INFORMATION DOCUMENT
Regulated information

29 August 2014 – Before opening of markets
Under embargo until 08:00 CET
Updated 1 September 2014

AEDIFICA

Public Limited Liability Company (Société Anonyme/Naamloze Vennootschap)
Public real estate investment company under Belgian law
Registered office: Louizalaan 331-333 Avenue Louise, Brussel 1050 Bruxelles
Enterprise number: 0877.248.501 (Brussels Register of Legal Entities)
(the « Company »)

Regulated Information

The information contained in this Information Document constitutes regulated information within the meaning of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

This document has been drafted under the responsibility of the board of directors of Aedifica SA/NV.

INFORMATION DOCUMENT OF AEDIFICA SA/NV ("AEDIFICA"OR THE "COMPANY")

The Company intends to adopt the status of a public regulated real estate company, as introduced by the Act of 12 May 2014 on regulated real estate companies ("**RREC Act**"), instead of the status of a public real estate investment company ("*vastgoedbevak*"/"*sicafi*").

The purpose of this document (the "Information Document") is to explain, in general terms, the reasons, the conditions and the consequences of the proposed change of status and to describe the exit right that the RREC Act provides for the benefit of the shareholders in this context. A calendar of the proposed procedure is set out at the end of this Information Document.

The shareholders should take note of the fact that the proposed change of status is subject to the condition that the percentage of shares for which the "exit right" (as set out in more detail below) is validly exercised, does not exceed the lower of the following percentages:

- **1.4 % of the shares issued by the Company at the time of the general meeting approving the amendments to the articles of association;**
- **X % of the shares issued by the Company, where "X" is calculated as follows:**

$$\frac{\text{7,600,000 EUR}^{1} \times 100}{\text{price at which the exit right is exercised} \times 10{,}249{,}117^{2}}$$

[1] Amount which can be legally distributed and which the Company is willing to distribute.

subject to the possibility for the board of directors to waive this condition.

Should the exit right be exercised for a percentage of shares exceeding the lower of these percentages and should the board of directors not waive this condition, this exit right would expire, the Company would maintain its status as a public real estate investment company and would in that case be required to apply for authorisation as an alternative investment fund manager ("AIFM").

This Information Document has been approved by the FSMA on 1 September 2014. This approval does not imply any judgment on the appropriateness of the proposed change of status or the situation of the Company.

[2] Total number of shares issued by the Company at the time of the general meeting approving the amendments to the articles of association.

I. Reasons for the proposed change of status

The RREC Act makes it possible for certain operational entities active in the real estate sector to obtain a specific status.

It also allows, subject to certain conditions and within a certain time frame, real estate investment companies to change their status in order to adopt the status of a "regulated real estate company" ("**RREC**").

The Company wishes to propose to its shareholders to use this possibility, on the conditions set out in this Information Document.

Taking into account the entry into force of the Act of 19 April 2014 on alternative investment funds and their managers (hereafter the "**AIFMD Act**")[3], the Company must indeed make a choice: as real estate investment companies will henceforth automatically be considered as AIFMs, it will have to opt either for maintaining its status as real estate investment company and therefore for the new AIFM status, or for the new RREC status (excluding the AIFM status).

The Company is of the opinion that it is in the interest of the shareholders and the Company to adopt the RREC status.

The RREC status is indeed characterised by the carrying out of an activity of making real estate available (which corresponds with what the Company actually does), by a protection of shareholders which is similar to the shareholder protection under the real estate investment company rules and by "tax transparency" (these points are further dealt with hereafter, II).

The choice "by default" is the real estate investment company / AIFM status, in the sense that, if the Company does not opt for the RREC status, it will, as of 16 November 2014, be considered an AIFM and will have to obtain its authorisation as such (article 509 of the AIFMD Act).

AIFM status in itself would not affect the level of shareholder protection or the tax treatment of the Company, but it would cause a set of additional rules to apply, such as:

- the obligation to appoint a depositary (generally a credit institution or an investment firm, responsible, in particular, for ensuring that the AIF's cash flows are properly monitored, for ensuring the holding in custody of financial instruments and for verifying the ownership of the real estate assets);
- the obligation to implement liquidity management systems;
- the obligation to regularly conduct stress tests with regard to the management of liquidity risks.

Applying these rules would noticeably increase the costs incurred by the Company.

AIFM status will also cause other regulations to be applicable, in particular in respect of derivatives (EMIR), implying an increase in the level of debt in order to cover collateral exposure in connection

[3] This act (the "**AIFMD Act**") transposes the European Directive on Alternative Investment Fund Managers (the "**AIFMD Directive**") into Belgian law.

with derivatives, and in respect of financing (Basel III), implying a strengthening of the margins imposed by credit institutions on credit lines, which would lead to a significant increase in the financial costs for the Company, without this being justified from the point of view of the operational model that it intends to adopt.

Adopting RREC status excludes the application of these regulations, as the RREC status excludes the AIFM status.

As set out in the explanatory memorandum of the RREC Act [4], in the neighbouring European countries, "*the competent supervising authorities of the neighbouring countries will need to analyse on a case by case basis whether or not a company that presents itself as a REIT, is an AIF"* (p. 7). *"Therefore, in order to maintain the competitive position of public real estate companies,* (... *), it appeared necessary to create a new legal status for these firms, based on what is provided for in the laws of other neighbouring European countries, that of a 'regulated real estate company"* (p. 11). *"This new orientation will be more in line with the approach taken in the neighbouring countries with the implementation of various legislative acts since early 2000 and will favour the understanding of international investors of the status of the firms in question. The introduction of this tailored legal status will therefore allow these firms to maintain their competitive position ('level playing field') vis-à-vis foreign law structures that are comparable from an operational perspective"* (p. 12).

[4] Draft bill on regulated real estate companies, *Doc. parl.*, Ch. Repr., 2013-2014, Explanatory memorandum, no. 3497/001.

