



IMMOBEL
since 1863

CORPORATE GOVERNANCE STATEMENT

IMMOBEL adheres to the principles of corporate governance contained in the Belgian Corporate Governance Code published on 12 March 2009 (hereafter Code 2009), which is available on the GUBERNA website: www.guberna.be.

IMMOBEL believes that its Corporate Governance Charter and the present Corporate Governance Statement reflect both the spirit and the rules of the Belgian Corporate Governance Code.

The Corporate Governance Charter describes in detail the structure of the Company's governance and its policies and procedures in matters of governance. This Charter can be consulted on the Company's website: www.immobel.be.

This section of the Annual Financial Report contains information concerning the way IMMOBEL put the principles of governance into practice during the past year.

I. DECISION-MAKING BODIES (AS PER MARCH 22ND 2017)

A. THE BOARD OF DIRECTORS

A) COMPOSITION

Name	Function	Date first appointment	End of term	Professional address
Marnix GALLE ¹	Executive Chairman	September 25th, 2014	AGM 2018	Regentschapsstraat 58, 1000 Brussel
Alexander HODAC ²	Managing Director	December 1st, 2015	AGM 2019	Regentschapsstraat 58, 1000 Brussel
Astrid DE LATHAUWER ³	(Independent) Director	August 26th, 2015	AGM 2020	c/o Ontex BVBA – Aalst Office Korte Kepestraat 21, 9320 Erembodegem

¹ In carrying out the functions concerned in the present report, Mr Marnix GALLE acts as the permanent representative of the company A³ Management sprl.

² In carrying out the functions concerned in the present report, Mr Alexander HODAC acts as the permanent representative of the company AHO Consulting sprl.

³ In carrying out the functions concerned in the present report, Mrs Astrid DE LATHAUWER acts as the permanent representative of the company ADL Comm.V since May 26th, 2016; precedently she executed her mandate in her personal name.



Karin KOKS - van der SLUIJS	(Independent) Director	November 17, 2016	AGM 2020	't Breede Weer 10, 2265 EH Leidschendam (Nederland)
Sophie LAMBRIGHS ⁴	Director	September 25, 2014	AGM 2017	c/o Home Invest Belgium SA, Woluwelaan 60, 1200 Brussel
Pierre NOTHOMB ⁵	(Independent) Director	September 25th, 2015	AGM 2019	c/o Deminor SA/NV Joseph Stevensstraat 7, 1000 Brussel
Annick VAN OVERSTRAETEN ⁶	(Independent) Director	September 28th, 2016	AGM 2018	c/o Lunch Garden SA/NV Olympiadenlaan 2, 1140 Brussel
Piet VERCRUYSSSE	Director	September 25th, 2014	AGM 2020	Rue Clément Delpierre 67, 1310 La Hulpe
Jacek WACHOWICZ	(Independent) Director	February 18, 2016	AGM 2019	Platnicza 44, 01-832 Warszawa, Poland

The curriculum vitae of each Director in function (or of its permanent representative) can be summarized as follows:

Marnix GALLE, 53, completed a “Bachelor Degree in Arts & Sciences” with Economics as a major and Law as a minor at Tulane University in New Orleans, Louisiana, USA. He began his professional career at Cegos Belgium in 1987 as a consultant and made his first steps in real estate in 1989 (family portfolio) until 2002. He created his own company ALLFIN in 2001, which became one of Belgium’s leading real estate developers. ALLFIN Group acquired in 2014 a 29% stake in IMMOBEL, listed on Euronext Stock Exchange since 1863. ALLFIN and IMMOBEL merged in 2016 after which he became its Executive Chairman. He is also Chairman of Urban Land Institute Belgium (2015-2018) as well as Director, Member and Trustee of several leading European and American associations. He is married to Michèle Sioen; they have six children.



⁴ In carrying out the functions concerned in the present report, Mrs Sophie LAMBRIGHS acts as the permanent representative of the company ZOU2 sprl.

