Free translation. The Dutch version prevails.

CARE PROPERTY INVEST
public limited liability company
Public Regulated Real Estate Company (RREC) under Belgian law
Horstebaan 3, 2900 Schoten, Belgium
Companies registration number 0456.378.070 (RPR Antwerp, Antwerp division)
(the 'Company')

REMUNERATION POLICY

Remuneration policy to be submitted to the 2021 annual general meeting

1. General

1.1. Introduction

This remuneration policy sets out the principles that Care Property Invest NV (the **Company**) applies for the remuneration of its directors and executive managers. It has been drawn up and will be applied in compliance with Article 7:89/1 of the Belgian Code for Companies and Associations (**BCCA**) and Principle 7 of the Belgian Corporate Governance Code 2020 (**Code 2020**).

The Company is convinced that with this remuneration policy, it will be able to attract, reward and retain the necessary talent. The performance criteria that the Company uses to determine the amount of variable remuneration stimulate the realisation of the Company's strategic objectives and sustainable value creation in the long term. At the same time, they also translate the risk propensity established by the Board of Directors and the behavioural standards with which the Company must comply.

1.2. Approval by the general meeting

This policy was drawn up by the Board of Directors on the basis of the recommendations of the Nomination and Remuneration Committee. It will be submitted to the Annual General Meeting in 2021 for approval.

The Company may temporarily deviate from the approved remuneration policy if it complies with the procedure and conditions of Section 5, 'Deviation from the remuneration policy', of this remuneration policy.

1.3. Scope of application

This remuneration policy is based on the Company's existing policy, as presented to and approved by the ordinary general meeting of shareholders of 27 May 2020 and will apply to the remuneration of the members of the Board of Directors and the members of the Executive Committee as from the financial year 2021. The remuneration policy will be resubmitted to the general meeting for approval in the event of any material change and at least once every four years.

The remuneration policy applies to the persons referred to in Article 7:89/1, §1 of the BCCA. In concrete terms, this concerns the directors of the Company and the members of the College of daily management.

2. Governance – procedure

2.1. Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee undertakes the role, responsibilities and powers described in Section 5, 'Nomination and Remuneration Committee' of the Company's Corporate Governance Charter (the 'Charter'). The Committee advises the Board of Directors on matters including:

- the preparation and proposals of the remuneration policy;
- the determination of the remuneration of individual members of the College of daily management;
- the determination of the performance targets of the members of the College of daily management in the short and medium or long term;
- the annual evaluation of the performance of members of the College of daily management in relation to the set performance criteria and their translation in terms of the payment of the variable remuneration;
- the preparation and proposals of the annual remuneration report to the general meeting.

2.2. Role of the Board of Directors

The role, responsibilities and powers of the Board of Directors are set out in Section 3.6 'The role of the Board of Directors' and later in the Charter.

In particular, as the holder of final responsibility, the Board of Directors takes decisions, on the advice of the Nomination and Remuneration Committee, on:

- the remuneration policy proposal;
- the determination of the remuneration of individual members of the College of daily management;
- the determination of the performance targets of the members of the College of daily management in de short and medium or long term;
- the annual evaluation of the performance of members of the College of daily management in relation to the set performance criteria and their translation in terms of the payment of the variable remuneration;
- the annual remuneration report which, as part of the annual report, is submitted to the general meeting for advice

2.3. Role of the General Meeting

The general meeting approves the remuneration policy in a binding manner by an ordinary majority.

Decisions on the remuneration of the directors by the general meeting are carried by an ordinary majority.

2.4. Management of conflicts of interest

Nobody decides on his or her own remuneration:

- the fees of non-executive directors are proposed to and then adopted by the General Meeting;
- the members of the College of daily management do not take part in the discussions and decision-making on their fees;
- the Nomination and Remuneration Committee may meet in the absence of the executive management at any time if it considers this necessary.