II. Consequences of a change of status to a regulated real estate company

In the event of a change of status, the Company will henceforth be subject to the RREC Act and its implementing decree (the Royal Decree of 13 July 2014, hereafter the "**RREC RD**").

As set out in more detail below, the Company will, essentially, be able to continue to carry out the same activities and to hold the same real estate assets as in its current situation (below, 1) ; it will be subject to the same constraints in respect of the obligation to distribute, the debt ratio and the diversification of real estate assets (below, 2); the same rules will apply to it with respect to management structure and organisation (below, 3), shareholder protection (FSMA supervision, compulsory appointment of one or more independent real estate experts and auditors approved by the FSMA) (below, 4) and the holding of subsidiaries (below, 5); it will remain subject to a "tax transparency" regime (below, 7). The main changes relate to the concept of the exclusive interest of the shareholders being replaced by the interest of the company, greater flexibility for the management body in relation to the strategy of the Company and the prohibition for the Company to delegate management functions (below, 6).

1. Activities

The RREC must carry out an activity which consists exclusively of making, directly or through a company in which it holds a participation in accordance with the provisions of the RREC Act and the RREC RD, real estate available to users (for example by way of rental). The RREC can, in this context, carry out all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate (article 4, § 1 RREC Act).

The RREC must (i) carry out its activities itself without delegating in any way the carrying out of any activities to a third party other than a connected company, (ii) it must have direct relations with its clients and its suppliers and (iii) it must have operational teams, representing a substantial part of its personnel. In other words, the RREC must be a self-managed operational company.

It can hold the following real estate:

Ordinary real estate:

i. real estate and rights *in rem* on real estate (emphyteusis right, usufruct, ...), with the exclusion of forestry, agricultural or mining real estate;
ii. shares with voting rights issued by real estate companies that are under exclusive or joint control;
iii. option rights on real estate;
iv. shares in public regulated real estate companies ("**PRREC**") or institutional regulated real estate companies ("**IRREC**"), provided, in the latter case, that the IRREC is under joint or exclusive control;
v. rights arising from contracts giving one or more goods in finance lease to the RREC or providing other similar rights of use;

Other real estate:

vi. shares in public real estate investment companies;

vii. shares in foreign real estate funds included in the list referred to in article 260 of the AIFMD Act;
viii. shares in real estate investment funds established in another member state of the European Economic Area and not included in the list referred to in article 260 of the AIFMD Act, to the extent that they are subject to supervision equivalent to the supervision that is applicable to public real estate investment companies;
ix. shares issued by companies (i) with legal personality; (ii) subject to the law of another member state of the European Economic Area; (iii) the shares of which are admitted to trading on a regulated market and/or are subject to prudential supervision; (iv) whose main activity consists of the acquisition or construction of real estate with a view to making it available to users, or the direct or indirect holding of participations in companies with a similar activity; and (v) that are exempt from income tax on profits from the activity referred to in (iv) above, subject to compliance with certain legal requirements, at least with respect to the obligation to distribute part of their income to their shareholders (the "REITs");
x. real estate certificates referred to in article 5, § 4 of the act of 16 June 2006.

The Company cannot invest more than 20 % of its consolidated assets in real estate property that forms a single real estate development (a rule that is identical to the rule that applies to real estate investment companies) and is only allowed to hold the "other real estate" assets (mentioned in points vi to x) or option rights on such assets to the extent that their fair value does not exceed 20 % of its consolidated assets.

The Company can, in this new context, continue to carry out and develop the activities that it currently carries out, in the same manner as it currently does, and it will not be required to dispose of any real estate assets currently held.

Indeed, the activity of the Company consists of making real estate available to users, actively managing and developing its real estate.

2. Obligations

In order to accede to the status of a public regulated real estate company and the "tax transparency" regime for this type of company, the Company has to comply with the following obligations:

- Obligation to distribute (the "pay-out ratio"): the PRREC has to distribute by way of return on capital an amount that corresponds to at least the positive difference between 1°) 80 % of the positive net result of the financial year (after clearance of any losses carried forward and after additions to / drawings from the reserves as referred to in the RREC RD), and 2°) the net reduction, during the financial year, of the indebtedness;
- Limitation of the debt ratio: the consolidated debt ratio of the PRREC and its subsidiaries and the statutory debt ratio of the PRREC must not exceed, other than due to variations in the fair market value of its assets, 65 % of the consolidated or statutory assets, as the case may be, less authorised hedging instruments, unless this is the consequence of a variation of the fair value of the assets; in the event the consolidated debt ratio of the PRREC and its subsidiaries exceeds 50 % of the consolidated assets less authorised hedging instruments, the PRREC

must draw up a financial plan together with an implementing scheme, setting out the measures aimed at avoiding that the consolidated debt ratio would exceed 65 % of the consolidated assets;

- Diversification of real estate assets: the assets of the PRREC must be diversified so as to ensure an appropriate allocation of risk in terms of real estate assets, by geographical region and by category of user or tenant; no transaction of the PRREC should have the effect that more than 20 % of its consolidated assets are invested in real estate assets that constitute a "single real estate development" (subject to exceptions granted by the FSMA and to the extent that the consolidated debt ratio of the PRREC and its subsidiaries does not exceed 33 % of the consolidated assets less authorised hedging instruments).

In essence, these obligations are identical to those that are applicable to real estate investment companies.

3. Structure

The change of status will not cause any change to the structure:

- Risk management: the Company will be required, as a public RREC, to have a suitable risk management function and a suitable risk management policy; it will only be able to subscribe for hedging instruments if it is authorised to do so by its articles of association, within the limits of a financial risk management policy (excluding any transactions of a speculative nature), that will have to be published in the annual and half yearly financial statements;
- Management and organisation structure: the Company will be required, as a public RREC, to have its own management structure and a suitable administrative, accounting, financial and technical organisation that allows it to carry out its activities in accordance with the RREC regime, an appropriate internal control system, an appropriate and independent internal audit function, an appropriate and independent internal compliance function and an appropriate integrity policy; the rules in respect of prevention of conflicts of interest are identical to those that apply to real estate investment companies.