⁵ In carrying out the functions concerned in the present report, Mr Pierre NOTHOMB acts as the permanent representative of the company ARFIN sprl.

⁶ In carrying out the functions concerned in the present report, Mrs Annick VAN OVERSTRAETEN acts as the permanent representative of the civil company A.V.O. - Management sprl.



Alexander HODAC, 36, after having obtained a degree in business engineering (Solvay/VUB), he started his professional career at Deloitte Corporate Finance-Real Estate (2005-2013) and served as Chief Commercial Officer of the Belgian residential REIT Home Invest Belgium from 2013 till 2015. In this last function, he was responsible for the entire acquisition and disposal process of existing assets/portfolios and development projects with an investment value of up to 30 MEUR and a size of 30-150 units.



Astrid DE LATHAUWER, 53, after studying art history in Ghent and international politics and diplomatic sciences at KU Leuven, she started her career at Monsanto, first in the Marketing department, then as HR Manager for Eastern Europe. Afterwards she joined AT & T, where she works for eight years at various positions in Europe and the United States. In 2000 she went back in Belgium and joined Belgacom where she became Executive Vice President Human Resources for the Group in 2003. From January 2012 till September 2014, she worked at Acerta as General Manager of the branch Acerta Consult. Since October 2014 she is Group HR Director at Ontex. She is also an Independent Director at Colruyt Group since September 2011.



Karin KOKS - van der SLUIJS, 48, has a Master Degree in Business Economics and a Bachelor degree in Commercial Economics and is a CFA Charterholder. During her 25-year career in the property industry, of which 16 years in international non-listed real estate, she worked with institutional clients, selecting and managing European and global real estate funds. In her five years with MN Vermogensbeheer she managed the European property portfolio. Subsequently she was at Aberdeen Asset Management for 10 years. Currently she holds the position of non-executive board member of Genesta Capital and Fund Management S.à r.l., as well as Chairman of the Investment Committee. In addition, she serves as Supervisory Board member (and member of the Audit Committee) of the Dutch stock listed real estate company NSI N.V. , as External consultant for Accord Europe Ltd and as Senior Advisor at Masterdam B.V. two real estate corporate finance companies.



Sophie LAMBRIGHS, 45, started her career within the construction industry, in Brussels and Paris with a degree in civil engineering and construction (ULB) and an Executive Master in Management (Solvay Business School). Currently she is CEO of the regulated real estate company Home Invest Belgium, and Managing Director of its subsidiary Home Invest Development, in charge with the development of the projects for the REIT. Before joining Home Invest Belgium in June 2014, she was Consultant and Member of the Executive Committee of IMMOBEL. Precedently she was working within the real estate department of Axa Belgium, first as Project Manager and finally as Investment Manager. She was also a member of the Board of Directors of the REIT Retail Estates.





Pierre NOTHOMB, 54, obtained a Master's degree in applied economics (UCL Louvain-la-Neuve). He joined Deminor at its launch 25 years ago, and has had (or still holds) numerous assignments with the Board of Directors of various companies or associations (such as ForSettlement (Fortis), Modulart, Imperbel, DBAssociates, Cercle de Lorraine, Domaine du Pont d'Oye, Epsilon) and of several Deminor group companies. Additionally, he is also active as a member of the audit committee of Sabam, Imperbel and of the Epsilon psychiatric hospitals group (La Ramée - Fond'Roy). Prior to joining Deminor in 1991, he served with Coopers & Lybrand (now PriceWaterhouse Coopers) as Senior Auditor, and afterwards as corporate finance consultant with Petercam Securities.



Annick VAN OVERSTRAETEN, 51, has a Degree in Economics (KUL – 1987) and obtained a Master's in Management (IAG-UCL – 1992) and began her career in 1987 at Philips, as Project Leader within the Human Resources department. During the period 1991 till 1999, she continued her career in retail, specifically in the textile sector (New-D, Mayerline) and then moved into food world at Confiserie Leonidas, where she held the post of Commercial & Marketing Director (1999-2004). From 2004 to 2009, she served as Director of Operations of Quick Restaurants Belux SA. Currently she is Chief Executive Officer and Director of Lunch Garden Group since 2010, Independent Director of QSR Belgium NV/SA and Independent Board Member of Euro Shoe Group NV.



