordinary Shares) will give rise to a stamp duty on stock exchange transactions of 0.09%. (due on each sale and acquisition separately) if they are carried out in Belgium through a professional intermediary. Secondary market trades in respect of the Ordinary Shares will give rise to a stamp duty on stock exchange transactions of 0.09% (due on each sale and acquisition separately) if they are carried out in Belgium through a professional intermediary. The amount of the stamp duty is,

however, capped at €650 per transaction per party.

No tax on stock exchange transactions is payable by (i) professional intermediaries referred to in Articles 2, 9° and 10° of the Law of 2 August 2002 on the supervision of the financial sector and financial services, acting for their own account; (ii) insurance companies referred to in Article 2, §1 of the Insurance Supervision Act of 9 July 1975 acting for their own account, (iii) institutions for occupational retirement provision funds referred to in Article 2, 1° of the Law of 27 October 2007 on the supervision of institutions for occupational retirement provision; (iv) collective investment undertakings; or (v) non-residents (upon delivery of a certificate of non-residency in Belgium).

9.3 The proposed Financial Transactions Tax ("FTT")

The EU Commission adopted on 14 February 2013 a Draft Directive implementing enhanced cooperation in the area of financial transactions tax. Participating Member States are Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia.

The Draft Directive currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the above mentioned tax on stock exchange transactions should thus be abolished once the FTT enters into force.

The proposed FTT has very broad, potentially extraterritorial scope. It would apply to financial transactions where at least one party is a financial institution, and (a) one party is established in a participating Member State or (b) the financial instrument which is subject to the transaction is issued in a participating Member State. A financial institution may be, or be deemed to be, "established" in a Member State in a broad range of circumstances.

In relation to many secondary market transactions in bonds and shares, the FTT would be charged at a minimum rate of 0.1% on each financial institution which is party to the transaction. The issuance and subscription of bonds or shares should, however, be exempt. There are no broad exemptions for financial intermediaries or market makers. Therefore, the effective cumulative rate applicable to some dealings in bonds or shares (for instance, cleared transactions) could be greatly in excess of 0.1%.

A person transacting with a financial institution which fails to account for FTT would be jointly and severally liable for that tax.

Notwithstanding the European Commission proposals, a statement dated 6 May 2014 made by the participating Member States (other than Slovenia) indicates that a progressive implementation of the FTT is being considered, and that the FTT may initially apply only to transactions involving shares and certain derivatives, with implementation occurring by 1 January 2016. However, full details are not available. Moreover, the January 1, 2016 implementation date, and also the postponed implementation date of 30 June 2016, have in the meantime been abandoned, without a new target adoption date having been set.

The FTT proposal remains subject to negotiation between the participating Member States and its timing remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Convertible Bonds are strongly advised to seek their own professional advice in relation to the FTT.

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