A change of status will not cause any change to the structure of the Company. The Company will remain a party to the agreements it has entered into and, save for any contracts that contain specific clauses dealing with the loss of the status of real estate investment company and/or any of its consequences, the contracting parties of the Company will in principle not be able to use the change of status as an excuse to terminate contracts entered into with the Company.

With regard to the contracts that contain specific clauses concerning the loss of status as a real estate investment company and/or certain consequences thereof, the Company has proactively informed its contracting parties (exclusively credit institutions) of the existence of the RREC Act and its possible implications, and is currently working on modifications to the appropriate clauses in order to allow for the RREC-status.

4. Shareholder protection

The RREC must act in the interest of the Company, and not in the exclusive interest of its shareholders, a concept which characterises funds. In practice, the interest of the shareholders constitutes an important element of the Company interest, and the Company will, like any other listed company, pursue the interest of all the stakeholders, including its shareholders.

The Company will, as a public RREC, remain subject to the supervision of the FSMA.

It will have to appoint one or more FSMA-approved auditors and one or more independent experts.

The remit of the auditors and the independent experts will be identical to their current remit.

The rules regarding policies on integrity and conflicts of interest are identical to the rules that apply to real estate investment companies.

The Company will be required to appoint persons that are responsible for the independent control functions (compliance officer, risk manager and internal auditor) and their appointment will henceforth be subject to the prior approval of the FSMA.

Also, the RREC Act provides an absolute allocation right in favour of its shareholders in the event of an exclusion or limitation of the "ordinary" preference right in the context of a capital increase of the Company by way of contribution in cash; these rules are identical to the rules that apply to real estate investment companies.

5. Consequences for the subsidiaries of the Company

The rules relating to participations held by the Company in other companies and the limits to shareholdings in other companies are similar to those that applied to real estate investment companies (before the transposition of the AIFMD Directive), save for the following:

- Foreign REITs: a RREC can, subject to certain conditions, hold shares issued by foreign REITs (see above).
- Institutional regulated real estate companies: a public regulated real estate company can control one or more institutional regulated real estate companies (and not institutional real estate investment companies), the regime of which is similar to the regime for institutional real estate investment companies.
- Subsidiaries providing services: as is the case for real estate investment companies, a public RREC and its subsidiaries can hold participations in (wholly owned) companies with legal personality and with limited liability having a corporate purpose that is ancillary to theirs, carried out for their own account or for the account of the public RREC or its subsidiaries, such as the management or the financing of real estate assets of the public RREC and its subsidiaries.

At this moment, there are no institutional real estate investment companies among the Company's subsidiaries, but only a number of exclusively controlled real estate companies, more specifically Aedifica Invest SA/NV, Aedifica Invest Brugge SA/NV, Patrius Invest SA/NV, Immo Dejoncker SA/NV, Aedifica Invest Dilsen SA/NV, Aedifica Vilvoorde SA/NV and De Stichel SA/NV. The last five of the abovementioned companies will be merged with the Company; the first two will remain in existence.

In this respect, in practice nothing would change for the Company when it would obtain the status of RREC.

6. No application of the rules relating to funds

- In respect of the strategy of the Company: unlike a real estate investment company, a RREC does not follow an investment policy that has to be described in its articles of association, but establishes a strategy that it will communicate in its annual reports.

  The annual financial report will contain information regarding the strategy that the Company has followed during the financial year and intends to follow for the coming financial years, but the board of directors of the Company will be able to amend this strategy in light of the circumstances and opportunities.

  The repealing of article 4 of the articles of association of the Company, relating to the investment policy, is included in the proposed amendments of the articles of association.

- In respect of the management of the Company: the RREC must act in the interest of the Company, and not in the exclusive interest of its shareholders, a concept which is typical for funds. The interest of the shareholders being an important element of the Company interest, in practice the Company will, like any other listed company, pursue the interests of all stakeholders, including its shareholders.

- In respect of the powers to delegate: taking into account the operational character of RRECs, the RREC Act limits the powers to delegate; in particular, a RREC can only delegate the management of its portfolio to a connected company specialised in real estate management.

In practice, the Company does not use this possibility to delegate activities.

7. Tax consequences

It was the intention of the legislator that the change of status of a real estate investment company to a RREC would not have any tax consequences for the Company and that the tax regime of the RREC would be identical to that of the real estate investment company.

Change of status

The Income Tax Act (CIR92) provides that the change from real estate investment company status to RREC status takes place in a tax neutral manner.

Tax regime of the RREC

The corporate tax regime of the RREC is identical to that of the real estate investment company: the taxable base is limited to expenses that are non-deductible as professional expenses, abnormal or gratuitous advantages received and the so-called "special taxation on secret commissions" on expenses that have not been duly justified. As for real estate investment companies, a RREC cannot benefit from a deduction for risk capital, nor from reduced corporate tax rates.

As it is the case for real estate investment companies, if a RREC takes part in a merger, a de-merger or a transaction that is treated like one, this transaction will not benefit from the tax immunity regime but will give rise to an exit tax at the rate of 16.995 %. The contribution of a branch of activity or a universality to a RREC will not benefit from the immunity regime, as is also the case for real estate investment companies.

The RREC is, like the real estate investment company, subject to the so-called "subscription tax" set forth in articles 161 to 162 of the Inheritance Tax Act.