Piet VERCRUYS SE, 67, graduated in law (magna cum laude) at KU Leuven in 1973 after technical studies. Admitted to the Brussels Bar in 1973, he also was assistant at KU Leuven from 1976 till 1979. He is co-founder of the law firm Vercruyssen & Kadaner. He became Honorary Solicitor in 2003, and was a director of ALLFIN and ALLFIN Group between 2004 and 2010. He currently is Director of several non-listed holding companies.



Jacek WACHOWICZ, 50, after studying at University of Warsaw, he started his career at Raiffeisen Bank in Warsaw in 1992 as currency and bond trader. Afterwards he joined Cargill in Cobham (UK), where he first continued in the same field, and then as an Investment Manager responsible for proprietary equity investments in real estate transactions and non-performing loan portfolios in Central Europe. In 2007, after working five years at Heitman in London and Warsaw as Senior Vice-President, responsible for real estate investments, he joined TriGranit Development as Managing Director for Poland. Afterwards he went in a temporary partnership with ALLFIN Lux, to acquire and develop real estate assets in Poland. From 2009 till 2010 he served as Consultant to the Warsaw stock listed, Austria based developer - Warimpex. Since 2010 he is with a Warsaw stock listed company - GTC - currently as the Chief Investment Officer and Member of the Management Board.





B) ACTIVITY REPORT

Pursuant to article 18 of the Articles of Association, the Board shall be convened by the Chairman of the Board of Directors, the Managing Director or two Directors.

In principle, the Board meets at least three times a year (in March, September and December). Additional meetings may be organized at any time, with reasonable notice. This frequency enables the Directors, among other things, to review the half-yearly accounts in September and the annual accounts in March, as well as the budgets in December. In 2016, the Board met on ten occasions, especially as a consequence of the merger with ALLFIN.

B. THE COMMITTEES OF THE BOARD OF DIRECTORS

A) THE AUDIT & FINANCE COMMITTEE

the Audit & Finance Committee shall have at least the following roles:

- monitoring the statutory audit of the annual and consolidated accounts, including following up on any questions and recommendations made by the External Auditor;
- monitoring the financial reporting process;
- monitoring the effectiveness of the Company's internal control and risk management systems;
- if there is an internal audit, monitoring the internal audit and its effectiveness; and
- reviewing and monitoring the independence of the External Auditor, particularly regarding the provision of additional -services to the Company (Article 526bis of the Belgian Companies Code).

The charter foresees that the Audit & Finance Committee is made up of at least three members, which are all non-executive Directors and of which a majority are independent Directors. At least one member is competent in accounting and auditing matters. Since the entry into force of the Law of December 7, 2016, the chairman of the Audit & Finance Committee is appointed by the Board of Directors himself, and may not be its Chairman.

The Board of Directors ensures that the Audit & Finance Committee has sufficient relevant expertise to fulfil its role effectively, notably in accounting, audit and financial matters.

COMPOSITION:

Pierre NOTHOMB, Chairman,
Karin KOKS - van der SLUIJS⁷, and
Piet VERCRUYSSSE⁸, Members.

In 2016, the Audit & Finance Committee met four times, at the request of its Chairman.

⁷ Since November 17th, 2016, in replacement of Mrs Astrid DE LATHAUWER.

⁸ Since June 29th,, 2016, in replacement of Mrs Hilde DE VALCK.



B) THE REMUNERATION COMMITTEE

The "Remuneration & Appointments Committee", which met four times in 2016, was divided into two separate committees at the Board of Directors of September 28th, 2016: the "Remuneration Committee" and the "Nomination Committee", having both their responsibilities as assigned by law and mentioned in the Corporate Governance Charter of IMMOBEL.