2.5. Evaluation of remuneration

The remuneration policy and its application is evaluated regularly by the Nomination and Remuneration Committee.

The remuneration policy is resubmitted to the general meeting for approval at least once every four years.

Material changes in the policy apply subject to the condition that they are approved by the general meeting.

3. Remuneration policy for non-executive directors

3.1. Structure

A. Fixed annual fee

The non-executive directors are entitled to a fixed annual fee.

The Chairman of the Board of Directors receives a fixed annual fee of €20,000. The other directors receive a fixed annual fee of €10,000.

These amounts were approved by the General Meeting of Shareholders on 29 May 2019. They were proposed by the Board of Directors on the basis of the recommendations of the Nomination and Remuneration Committee.

B. Attendance fees

In addition to the fixed annual fee, the non-executive directors receive remuneration in the form of attendance fees for the meetings of the Board of Directors and of the different committees.

The general meeting of 29 May 2019 fixed the amounts of the attendance fees at €750 per meeting of the Board of Directors or Audit Committee or Nomination and Remuneration Committee. The board of directors proposes to the general meeting in 2021 that these attendance fees are also granted to the members of the investment committee.

All fees are flat-rate, fixed allowances.

C. Expenses allowance

The non-executive directors may receive refunds of expenses that they incur directly in relation to the performance of their positions as directors, on submission of proof of payment for these, in accordance with the general expenses policy of the Company.

D. No other remuneration components

Non-executive directors receive no variable remuneration, pension benefits or other benefits in kind.

The Company also does not pay non-executive directors in shares (not even partially). In that regard, the Company derogates from recommendation 7.6 of the 2020 Code. The Company justifies this derogation by the fact that such remuneration of non-executive directors in shares is new in the 2020 Code and has not become customary in Belgian listed companies in general or more specifically, in the RREC sector. The Company takes the view that the assessment capacity of these directors, in particular as non-executive directors, will not be harmed by the absence of remuneration in shares. To the Company's knowledge, there is as yet no international consensus that remuneration in shares ensures that the interests of non-executive directors is aligned with the shareholders' interests. The Company has decided to await developments in the practice of Belgian listed companies in general, or more specifically in the RREC sector and to regularly reconsider whether it could be in the interests of the Company and its shareholders to nevertheless pay non-executive directors, partially or otherwise, in shares.

3.2. Contribution to the corporate strategy, the long-term interests and the sustainability of the Company

As an RREC specialised in health care real estate in Belgium, the Netherlands and Spain, the Company takes the view that the remuneration of its non-executive directors can best take place on a fixed basis. The fixed character of the allowances should safeguard the objectivity of the non-executive directors in the supervision of the Company's performance. The amounts should permit the Company to protect the engagement of the directors and ensure the right combination of expertise and diversity within the Board of Directors to stimulate the success of the Company in the long term.

3.3. Main conditions of the agreements

The non-executive directors perform their mandate as self-employed persons in accordance with §1, Article 7:85(3) of the BCCA. Their director's mandate lasts for a maximum of four years. This mandate can be renewed for non-executive directors without limitation by periods of up to 4 years. Directors who qualify as independent directors can hold this qualification for a maximum of 12 years. The general meeting may revoke these mandates at any time, without notice or reimbursement, by a decision carried by a simple majority.

4. Remuneration policy for the executive management

4.1. Structure

The remuneration policy for the executive management is divided into (i) the remuneration of the members of the College of daily management, not being the CEO, the CFO or the COO and (ii) the remuneration of the CEO, CFO and COO.

The remuneration level of the executive management, i.e. the members of the College of daily management, is fixed by the Board of Directors on the advice of the Nomination and Remuneration Committee.

4.1.1. Members of the Executive Committee other than the CEO, the CFO or the COO

The members of the Executive Committee other than the CEO, the CFO or the COO receive the same fee for the performance of their mandate as member of the Executive Committee as that assigned to the non-executive directors by the general meeting (i.e. an annual fixed fee of €10,000). This fee is determined by the general meeting.

