

**AEDIFICA
PUBLIC LIMITED LIABILITY COMPANY
REGULATED PUBLIC REAL ESTATE COMPANY UNDER BELGIAN LAW**

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**SPECIAL REPORT OF THE BOARD OF DIRECTORS PURSUANT TO
ARTICLE 604 OF THE BELGIAN COMPANIES CODE**

Ladies and Gentlemen Shareholders,

The present report to the general meeting of shareholders has been drafted pursuant to Article 604 of the Belgian Companies Code. In accordance with the provisions contained in this Article, the report aims to present the proposal to be submitted to the extraordinary general meeting scheduled to take place on 29 March 2018 or, if a quorum cannot be reached at this first meeting, on 16 April 2018 (or any such other date as might be set), so as to reauthorise the Board of Directors to increase the company's authorised capital under the conditions set out below.

1. Proposals to be submitted to the general meeting

The following proposals are to be submitted to the aforementioned Extraordinary General Meeting:

- Proposal, subject to the prior approval of the FSMA, to renew the authorisation granted by the Extraordinary General Meeting of 28 October 2016 to the Board of Directors for a renewable period of five years calculated from the publication of the present decision in the Annexes to the Belgian Official Gazette, thereby authorising the Board of Directors, in accordance with Articles 603 ff. of the Belgian Companies Code, to increase the share capital in one or more instalments, by a maximum amount of:
1°) EUR 474,000,000 if the capital increase to be effected is a capital increase whereby the shareholders of the Company have the possibility to exercise a preferential subscription right or a priority allocation right,
2°) EUR 94,800,000 for any other type of capital increase;
it being understood that the share capital can never be increased within the framework of the authorised capital in excess of EUR 474,000,000 during the period of five years calculated from the publication of the present decision in the Annexes to the Belgian Official Gazette.

- Consequently, proposal to amend Article 6.4 of the Articles of Association so as to reconcile the text with the above proposal.

2. Justification

The Extraordinary General Meeting of 28 October 2016 authorised the Board of Directors to increase the company's share capital in one or more instalments, by a maximum amount of:

1°) EUR 374,000,000 if the capital increase to be effected is a capital increase whereby the shareholders of the Company have the possibility to exercise a preferential subscription right or a priority allocation right,

2°) EUR 74,800,000 for any other type of capital increase;

it being understood that the share capital can never be increased within the framework of the authorised capital in excess of EUR 374,000,000 during the period of five years calculated from the publication of the present decision in the Annexes to the Belgian Official Gazette.

The Board of Directors proposes to renew the authorisation it was granted to increase the share capital on the same terms as those applicable to the authorisation in force, it being understood that the maximum amounts specified in the current authorisation (equal to, respectively, quasi the share capital per 28 October 2016 and quasi 20% of the share capital per 28 October 2016) are adjusted to the amended amount of the (current) share capital.

You are therefore invited to renew the authorised capital (and concurrently to cancel the balance of the available authorised capital as previously granted by the General Meeting of 28 October 2016) for a renewable period of five years calculated from the publication of the minutes of the General Meeting, by a maximum amount of:

1°) EUR 474,000,000 if the capital increase to be effected is a capital increase whereby the shareholders of the Company have the possibility to exercise a preferential subscription right or a priority allocation right,

2°) EUR 94,800,000 for any other type of capital increase.

The proposal for authorisation set out in point 1°) relates on the one hand to classical instances of capital increase provided for in the Belgian Companies Code, i.e. cases of capital increase by means of a cash contribution in accordance with Articles 592 ff. of the Belgian Companies Code, for which the Belgian Companies Code provides and regulates a preferential subscription right to the benefit of the existing shareholders, and on the other hand to specific cases of capital increase laid down in the Act of 12 May 2014 governing regulated real estate companies, this Act allowing the restriction or cancellation of the preferential subscription right of shareholders in the event of a capital increase by means of cash contributions, provided existing shareholders are granted an priority right of allocation at the time new securities are allocated. For all such instances in which (existing) shareholders are offered the possibility to exercise a preferential subscription right or priority allocation right, it is proposed to grant the authorisation to the Board of Directors to increase the share capital in one or more instalments by a maximum amount of EUR 474,000,000.

The proposal for authorisation set out in point 2°) concerns all other types of capital increase for which no possibility to exercise a preferential subscription right or priority allocation right is

granted to the (existing) shareholders, such as contributions in kind as referred to in Articles 601 ff. of the Belgian Companies Code. For these instances, it is proposed to grant the authorisation to the Board of Directors to increase the share capital in one or more instalments by a maximum amount of EUR 94,800,000.