The task of the Remuneration Committee consists of:

- making proposals to the Board of Directors on:
 - the remuneration policy for non-executive Directors and members of the Executive Committee, as well as, where appropriate, on the resulting proposals to be submitted by the Board of Directors to the shareholders; and
 - the remuneration of Directors and members of the Executive Committee, including variable remuneration and long-term incentives, stock-related or not, in the form of stock options or other financial instruments, and regarding the arrangements on early termination, and where applicable, on the resulting proposals to be submitted by the Board of Directors to the shareholders.
- submitting a remuneration report to the Board of Directors (see attachment);
- explaining this report during the annual general shareholders' meeting.

The Remuneration Committee consists of only non-executive Directors. At least most of them are independent Directors which have the necessary expertise in remuneration policy.

A non-executive Director chairs the Remuneration Committee.

COMPOSITION:

Astrid DE LATHAUWER, Chairwoman,
Annick VAN OVERSTRAETEN⁹, and
Piet VERCRUYSSSE¹⁰, Members.

In 2016 the Remuneration Committee met once, since it split off, at the request of its Chairwoman.

⁹ Since September 28th, 2016, in replacement of Mr Pierre NOTHOMB.

¹⁰ Since June 29th, 2016.



C) THE NOMINATION COMMITTEE¹¹

Its task consists of:

- drafting appointment procedures for members of the Board of Directors, the Chief Executive Officer and the other members of the Executive Committee;
- periodically assessing the size and composition of the Board of Directors and making recommendations to the Board of Directors regarding any changes;
- identifying and nominating, for the approval of the Board of Directors, candidates to fill vacancies as they arise;
- ensuring that the appointment and re-election process is organised objectively and professionally;
- advising on proposals for appointment originating from shareholders; and
- properly considering issues related to succession planning.

The Nomination Committee consists of most independent non-executive Directors.

The Chairman of the Board chairs the Committee. The Chairman can be involved but should not chair the Nomination Committee when dealing with the appointment of his successor.

COMPOSITION:

Marnix GALLE¹², Chairman,
Astrid DE LATHAUWER¹³, and
Annick VAN OVERSTRAETEN¹⁴, Members.

In 2016 the Nomination Committee met once, at the request of its Chairman.

¹¹ The "Remuneration and Appointments Committee", which met four times in 2016, was divided into two separate committees at the Board of Directors of September 28th, 2016: the "Remuneration Committee" and the "Nomination Committee", having both their responsibilities as assigned by law and mentioned in the Corporate Governance Charter of IMMOBEL.

¹² Since September 28th, 2016, date of creation of the Nomination Committee.

¹³ Since September 28th, 2016, date of creation of the Nomination Committee.

¹⁴ Since September 28th, 2016, date of creation of the Nomination Committee.



D) THE INVESTMENT COMMITTEE¹⁵

is in charge of:

- formulating the objectives, policies and strategies of the Company's real estate investments; and
- monitoring ongoing projects when these projects entail a substantial part of the Company's portfolio and when Executive Management has flagged a project as considerably deviating from its original business plan.

The Board of Directors convenes in principle four times a year which does not allow investment decisions-making in line with industry's expectations. The Board of Directors therefore delegates purchasing powers to the Executive Committee for all investments up to MEUR 40 per project, including acquisition price and total development costs (including e.g. construction costs, financing costs, fees and taxes) based on the proposed feasibilities, taking into account the Company's share in case of a project in partnership. This means that the Executive Committee can, at its discretion, purchase property or similar rights for projects, the total cost of which amounting up to MEUR 40 without prior consent of the Investment Committee or the Board of Directors. Both the Investment Committee and the Board of Directors will ratify the purchase decision at their first subsequent meeting.

The Board of Directors further delegates purchasing powers to the Investment Committee for all investments up to MEUR 140, including acquisition price and total development costs (including e.g. construction costs, financing costs, fees and taxes), taking into account the Company's share in case of a project in partnership. This means that the Investment Committee can, at its discretion, mandate the Executive Committee to purchase property or similar rights for projects, the total cost of which not exceeding up to MEUR 140 per project without prior consent of the Board of Directors. The Board of Directors will ratify the purchase decision at its first subsequent meeting.