Tax regime of the shareholders of the RREC

The paragraphs below summarise certain consequences of the ownership and transfer of RREC shares under Belgian tax law. This summary is based on the tax laws, the regulations and the interpretations by the authorities that are applicable in Belgium as of the date of this Information Document and it is provided subject to any changes of Belgian law, including changes with retroactive effect. This summary does not take into account, and does not deal with, the tax laws of any country other than Belgium and it does not take the particular circumstances of each shareholder into account. The shareholders are invited to consult their own advisers.

- Natural persons resident in Belgium

Dividends paid by a RREC to a natural person resident in Belgium give rise to a withholding tax levy of 25 %. As is the case for real estate investment companies, this rate is reduced to 15 % if the RREC qualifies as "residential", i.e. if at least 80 % of the real estate assets of the RREC are directly invested in real estate assets situated in a member state of the European Economic Area and exclusively used for or aimed at residential use. Aedifica satisfies this condition.

The withholding tax retained by the RREC fully discharges shareholders who are Belgian natural persons.

Capital gains realised by Belgian natural persons who have not used the RREC shares for the carrying out of a professional activity are not taxable if they are part of the normal management of private wealth. Losses are not deductible.

- Companies resident in Belgium

Dividends paid by a RREC to a company resident in Belgium give rise to a withholding tax levy at a rate of 25 % or 15 % (residential RREC).

These dividends do not generally give rise to a deduction for finally taxed income with the Belgian company shareholder, as it is also the case for dividends of real estate investment companies.

Capital gains on RRECs shares are not exempt from corporate tax, as it is also the case for capital gains on shares of real estate investment companies.

As a general rule, the withholding tax levied on dividends distributed by RRECs is applied to the corporation tax and any potential excess is repayable as long as the shareholder company has had the full ownership of the shares at the moment of the allocation or the payment of the dividend and to the extent that this allocation or payment does not create a reduction in value or a loss for those shares.

- Non-resident shareholders

Dividends paid by a RREC to a non-resident shareholder generally give rise to the levying of a withholding tax of 25 % or 15 % (residential RREC).

Dividends paid by a RREC to a non-resident shareholder do not benefit from withholding exemptions under Belgian law. However, in the parliamentary proceedings of the RREC Act, the legislator has announced his intention to abolish the withholding tax exemptions under Belgian law that currently apply to dividends paid by real estate investment companies to all non-resident savers (set out in art. 106, §7 of the RD executing the CIR).

The Belgian withholding tax regime applicable to pension funds established in member states of the European Union seems to be discriminatory since it subjects them to a more onerous regime than Belgian pension funds. The sector is currently considering the possible measures that could remedy this situation.

Certain non-residents who are established in countries with which Belgium has entered into a double tax treaty can, subject to certain conditions and provided that certain formalities are complied with, benefit from a reduction of, or an exemption from, the withholding tax.

Tax on stock exchange operations

As is the case for real estate investment companies, the purchase and the sale and any other acquisition and disposal for a consideration in Belgium of existing shares of a RREC (secondary market) through a “professional intermediary” will in principle be subject to a tax on stock exchange operations, currently at a rate of 0.09 % with a cap of 650 EUR per transaction and per party.

III. Procedure for the change of status

The RREC Act makes the change of status for public real estate investment companies subject to the following conditions:

- the public real estate investment company must submit the application for authorisation as a public RREC within four months after the entry into force of the RREC Act (i.e. 16 November 2014), i.e. before 16 November 2014;
- the public real estate investment company must amend its articles of association and in particular its corporate purpose within three months after having obtained authorisation by the FSMA;
- the public real estate investment company must organise an exit right for its shareholders who would vote against the change of status.

The RREC Act also allows the public real estate investment company to make the change of status subject to the condition that the number of shares for which the exit right is exercised does not exceed a certain percentage of the capital that it determines (see below).

1. Application for authorisation

On 22 August 2014, the Company has submitted an application with the FSMA with a view to obtaining authorisation as a public RREC.

The FSMA must decide on the application for authorisation within three months following the date of submission of the complete file.

The Company has obtained authorisation as a RREC on 1 September 2014, subject to the following conditions: (i) the amendment of the articles of association in conformity with the RREC Act and (ii) the compliance with article 77, § 2 et seq. of the RREC Act regarding the procedure and modalities for the adoption of the RREC status.

2. Modification of articles of association

The Company has convened an extraordinary general shareholders' meeting on 29 September 2014 with, on the agenda, mainly the proposed change of the articles of association as well as, for the reasons set out below, a modification of the authorisation granted to the Company to buy its own shares.

If the required quorum is not reached at this general meeting, a second extraordinary general meeting will be convened on 17 October 2014, which will validly deliberate on the same agenda, regardless of the number of shares present or represented.

The change of status implies inter alia the following amendments to the articles of association (which, since they constitute a whole, will be the subject of a single proposal):

- amendments to the provisions in the articles of association which contain a reference to the concepts of fund or real estate investment company or which refer to the legislation applicable to them;
- amendments to the provisions in the articles of association which relate to the corporate purpose in order to make it conform to the definition of "RREC" as set out in the RREC Act and article 4 of the RREC Act, which states that the public RREC exclusively carries out an activity consisting of making real estate available to users, directly or through a company in which it holds a participation in accordance with the provisions of the RREC Act and the RREC RD; in the context of such activity of making real estate available to users, a public RREC can in particular carry out all activities related to the construction, rebuilding, renovation, development, acquisition, disposal, management and exploitation of real estate;
- amendments to the provisions in the articles of association which relate to the Company name, in order to ensure, in accordance with article 11, § 4 of the RREC Act, that the name of the Company and all the documents created by the Company contain the words "public regulated real estate company under Belgian law" or "public RREC under Belgian law" or "PRREC under Belgian law" or that its name is immediately followed by these words;
- elimination of the provision in the articles of association which relate to the real estate investment policy;
- adaptation of the provisions in the articles of association to the RREC Act and the RREC RD.