In any event, within the framework of the authorised capital it will only be possible for the company's share capital to be increased by the maximum amount of EUR 474,000,000 during the five-year period calculated from the publication of the decisions in the Annexes to the Belgian Official Gazette.

This renewal aims to bring the amount of the authorised capital in line with the evolution of the share capital.

As in the past, this authorisation serves to enable the Board of Directors to use the authorised capital as and when corporate interests dictate, and more particularly to seize all opportunities liable to enlarge the Company's real estate assets in an efficient and cost-effective manner.

The authorised capital can also be used in any and all instances in which it is advisable in the short term to benefit in the most adequate way possible from profitable market evolutions and conditions, to respond to investor interest and generally to seize all opportunities to consolidate the Company's equity base, to adapt its financial structure to the developmental needs of the business as well as legal and regulatory provisions, and to increase the courses of action and to promote the development of its activities.

In accordance with Article 606 of the Belgian Companies Code, the authorised capital cannot be used for:

- capital increases realized mainly by contributions in kind reserved exclusively to a shareholder of the Company detaining securities to which are attached more than 10% of voting rights;
- the issuing of shares without mention of nominal value under the par value of the old shares of the same class;
- the issuing of warrants destined principally for one or more specific individual(s), other than staff members of the Company or one or more of its subsidiaries.

3. Proposal for amendment of the Articles of Association

In light of the above proposal, the Board of Directors suggests to formulate Article 6.4 of the Articles of Association relating to the authorised capital as follows:

"Article 6.4: Authorised capital

The Board of Directors is authorised to increase the share capital in one or more instalments by a maximum amount of:

1°) EUR 474,000,000 if the capital increase to be effected is a capital increase whereby the shareholders of the Company have the possibility to exercise a preferential subscription right or a priority allocation right,

2°) EUR 94,800,000 for any other type of capital increase;

it being understood that the share capital can never be increased within the framework of the authorised capital in excess of EUR 474,000,000.

on such dates and in accordance with such terms and conditions as will be determined by the Board of Directors, in accordance with Section 603 of the Belgian Companies Code.

This authorisation is granted for a renewable period of five years, calculated from the publication of the minutes of the Extraordinary General Meeting of [29 March or 16 April] 2018, in the Annexes to the Belgian Official Gazette.

For each capital increase, the Board of Directors will determine the price, the issue premium (if any) and the terms and conditions of issue of the new securities.

The capital increases that are thus decided on by the Board of Directors may be subscribed to in cash, in kind, or by means of a mixed contribution, or by the incorporation of reserves or by issue premiums, with or without the creation of new securities. These capital increases can also be achieved through the issue of convertible bonds or warrants.

If the capital increases realized within the framework of these authorisations include an issue premium, the amount of this premium, after deduction of any costs, will be allocated to a non-disposable account ("share premium account"), which will provide a guarantee for third parties in the same manner as the share capital and which, subject to its incorporation in the capital, can only be reduced or abolished by means of a resolution of the General Meeting deliberating in accordance with the quorum and majority requirements for capital reductions.

If the capital increase is accompanied by an issue premium, only the amount of the capital increase will be deducted from the remaining available amount of the authorised capital.

The Board of Directors is authorised to restrict or cancel the preferential subscription right of shareholders, including in favor of specific persons who are not employees of the company or one of its subsidiaries, provided that an irreducible right of allocation is granted to the existing shareholders when the new securities are allocated. This irreducible right of allocation must comply with the conditions that are laid down in the RREC legislation and Article 6.3(a) of the Articles of Association. It does not have to be granted in case of a cash contribution for the purpose of distributing an optional dividend, in accordance with Article 6.3(a) of the Articles of Association. Capital increases by means of contributions in kind are carried out in accordance with the conditions of the RREC legislation and the conditions provided for in Article 6.3(b) of the Articles of Association. These contributions may also be based on the dividend right in the context of the distribution of an optional dividend.

The Board of Directors is authorised to record the ensuing amendments to the Articles of Association in an officially certified deed."

4. Conclusion

The Board of Directors proposes to the Extraordinary General Meeting to vote in favour of the submitted proposals.

Brussels, 20 February 2018.

On behalf of the Board of Directors,

Jean Kotarakos
Director

Stefaan Gielens
Managing Director