All investment processes must be based on extensive research, including a feasibility survey.

The Investment Committee consists of at least four Directors, including the Executive Chairman and the Chief Executive Officer.

COMPOSITION:

Alexander HODAC, Chairman,
Marnix GALLE,
Karin KOKS – van der SLUIJS¹⁶,
Sophie LAMBRIGHS and
Jacek WACHOWICZ¹⁷, Members.

In 2016 the Investment Committee met six times, at the request of its Chairman.

¹⁵ Formerly the Investment and Asset Management Committee ("IAMC" in abridged form).

¹⁶ Since November 17th, 2016, date of her appointment as Director.

¹⁷ Since February 18th, 2016, date of his appointment as Director.



C. THE EXECUTIVE COMMITTEE

The Executive Committee of the Company is composed of the Executive Chairman, the Chief Executive Officer and of the Members of the Executive Committee. He is primarily in charge of following tasks:

- consider, define and prepare, under the leadership of the Executive Chairman and the Chief Executive Officer, proposals and strategic options that could contribute to the Company's development. This responsibility covers (i) strategic planning, including the analysis of strategies, activity plans and budgets submitted by the Company's departments; and (ii) drawing up the business plan and budgets of the Company for proposal, discussion and approval by the Board of Directors;
- monitor the developments of the Company by analyzing the compliance of the feasibility, the deadlines and the quality of the projects while making sure to maintain or improve quality standards of the Group;
- present to the Board of Directors a complete, timely, reliable and accurate preparation of the Company's financial statements, in accordance with the applicable accounting standards and policies of the Company;
- prepare the Company's required disclosure of the annual accounts and other material, financial and non-financial, information;
- propose the financial strategy to the Board of Directors;
- monitor the performance of the Company's departments in line with their strategic objectives, business plans and budgets; and
- draw up and implement the Company's policies which the Executive Chairman and the Chief Executive Officer consider to fall within the competence of the Executive Committee.

COMPOSITION¹⁸:

Alexander HODAC, Chairman,
Valéry AUTIN,
Nicolas BILLEN,
Hilde DE VALCK,
Marnix GALLE,
Rudi op 't ROODT¹⁹, and
Karim ZOUAOUI²⁰, Members.

The Members of the Executive Committee are not related to each other.

¹⁸ As per March 22nd, 2017.

¹⁹ Since March 22nd, 2017.

²⁰



The "curriculum vitae" of the Members of the Executive Committee in function (except for Marnix GALLE and Alexander HODAC, already listed above) can be summarized as follows:

Valéry AUTIN, 39, before joining IMMOBEL in February 2016, he worked for the real estate investor Teychené Finance, in charge of research, purchasing and financing of real estate assets in Belgium and the Grand Duchy of Luxembourg (since November 2012). After studying at the Solvay Business School (1996-2001) and having obtained a degree in Finance & Business Administration, he began his professional career with Arthur Andersen (which became Deloitte afterwards). In early 2008 he returned to Deloitte (after an interlude at CFE, as Chief Financial Officer of the division "International Real Estate", responsible for legal and financial structuring of real estate transactions) and became Senior Manager in charge of clients in the real estate sector and the development of the business line "Real Estate Services". Between January 2010 and October 2012, he was Chief Financial Officer and member of the Executive Committee of Ascensio. Since September 2010, he was also assistant of the course "Advanced Accounting" at the Solvay Business School.



Nicolas BILLEN, 37, has joined IMMOBEL as Senior Development Director in September 2015, after an interlude of a few months (creation and launching of an internet start-up) especially allowing him to discover a new sector of activity and to complete his financial knowledge. Before, he worked for ALLFIN Group for nearly 7 years, first as commercial director, afterwards as development director. After his candidacies in Economic, Social and Politic Sciences at the Université Catholique de Louvain (2002), he pursued his studies at EPHEC and obtained his Bachelor in Marketing in 2004. Afterwards, he acquired a first rewarding experience in real estate as Junior Account Manager at King Sturge and joined Jones Lang LaSalle in 2004 as Account Manager. He left JLL in 2008 as Key Account Manager after having contributed to the reinforcement of the visibility of the departments "Office Agency" and "Investment" on the market.