In addition to this, these members of the Executive Committee receive (i) a fee determined by the Board of Directors for their preparations for and participation in the meetings of the Executive Committee in the form of attendance fees of €750 per meeting, (ii) an annual fixed representation allowance of € 1,800 and (iii) a kilometre allowance.

All fees are flat-rate, fixed fees. The members of the Executive Committee other than the CEO, the CFO or the COO receive neither performance-related remuneration such as bonuses or long-term share-related incentive programmes nor any benefits in kind or benefits associated with pension plans.

The Company justifies the absence of variable remuneration and remuneration in shares for these executive directors and this distinction in remuneration from that of the other executive directors (the CEO, COO and CFO) in relation to the difference in the scope of the package of tasks of these directors. The package of tasks of the executive directors other than the CEO, COO and CFO consists primarily of overall supervision and monitoring the daily operations of the Company. In addition, they are continually available for consultation and discussion with the CEO, COO and CFO concerning the daily management and operations of the Company. The Company considers that the absence of variable and share-related remuneration does not prevent the interest of these executive directors from being aligned with the shareholder's interest and their judgement.

4.1.2. The CEO, CFO and COO as the effective managers

Overview

In order to align the interests of the members of the Executive Committee as effective managers with the Company’s sustainable value creation objectives in the long term, a suitable part of their remuneration package is linked to the realisation of the objectives formulated by the Board of Directors. This approach includes both a short-term bonus and a long-term incentive in the form of a share purchase plan.

The ratios of these remuneration elements ('on target') are indicatively as follows[1]:

	CEO	CFO	COO
Component	Relative %	Relative %	Relative %
Fixed remuneration: representation allowance included	56%	50%	50%
Fixed remuneration: insurance Individual Pension Scheme (IPS)	0%	1%	1%
Fixed remuneration in shares (Long-term incentive plan)	10%	15%	15%
Variable remuneration earned for the financial year of reference x (variable remuneration of year x (Y1), year x-1 (Y2) and year x-2 (Y3)	33%	33%	33%
Benefits in kind	1%	1%	1%

4.2. Relationship with the salaries and working conditions of the employees

The salaries and working conditions of the employees of the Company were taken into account in the preparation of this remuneration policy. The Company provides for consistency of the remuneration of the executive directors with that of other employees in such a manner that it is able to attract, reward and retain the necessary talent, taking account of the market conditions for each category of employees. It does this partly by benchmarking the remuneration of the employee concerned in relation to the same (or a comparable) positions/jobs in other (comparable) companies, as it is done for the CEO, CFO and COO and partly on the basis of negotiations with the employee concerned. In addition, annual evaluations are held, in the context of which remuneration is also always assessed. This always takes into account how the employees can not only contribute but also share in the growth of the Company and the Company's profit per share.

4.3. Benchmark

In the negotiation of the management contracts of the CEO, CFO and COO, as well as in the evaluations and renegotiations, the Company bases the fixed fee partly on benchmarking with the sector and negotiation with those concerned and partly on the growth of the Company on the level of market capitalisation, staffing and countries in which the Company operates.

The Company bases the determination of the variable remuneration and other elements of the remuneration package of the CEO, CFO and COO on benchmarking with the sector and corporate governance provisions.

4.4. Description of fixed remuneration

The management contracts of the CEO, the CFO and the COO determine the fixed fee for their performance. These fees are subject to annual indexation on the basis of the Belgian health index.

The CEO, the CFO and the COO receive no separate fees for the performance of their mandates as directors.

[1] The percentages in the chart are rounded numbers

4.5. Description of variable remuneration

A. Annual bonus

The management contracts concluded with the CEO, CFO and COO provide for variable remuneration in the form of an annual bonus.