The proposed amendments are, in their entirety, set out in the agenda of the convening notice for the general meeting and are available for consultation on the website of the Company as a document showing the amendments to the current articles of association in "track changes". The convening notice for the general meeting is published in parallel with this Information Document.

The amendment of the corporate purpose requires the approval of the general meeting with a majority of four fifths.

If this majority is not reached, the proposed change of status will not take place.

3. Time frame

The attention of the shareholders is drawn to the fact that the change of status is only possible within a certain time frame determined by the RREC Act and the AIFMD Act.

Having submitted an application for an authorisation as a RREC on 22 August 2014 (within the legal time limits), the Company must amend its articles of association within three months following the decision of the FSMA to grant the authorisation. Moreover, legal certainty requires that the status of RREC be obtained before 16 November 2014, being the date on which, pursuant to the AIFMD Act, real estate investment funds which have not applied for an authorisation or who cannot amend their articles of association must apply for authorisation as AIFM.

In practice, the Company therefore considers it essential that its status is changed at the end of the extraordinary general meeting that is convened or, if the quorum is not reached at this meeting, at the second general meeting that will be convened.

IV. Exit right for shareholders

1. Principle

Assuming that the general meeting of the public real estate investment company approves the proposed amendments to the articles of association, each shareholder who has voted against this proposal can, within the strict limits set out in article 77 of the RREC Act, exercise an exit right, at a price which is the higher of (a) 51,90 EUR, being the closing price on 28 August 2014 (i.e. the last closing price before the publication of the Information Document), and (b) the average closing price of the thirty calendar days preceding the date of the extraordinary general meeting approving the amendments to the articles of association. The Company will communicate this average, as well as the price at which the exit right will be exercised, before the opening of the markets on the day of the general meeting.

2. Conditions

During the general meeting approving the proposed amendments to the articles of association, and immediately after such approval, the shareholders who have voted against this proposal will have to indicate whether or not they exercise their exit right, and this within the following limits:

- the shares for which the exit right can be exercised will represent maximum 100,000 EUR per shareholder, taking into account the price at which the exit right will be exercised;
- the exit right can only be exercised with respect to the shares with which the shareholder will have voted against the amendments to the articles of association;
- the exit right can only be exercised with respect to the shares of which the shareholder will have remained owner in an uninterrupted manner since 30 August 2014, being the 30th day preceding the general meeting, as the case may be, where the quorum was not reached, until the end of the general meeting approving the amendments to the articles of association.

The fulfilment of the condition relating to uninterrupted ownership will be established as follows:

(i) for registered shares, by the registered shareholders' register of the Company;

(ii) for dematerialised shares, the shareholder wishing to exercise his exit right will need to communicate to the Company before the general meeting (as the case may be, where the quorum was not reached), within the time frame set out in article 536, § 2, subparagraph 3 of the Companies Act, i.e. at the latest on the sixth day preceding the date of the general meeting, a certificate issued by the approved account holder or the clearing house, certifying the number of shares of which he is uninterrupted owner since the 30th day preceding the general meeting, as the case may be, where the quorum was not reached, and noting the unavailability of those shares until midnight of the third business day following the general meeting approving the proposed amendments to the articles of association or until the end of the general meeting rejecting the proposed amendments to the articles of association. In the event of death or merger or de-merger, the ownership will be considered to continue in the hands of the successors. The blocking until midnight of the third business day following the

general meeting approving the proposed amendments to the articles of association of the dematerialised shares for which the shareholder has reserved the possibility of exercising the exit right, by delivering the blocking certificate (even if, in in the end, the shareholder does not exercise his exit right), is linked to the financial market practices regarding the clearing and settlement of securities.

Regarding the certificate to be communicated for dematerialised shares, the Company has made the necessary arrangements with Bank Degroof NV (the centralising paying agent), and the shareholder is asked to contact the institution that keeps his shares for the delivery of this certificate.

3. Exercise procedure

The shareholders wishing to exercise their exit right are invited to complete the appropriate form which will be made available on the Company website and to deliver this form to the Company during the extraordinary general meeting that will approve the amendments to the articles of association.

The identity of the shareholders who have exercised their exit right, as well as the number of shares for which they have exercised their exit right, will be the subject of a verification by the notary drawing up the documents.

The attention of the shareholders is drawn to the fact that the RREC Act provides for the exit right to be exercised during the general meeting immediately after the approval of the modifications to the articles of association (art. 77, § 4); hence the shareholders will not be able to exercise the exit right before or after the general meeting approving the amendments to the articles of association, but only during this general meeting.

They will therefore not be able to exercise the exit right by mail before the general meeting.

Therefore, in order to exercise their exit right, **the shareholders must either be present at the general meeting** which will approve the amendments to the articles of association, **or be represented**, and, in the latter case, have granted an express proxy to vote against the amendments of the articles of association and to exercise their right exit in respect of, as a maximum, the number of shares with which they have voted against these amendments (within the abovementioned limit of 100,000 EUR per shareholder).

Any form that is sent to the Company before the extraordinary general meeting or that is filled out during the general meeting by any other person than by the shareholder or his proxy holder, will be deemed null and void. The Company and its representatives may not accept any proxy for the exercise of the exit right.

In respect of shares that are jointly owned or shares of which the ownership right is split, shareholders will need to appoint one single person to exercise the voting right and the exit right.

4. Acquisition of own shares

In principle, this exit right will be exercised against the Company itself (which will therefore acquire its own shares) but the Company reserves the right to be substituted (in whole or in part) by a third party, at the latest within the month following the general meeting approving the amendments to the articles of association. If it makes use of this possibility, the Company will publish a press release.

In this respect, it is to be noted that the acquisition by the Company of its own shares is subject to the conditions set out in the articles 620 and following of the Companies Code and its implementing decrees and regulations or the provisions of the RREC Act and its implementing decrees and regulations, and it can only be exercised within the limits of the authorisation granted by the general meeting on 24 June 2013.