Hilde DE VALCK, 53, has joined IMMOBEL since the merger with ALLFIN Group in June 2016. In 2009, she became Chief Financial Officer at ALLFIN Group. She is Master in Commercial and Financial Sciences (EHSAL) and graduated from the «International Management Program » of the Vlerick Business School; she started her career in 1986 at VGD Auditors. Afterwards she was, for more than 15 years, Financial Manager, then Chief Financial Officer at Group Staels, a group internationally active in the textile and clothing industry.



Rudi op 't ROODT, 53, joined ALLFIN in 2013 as Head of Technical Department. Since the merger with ALLFIN, he is responsible for the technical management and smooth development of all projects of IMMOBEL. He started his career at Van Roey SA (General Contractor), where, as Project Manager, he was responsible for the execution of large construction projects (industrial, hospitals, offices, hotels ...). In 1996, he became Director of the company Vernibouw / Eribel, involved in outfitting buildings. In 2006, after more than 19 years in the field of construction, he joined the real estate sector: first at CIP and CIP Luxembourg (Project Director), and later at Project T & T (Operational Director). He has a degree in Civil Engineering (KUL 1987).





Karim ZOUAOUI, 47, served since 2013, until the absorption by IMMOBEL in June 2016, as Head of Development at ALLFIN, where he made acquisitions and major developments in Brussels and Flanders. Before he was responsible for 5 years of the new acquisitions and expansion of Ghelamco Group in Belgium. He made his first professional experience at Cetelem, specialized in consumer credit (BNP Paribas). After that, he worked over 12 years in the telecom sector where he held various management positions, specializing in the management of retail channels (wholesale distribution), B2C and Trade Marketing. He is a member of RICS and completed his degrees in marketing (RIHO, Brugge), business economics (VLEKHO, Brussels) and sales management (EHSAL, Brussels) with a Post Graduate in real estate expertise at Solvay Business School (ULB, Brussels).



D. THE MANAGEMENT TEAM

The Executive Chairman and the Chief Executive Officer have established a Committee that assist them in the practical implementation of the executive powers (the "Management Team"). The Board of Directors have approved the creation of this Committee.

The Management Team is accountable for the exercise of its powers vis-à-vis the Executive Chairman and the Chief Executive Officer, and is in charge with the introduction of efficient systems of internal control and risk management as well as to ensure the day-to-day management of operations. It draws up and implements the policies of IMMOBEL the Executive Chairman and the Chief Executive Officer esteems to be of its competences.

Under the responsibility of the Executive Chairman and the Chief Executive Officer, he:

- gives leadership, advise and support to IMMOBEL's various subsidiaries and departments;
- manages and organizes the support functions within IMMOBEL covering areas such as legal, tax, accounting and financial matters.

Philippe HELLEPUTTE, seated, in his capacity as Head of Landbanking, in the Executive Committee until after the merger with ALLFIN, then within the Management Team until his retirement in late January 2017. The Board of Directors thanks him for his commitment at IMMOBEL during his long career within the Group. He continues to execute certain missions within the Group.



COMPOSITION²¹:

Valéry AUTIN²², Head of Finance,
Olivier BASTIN, CEO IMMOBEL Luxembourg,
Nicolas BILLEN²³, Head of Development,
Hilde DE VALCK²⁴, Head of Project Structuring and Financing,
Sophie GRULOIS²⁵, Head of Legal Services,
Bartłomiej HOFMAN, CEO IMMOBEL Poland,
Sandrine JACOBS²⁶, Head of Marketing and Communication,
Joëlle MICHA²⁷, Head of Corporate Affairs,
Rudi op 't ROODT²⁸, Head of Technical Department,
Olivier XHONNEUX²⁹, Head of Landbanking³⁰, and
Karim ZOUAOUI³¹, Head of Business Development.