The bonus for each financial year is always granted over three (3) financial years (the reference year x and the two following financial years, each determined and paid at the beginning of the financial year following the financial year for which the bonus is granted). The bonus is awarded for reference year x according to the following schedule, provided that the criteria stated below for awarding the bonus are met (again) in reference year x and the following two financial years.[2]

Performance criteria				
Criterion	Weight	Year x	Year x+1	Year x+2
1. IFRS result/distributable result, at least 90% of the budget	65%	50% bonus year x 25% bonus year x-1 25% bonus year x-2	50% bonus year x+1 25% bonus year x 25% bonus year x-1	50% bonus year x+2 25% bonus year x 25% bonus year x+1
2. Operating margin, at least 90% of the budget	10%			
3. Other (qualitative criteria, see further)	25%			

No higher bonus applies if the performances exceed the objectives or the target criteria. The percentages shown in the table are the maximum limits.

The central objective of the application of these (objective) criteria is to align the interests of the members of the management with the interests of the shareholders.

The extent to which the quantitative objectives are realised is checked by the Nomination and Remuneration Committee on the basis of the determination of the annual results.

[2] To clarify, the established criteria for reference year x must not only be achieved for year x, but must also be achieved continuously and again for year x+1 and year x+2 respectively.

The qualitative objectives include the quality of the HR management (team spirit, organisation, performance, employee satisfaction, etc.), the quality of the communication with the Board of Directors, the quality of the investment projects and the sustainability efforts. The determination of which qualitative targets will apply for the next financial year will be made annually by the nomination and remuneration committee. The realisation of the qualitative objectives takes place in an objectively measurable manner on the occasion of the annual evaluation of the performance of the Executive Committee.

No provision is made for the Company to recover variable remuneration allocated on the basis of any inaccurate financial data. After all, the Company awards the variable remuneration only after the audit of the consolidated annual figures is complete.

B. Long-term incentive plan

In order to ensure that the interests of the CEO, the CFO and the COO are further aligned with the long-term shareholders' interests, the Company has adopted a long-term incentive plan (LTIP). This plan meets the need for an active and engaged management that supports the further expansion and integration of the investments made. The Nomination and Remuneration Committee takes the view that its application is also a way to strengthen continuity within the management.

The Company draws up an LTIP for a period of three years at a time. The CEO, CFO and COO receive a gross annual amount in cash with the specific objective and subject to the obligation to buy a package of shares in the company with the net amount after tax and social insurance contributions. They buy shares in the Company for a price per share equal to the weighted average market price in the period of twenty (20) trading days prior to the day before the date of signature of the contract of sale, multiplied by 100/120$^{\text{ths}}$. The Company regards this as a commercial rate and justified the discount partly by the lock-up period.

The gross amount is determined on the basis of the relative weighting of the remuneration as shown in the chart under section 4.3.1 above.

The shares acquired in this manner must then be held by the beneficiaries for a lock-up period of three (3) years. During this lock-up period, the holders are entitled to dividends, voting rights, preferential rights or irrevocable allocation rights associated with the shares purchased and the right to participate in an optional stock dividend.

For the purposes of Section 7:91(2) of the CCA, the annual gross amount paid in cash shall be considered a fixed remuneration.

4.6. Pensions

The CEO, the CFO and the COO are entitled to an individual pension scheme with contributions and the accompanying cover.

The plan covers the following risks:

- Replacement income in the event of occupational disability due to illness or an accident;
- Premium exemption in the event of illness or an accident;
- Pension capital (if the participant is alive on the termination date)
- Capital on decease of the participant (death benefit)

4.7. Benefits in kind and other remuneration components

The remuneration of the CEO, CFO and COO also includes:

- the right to hospitalisation insurance;
- meal cheques (awarded only to the CEO);

- benefits in kind associated with the use of a company car, i.e. a fuel card, all-risks insurance, roadside assistance and road tax;
- a mobile phone; and
- a laptop.