The attention of the shareholders is drawn in particular to the condition that the amounts used for this acquisition, increased by the amount used for the acquisition of shares which the Company or a person acting in its own name but for the account of the Company has previously acquired and which it would have in its portfolio, must be distributable in accordance with article 617 of the Companies Act. The amount which can legally be distributed by the Company is approx. 7,700,00 EUR (based on the statutory balance sheet of the Company on 30 June 2013).

One of the items on the agenda of the extraordinary general meeting is the amendment to the authorisation of the Company to buy back its own shares, in order to set the purchase price at the price determined as set out above, only in respect of the exercise of the exit right described in this Document. Indeed, this price will only be known on the eve of the general meeting that will deliberate and vote on the amendments to the articles of association and it could be higher than the maximum consideration set by the general meeting for the acquisition of own shares.

5. In the event the percentage of shares for which the exit right is exercised exceeds the percentage set by the Company

In the event that

either the percentage of shares for which the exit right is validly exercised would exceed the lower of the following percentages:

- 1.4 % of the shares issued by the Company at the time of the general meeting approving the amendments to the articles of association;
- X % of the shares issued by the Company, where X is calculated as follows:

$$\frac{7{,}600{,}000 \text{ EUR}^{5} \times 100}{\text{price at which the exit right is exercised} \times 10{,}249{,}117^{6}}$$

[5] Amount which is legally distributable and which the Company is willing to distribute.
[6] Total number of shares issued by the Company at the time of the general meeting approving the amendments to the articles of association.

and where the board of directors of the Company would not waive this condition,

or the exercise of the exit right would cause the Company (or the third party acting in its own name, but for account of the Company) to be in breach of the provisions of articles 620 and following of the Companies Code and its implementing decrees and regulations or the provisions of the RREC Act and its implementing decrees and regulations,

- the Company will maintain its status as a public real estate investment company (and its articles of association will not be amended);
- the Company will be required to apply for its authorisation as AIFM, with the consequences set out in title I;
- the exit right will expire (the shareholders will keep their shares and will not be entitled to receive payment of the price).

6. In the event the percentage of shares for which the exit right is exercised does not exceed the percentage determined by the Company

In the event that the percentage of shares for which the exit right is validly exercised does not exceed the percentage determined by the Company (or exceeds it, but where the Company would waive this condition), and where the exercise of the exit right would not cause the Company (or the third party acting in its own name, but for account of the Company) to be in breach of the articles 620 and following of the Companies Code and its implementing decrees and regulations or the provisions of the RREC Act and its implementing decrees and regulations:

- the Company will change its status (and its articles of association will be amended), with the consequences set out in title II;
- the shareholders who have exercised their exit right at the conditions and within the time limits set out above will be entitled to receive payment of the exit price, calculated on the basis of the price set out above and the number of shares for which they will have exercised their exit right, with a cap of 100,000 EUR per shareholder.

7. Consequences of a negative vote regarding the proposed amendments to the articles of association and the exercise of the exit right

The exercise of the exit right by a shareholder requires both his negative vote on the agenda item of the general meeting relating to the amendments to the articles of association and an individual decision to exercise the exit right.

Whenever the law or the articles of association set a special majority quorum requirement for the approval of resolutions of a general meeting of shareholders – which is the case for this general meeting – abstentions are counted as negative votes, which makes it more difficult to reach such quorum. In accordance with the law, abstentions are, however, not equated with negative votes for the exercise of the exit right.

The attention of the shareholders is drawn to the following consequences of such a negative vote and such an individual decision:

- the risk that the proposal does not reach a majority of 80 % and is therefore rejected, with the consequence that the Company would maintain its status as a public real estate investment company and would need to apply for its authorisation as AIFM, with the exit right becoming expired;
- the risk that, even if the proposal reaches the majority of 80 %, the percentage of shares for which the exit right would be validly exercised exceeds the percentage set by the Company, with the consequence that the condition precedent to which the proposal regarding the articles of association is subject would not be fulfilled, that the Company would maintain its status as a public real estate investment company and would need to apply for its authorisation as an AIFM, with the exit right becoming expired;
- the risk that, even if the percentage of shares for which the exit right would be validly exercised does not exceed the percentage set by the Company, the Company would not be able to buy those shares (taking into account the legal limits in respect of the buy-back of own shares) and does not find a third party willing to buy those shares, with the consequence that the proposed amendments to the articles of association would not take place, the Company would maintain its status as a public real estate investment company and would need to apply for its authorisation as an AIFM, with the exit right becoming expired.

8. Press release

In the event the general meeting approves the amendments to the articles of association, the Company will, as soon as possible after the general meeting, publish a press release in which it will state 1) the number of shares for which the exit right has been validly exercised; 2) whether the condition to which the amendments to the articles of association was subject has been fulfilled (and if not, whether the company (already) waives this condition or whether it reserves the right to do so at a later stage; 3) whether it buys back the shares for which the exit right has been validly exercised itself, or whether it reserves the right to be substituted to that effect by a third party.

If the Company has reserved the right to waive the condition to which the amendments of the articles of association are made subject at a later stage and/or to be substituted by a third party to buy back the shares, the board of directors of the Company will convene at the latest within a month following the general meeting to waive (or not) the percentage condition, and/or to designate a third party to buy the shares for which the exit right has been exercised.

Within seven days following the date on which it will have either decided to buy the shares itself, or designated a third party (order declaration), the Company will publish a press release in which it will state: 1) whether the condition to which the amendments to the articles of association were made subject has been fulfilled; 2) whether it buys the shares for which the exit right has been validly exercised itself or whether it will be substituted to that effect by a third party; 3) in the latter case, the identity of the third party; and 4) the date of the payment of the exercise price (which has to take place within a month following the general meeting).