The "curriculum vitae" of the Members of the Management Team (except those for the Members of the Executive Committee, already listed above) can be summarized as follows:

Olivier BASTIN, 46, began his career in the banking sector (BACOB, 1994-1995) before joining the real estate sector at Intermarché where he contributed to the expansion of the brand in Wallonia (1995-1996). In 1997, he joined Jones Lang LaSalle where he was Head of the Office Agency Department for Belgium (1997-2005) before becoming Managing Director of the Luxembourg offices of the group (2005-2011). In 2010, he combined this function with that of Head of Capital Markets for Belux. He left JLL in late 2011 to join ALLFIN as CEO of the Luxembourg entity. He owns a degree in Applied Economics (ULG, 1988-1992) and an MBA (ULG & Maastricht University, 1993-1994).



Sophie GRULO IS, 41, joined IMMOBEL further to the merger with ALLFIN Group in June 2016; she served as legal counsel of the latter since 2013. Previously, she worked for 2 years at PwC - Financial Services & Real Estate (FSRE) and acquired her experience in real estate at Goodman where she worked for more than 7 years as in-house lawyer. She started her career at the bar and worked for Freshfields for 2 years. She obtained her law degree at the KUL and has a LL.M. in "International Business Law" from King's College London.



²¹ As per March 22nd, 2017

²² Permanent representative of the company Val U Invest sprl.

²³ Permanent representative of the company Pride Rock Belgium sprl.

²⁴ Permanent representative of the company DV Consulting, H. De Valck Comm.V.

²⁵ Permanent representative of the company SG Management sprl.

²⁶ Permanent representative of the company Happybizz sprl.

²⁷ Permanent representative of the company JOMI sprl.

²⁸ Permanent representative of the company 2Build Consultancy sprl.

²⁹ Permanent representative of the company Avimore sprl.

³⁰ As from February 2017.

³¹ Permanent representative of the company K2 Concept sprl.



Bartłomiej HOFMAN, 42, joined the Group in 2011 as head of our Polish subsidiary (Head of IMMOBEL Poland) and is Member of the Royal Institution of Chartered Surveyors (RICS). Prior to joining IMMOBEL, he has worked, since 1999, for Knight Frank and DTZ, specializing in the office sector, and from 2005, he was General Manager in charge with the Polish operations of the Austrian based investment fund Europolis (now CA Immo). He holds a Master degree from Warsaw University in International Relations and a Postgraduate degree in Property Valuation from Warsaw Technical University.



Sandrine JACOBS, 42, joined the Group in 2011 as head of our Polish subsidiary (Head of IMMOBEL Poland) and is Member of the Royal Institution of Chartered Surveyors (RICS). Prior to joining IMMOBEL, he has worked, since 1999, for Knight Frank and DTZ, specializing in the office sector, and from 2005, he was General Manager in charge with the Polish operations of the Austrian based investment fund Europolis (now CA Immo). He holds a Master degree from Warsaw University in International Relations and a Postgraduate degree in Property Valuation from Warsaw Technical University.



Joëlle MICHA, 47, joined the Group in 2000 as Company Secretary of the real estate investment trust Cibix. Then, since 2007, Head of Corporate Affairs, Compliance Officer and since 1st January 2016, Head of Legal & Corporate Affairs of IMMOBEL. Prior she worked as a Lawyer for Loeff Claey Verbeke (currently Allen & Overy), as an authorised agent in a private bank (Bank Delen), and at the BFIC (currently FSMA) in the Markets Supervision department. She holds a Master in Law (UCL), a Master in Taxation (HEC-Liège), she also obtained the "Certified European Financial Analyst" qualification (ABAF) and is Member of the IPI (Owner, Broker and Trustee). She is a Company Director in Belgium and the Grand Duchy of Luxembourg.