4.8. Contribution to the corporate strategy, the long-term interests and the sustainability of the Company

The structure of the remuneration of the executive management is designed to promote sustainable long-term value creation of the Company.

The level of the fixed fee ensures that the Company can rely on professional and experienced management at all times, including in more difficult times.

The payment of the short-term bonus depends on the realisation of performance criteria that reflect the strategy of the Company:

- As an RREC, it is important for the Company to be able to offer its shareholders stable (and growing) dividends. The choice of the IFRS result and the operating margin as KPIs meets this objective.
- The Company's success as a business also depends on the (corporate) culture and an efficient organisation. For that reason, the management's short-term bonus also depends on the quality of the HR management (team spirit, organisation, performance, employee satisfaction, etc.); the quality of the communication with the Board of Directors; the quality of the investment projects and sustainability efforts.

The success of the Company in the longer term is also stimulated by the long-term incentive plan, with which the CEO, CFO and COO can also be rewarded for a positive evolution of the stock market price of the Care Property Invest shares in the longer term, i.e. over three (3) years. After all, the shares acquired by the CEO, CFO and COO via the long-term incentive plans must be held for a lock-up period of three (3) years after acquisition. During that period, they can exercise the rights attached to these shares (such as dividends and voting rights).

4.9. Main conditions of the agreements

The members of the Executive Committee perform their mandate as members of the Executive Committee on an independent basis. The management agreements of the CEO, CFO and COO in relation to this mandate are for an indefinite term and include contractual provisions concerning resignation and exit bonuses, which will in no case exceed 18 months' remuneration.

Upon termination of the management contract of the CEO, the CFO or the COO, the lot of the shares acquired under the current long-term incentive plans will differ depending on whether the person qualifies as a good leaver or as a bad leaver under the terms and conditions of these plans.

The Company has the right to buy the shares of a good leaver acquired through the application of this plan in proportion to the number of years for which the lock-up period still has to run, for the price for which the good leaver acquired them. The good leaver retains the part of the shares in question in proportion to the number of years of the lock-up period that have already expired, presented in diagram form as follows:

Completion of number of years of Lock-Up Period	Shares subject to the Company's purchase option	Shares to which the purchase option does not apply
0	3/3	0
1	2/3	1/3
2	1/3	2/3
3	0/3	3/3

The Shares that a good leaver may keep subject to this provision remain subject to the lock-up obligation in full.

The Company has the right to buy back shares of a bad leaver for a price equal to the lower of (i) the price that the bad leaver paid for them or (ii) the weighted average share price in the period of twenty (20) trading days prior to the day before the date on which the Company exercises this buy-back right.

No provision is made for an exit bonus for the other executive directors.

5. Derogation from the Remuneration Policy

The Company may temporarily derogate from the remuneration policy, provided that:

1° the derogation is justified by exceptional circumstances in which such a derogation is necessary in order to service the long-term interests of the Company as a whole or to guarantee its viability, and

2° the derogation is permitted by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, stating the reasons.

A derogation may relate to any provision of this remuneration policy, is as far as it is not in contravention of the law.

6. Revision of the remuneration policy

The remuneration policy may be changed whenever the Board of Directors considers this appropriate on the recommendation of the Nomination and Remuneration Committee, subject to the submission of the revised policy to the general meeting for approval in the cases prescribed by article 7:89/1 CCA.

If the policy is revised, the following information must be described and explained to the general meeting:

1. The main changes that have occurred, and
2. The way in which the votes and positions of the shareholders on the remuneration policy and the remuneration reports since the latest vote on the remuneration policy at the general meeting are taken into account.

7. Material changes in relation to the previous remuneration policy

This remuneration policy reflects the policy that the Company adopted in 2020. The most important change concerns the fact that the decision of the general meeting on the policy will be binding for the Company. In addition, the Board of Directors proposes to grant the existing attendance fees for the audit committee and the nomination and remuneration committee also to the members of the investment committee.