9. Payment of the price and transfer of ownership

In the event set out under 6 above*)* (event where the percentage of shares for which the exit right would be exercised does not exceed the percentage set by the Company), the Company or the third party by which it would be substituted will check whether the shareholders have validly exercised the exit right in relation to the shares for which they have declared to exercise the exit right.

The Company reserves the right to indicate at the general meeting that it will buy the shares either for itself or for a third party that it will designate within one month (order declaration), or that a third party will buy its shares.

In any event, the transfer of ownership will take place at the end of the extraordinary general meeting during which the shareholder will have validly exercised his exit right, for the number of shares for which the exit right will have been validly exercised, provided that the percentage of shares for which the exit right is validly exercised does not exceed the percentage set by the Company (or the Company waives this condition), and that the exercise of the exit right does not cause the Company to be in breach of the articles 620 and following of the Companies Code and its implementing decrees and regulations or the provisions of the RREC Act and its implementing decrees and regulations.

Within one month following the general meeting, the Company or the third party by whom it has been substituted will pay the price, in cash, into the account mentioned by the shareholder in the form that he has provided to the Company.

The shareholder who exercises the exit right grants the power to two directors of the Company, with the power to subdelegate, (i) in respect of dematerialised shares: to give the necessary instructions to the account holders in respect of the transfer of shares for which the exit right has been exercised; and (ii) in respect of registered shares: to enter the changes in the registered shareholders' register of the Company.

10. Tax consequences for the shareholder

The Belgian tax regime applicable to the exiting shareholder can be summarised as follows:

1. Acquisition of own shares or transfer to a third party if the transferring shareholder is a natural person who is tax resident in Belgium

In the event of a buy-back of own shares, article 186 CIR92 states that the difference between the acquisition price – or, in the absence thereof, the value of the shares – and their corresponding proportion of the (as the case may be, re-valued) paid-up fiscal capital, is considered as a distributed dividend for the distributing company. In parallel, and through a legal fiction, article 18, 2°*ter* CIR92 states that the sums that are defined as a distributed dividend by article 186 CIR92 mentioned above, are also to be considered as received dividends in the hands of the shareholder. In other words, this dividend falls in the category of income from moveable assets.

However, an exception to this above-mentioned legal fiction is provided in article 21, 2° CIR92, which states that the income from shares on an acquisition of own shares by an investment company that benefits in the country of its tax domicile from an excessive common law regime is not considered to be income from moveable property. In other words, the fiction that qualifies the acquisition surplus as income from moveable assets – including dividends – will not come into play in the case of a buy-back of own shares carried out by a real estate investment company (that benefits from a tax regime which deviates from the common law regime).

As the legal fiction created by article 18, 2°*ter* CIR92 does not apply, one needs to proceed to the legal qualification of the acquisition surplus in accordance with common law. It follows from the case law of the Cour de Cassation [1] that the buy-back of own shares has to be qualified as a sale and purchase agreement and, as a result, the tax regime for the acquisition of own shares by the real estate investment company will be identical to the regime that applies to a transfer to a third party, and this will therefore give rise to a possible gain on shares in the hands of the shareholder.

If the shares of the real estate investment company do not form part of the business assets of the shareholder who is a natural person and if the gain on the shares forms part of the normal management of his private assets, this capital gain will not be subject to taxes on natural persons and will not have to be declared.

2. <u>Acquisition of own shares or transfer to a third party where the transferring shareholder is a resident company</u>

The reasoning to be followed for the qualification of the buy-back of own shares is similar to the reasoning that applies if the transferor is a shareholder who is a natural person, therefore it will also be a capital gain on shares. For corporation tax purposes, article 192 CIR92 exempts the capital gains on shares under certain conditions.

The so-called "taxation" condition forms part of those exempting conditions. Under this condition, any income generated by shares must be able to benefit from the regime of finally taxed income ("FTI").

This requires that the company issuing the shares is subject to Belgian corporation tax (or a similar taxation) and does not benefit from a tax regime which deviates from the common law regime.

A real estate investment company benefits from a tax regime which deviates from the common law regime on the basis of article 185*bis* CIR92. As a result, a capital gain on shares of a real estate investment company will not be able to benefit from the exemption set out in article 192 CIR92 and will therefore be fully taxable under corporation tax in the hands of the shareholder-company.

[1] Cass. 29 January 1934, *Pas.*, I, 158: *"That in that case of [a buy-back of shares by the company] the shareholder transfers its corporate rights with its shares and ceases to be a shareholder; that it receives in exchange of its share, not a share of the profits, but a sale price; that, for the company, the transaction consists of an acquisition and that the sum paid is a purchase price".*

3. Tax on stock exchange transactions

The purchase and the sale and any other acquisition and transfer for a consideration in Belgium of existing shares (secondary market) of a real estate investment company through a "professional intermediary" are subject to a tax on stock exchange transactions, currently at the rate of 0.09 % with a cap of 650 EUR per transaction and per party.

The exercise of the exit right will give rise to a tax on stock exchange transactions if a professional intermediary is involved.

Are exempt from the tax on stock exchange transactions, transactions entered into for his own account (i) by an intermediary referred to in article 2, 9° et 10° of the act of 2 August 2002 on the supervision of the financial sector and the financial services, (ii) by an insurance firm referred to in article 2, § 1, of the act of 9 July 1975 on the supervision on insurance firms, (iii) by an institution for occupational retirement referred to in article 2, 1°, of the act of 27 October 2006 on the supervision of institutions for occupational retirement, (iv) by an investment fund, or (v) by a non-resident.

Any tax on stock exchange transactions or any other tax or charge due because of or on the occasion of the exercise of the exit right will be borne by the shareholder exercising the exit right.

11. No public offering

In accordance with article 77, § 8 of the RREC Act, the publication of this Information Document does not constitute a public offering within the meaning of the Act of 16 June 2006 on the public offering of investment instruments and the admission of investments instruments to the trading on a regulated market.

Therefore, no prospectus will be drawn up in relation to the acquisition of shares of the Company following the exercise of the exit right.

12. Public takeover bid

The publication of the documents relating to the exit right does not constitute, in itself, a public takeover bid within the meaning of the Act of 1 April 2007 on public takeover bids and its implementing decrees and regulations.

However, article 5 of the Act of 1 April 2007 on public takeover bids does apply. According to this provision, if a person, directly or indirectly, following an acquisition done by itself, by persons acting in concert with it, or by persons acting for the account of these persons, holds more than 30 % of the voting shares of a company having its registered seat in Belgium and of which at least part of the voting shares are admitted to trading on a regulated market, it is required to make a public takeover bid on the entirety of the voting shares or shares giving access to voting rights issued by this company.

V. Calendar

1.	29 August 2014	Publication by the Company of: - the press release relating to the change of status - the Information Document - the convening notice for EGM I (and sending of the letters to the registered shareholders)
2.	30 August 2014	Start of the uninterrupted ownership period (condition for the exercise of the exit right)
3.	1 September 2014	Conditional authorisation by the FSMA
4.	15 September 2014 (midnight)	Shareholders' record date for EGM I
5.	23 September 2014	- Notification by the shareholders to the Company of their intention to participate at EGM I - If applicable, sending of the proxy by the shareholders - If applicable, for the shareholders who wish to exercise the exit right, delivery to the Company of the certificate of uninterrupted ownership (condition for the exercise of the exit right)
6.	29 September 2014	**EGM where the quorum is not reached (in the presence of a notary)** *Please go to box 10 if the quorum was reached at EGM I*
7.	30 September 2014	Publication by the Company of the convening notice for EGM II (if no quorum was reached at EGM I) (and sending of the letters to registered shareholders)
8.	3 October 2014	Shareholders' record date for EGM II
9.	11 October 2014	- Notification by the shareholders to the Company of their intention to participate at the EGM deliberating on the amendments to the articles of association - If applicable, sending of the proxy by the shareholders - If applicable, for the shareholders wishing to exercise the exit right, delivery to the Company of the certificate of uninterrupted ownership (condition for the exercise of the exit right) (unless they have previously submitted this to the Company)
10.	16 October 2014	Last closing price: allows for the calculation of the average of the closing prices of the last 30 days and the determination of the price at which the exit right can be exercised.

11.	17 October 2014	Before the opening of the markets: publication by the Company relating to the price at which the exit right can be exercised **EGM (in the presence of a notary) deliberating on amendments to the articles of association** → either the EGM does not approve these amendments: the EGM is closed and the process stops here → or the EGM approves these amendments: - vote on modification of the authorisation granted to the Company to buy its own shares - announcement by the Company of the price at which the exit right can be exercised - exercise (or not) of the exit right by the shareholders who voted against the amendments to the articles of association - submission of the form relating to the exercise of the exit right to the Company
12.	...	Board of directors of the Company (or another authorised person): - determination of the number of shares for which the exit right has been validly exercised - decision to waive (or not) the condition relating to the percentage - verification of compliance with the conditions relating to the purchasing of own shares - if applicable, appointment of a third party to buy the shares for which the exit right has been exercised (order election)
13.	...	Publication by the Company of a press release (results of the EGM)
14.	No later than 17 November 2014 (within one month following the EGM)	Payment by the Company (or by the third party by which it is substituted) of the price relating to the shares for which the exit right has been validly exercised

VI. Contact

For more information in respect of the proposed changing of the status, the shareholders can contact the Company. For questions on the participation in the EGM and the exercise of the exit right the shareholders holding dematerialised shares can contact the financial institution that keeps their shares. Bank Degroof NV is acting as centralising paying agent for the Company.

This information document does not constitute a recommendation with respect to any offer whatsoever. This document and any other information that is made available in the context of the exit right do not constitute an offer to buy or a solicitation to sell shares in the Company. The distribution of this Information Document and any other information which is made available in the context of the exit right, can be subject to legal restrictions and any person that has access to this information document and such other information will need to inquire into and comply with, any such restrictions.

INFORMATION DOCUMENT
Regulated information

29 August 2014 – Before opening of markets
Under embargo until 08:00 CET
Updated 1 September 2014

*****

The English version of this press release constitutes a free translation of the text in the French language, made for information purposes only. In case of inconsistency with the French version or inaccuracy of the English translation, the French text shall prevail.

Aedifica is a Belgian listed property company investing in residential real estate. Aedifica has developed a real estate portfolio of more than €750 million, with investment activities focussed on two strategic pillars:

- senior housing in Belgium and Germany;
- apartment buildings in Belgium's main cities.

Aedifica is a Belgian REIT quoted on the Euronext Brussels (continuous market) (AED; Bloomberg (AED: BB); Reuters (AOO.BR)).

Its market capitalisation was €514 million as of 31 July 2014.

Aedifica is included in the EPRA indices.

Forward looking statement

This document contains forward-looking information that involves risks and uncertainties, including statements about Aedifica's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Aedifica. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, initial, estimated or projected. As a result, Aedifica does not assume any responsibility for the accuracy of these forward-looking statements.

For all additional information

Stefaan Gielens
CEO
Direct tel: 32 2 626 07 72
stefaan.gielens@aedifica.be

Jean Kotarakos
CFO
Direct tel: 32 2 626 07 73
jean.kotarakos@aedifica.be

Martina Carlsson
Control & Communication Manager
Direct tel: 32 2 627 08 93
Mobile phone: 32 478 67 86 76
Fax: 32 2 626 07 71
Martina.carlsson@aedifica.be

aedifica
The urban way to live
av. Louise 331 Louizalaan
Bruxelles 1050 Brussel
tel: 32 2 626 07 70 fax: 32 2 626 07 71
info@aedifica.be
www.aedifica.be