Olivier XHONNEUX, 45, joined IMMOBEL in 2012 as Operations and Project Manager with the aim of developing and optimizing the activities of the "Landbanking" department of the Group. In this context, he helped to develop a new strategy and targeted marketing tools for the Landbanking Department. Passionated about real estate and landbanking, he started his career at Redevco (1996-2002) as a Business lawyer in real estate management and real estate development. He then managed the project development of shopping malls by Foruminvest (2002-2010) and by City Mall (2010-2012). He holds a Master in Law (UCL), a certificate in European and International Law (Leiden - NL), and followed the program "Executive Programme en Immobilier" at the Solvay Business School. He is also a member of IPI.





II. INTERNAL CONTROL AND RISK MANAGEMENT

The Belgian legislative framework for internal controls and risk management consists in the Law of 17 December 2008 (in application of the European Directive 2006/43 concerning corporate financial control), the Belgian Corporate Governance Code 2009 and Law of 6 April 2010 (CG Law).

The IFRS 7 likewise defines additional requirements with regards to management of risks related to financial instruments.

Nevertheless, the current Belgian legislative and normative framework specify neither the model of internal control to which the companies for which it is intended should conform, nor the modalities for implementing it (level of detail required).

IMMOBEL uses a system of risk management and internal control that was drawn up internally based on the "COSO³²" model of internal control.

The COSO methodology is organized around five elements:

- the internal control environment
- risk analysis
- control activities
- information and communication, as well as
- supervision and monitoring.

³² Abbreviation of "Committee of Sponsoring Organizations of the Treadway Commission".



THE INTERNAL CONTROL ENVIRONMENT

The element “internal control environment” focuses on the following components:

Precise definition of the company’s objectives:

IMMOBEL is the largest listed Belgian property developer. Since its foundation in 1863, the Group has devised, developed and marketed innovative urban projects in response to the needs of cities and their inhabitants. Thanks to its bold strategy and a talented workforce of around a hundred people, IMMOBEL has succeeded in diversifying its expertise and currently operates in the residential, office, retail and landbanking development sectors. Already in a leading position in the Belgian property market, IMMOBEL has also expanded internationally, in the Grand Duchy of Luxembourg and in Poland. Its portfolio now totals more than 850,000 m² of projects under development and the Group has a market capitalisation in excess of 550 MEUR.

IMMOBEL draws on all its skills and expertise to implement iconic projects whose hallmarks are sophisticated urban thinking and a pioneering approach. The Chambon project, a tour de force of urban regeneration in the centre of Brussels, the ambitious Infinity complex in Luxembourg and the redevelopment of the historic Granary Island site in Gdansk (Poland) are all examples of its outstanding development work.

A definition of the roles of the decision-making bodies:

IMMOBEL has a Board of Directors, an Investment Committee, an Audit & Finance Committee, a Remuneration Committee, a Nomination Committee and an Executive Committee.

Responsibility for drawing up IMMOBEL’s strategy and for controlling the way it does business belongs primarily to the Board of Directors. The main responsibilities of the different Committees have been mentioned above (cfr. Decision-making bodies).

Risk culture:

IMMOBEL takes a prudent attitude. Managing a portfolio of diversified projects that create long-term value through its three lines of activity.

Application of ethical standards and integrity:

IMMOBEL has a Good Behaviour Code that describes the principles of ethics and integrity that apply to each of the Directors and the Members of the Executive Committees as well as all the employees and external collaborators. This Code deals with aspects of conflict of interest, professional secrecy, corruption, and misuse of corporate funds and even business gifts.

IMMOBEL has also a Dealing and Disclosure Code whose main purpose is, among others, to ensure that Persons Discharging Managerial Responsibilities do not misuse, or place themselves under suspicion of misusing certain price sensitive information, (“Inside Information” as defined in the Dealing and Disclosure Code). Certain obligations are also imposed on persons closely associated with them (such as certain of their relatives or entities controlled by them).

The position of Compliance Officer has been created.

Measures geared to ensuring the level of competence:

- Competence of the Directors: Given their experience, the Directors possess the competencies and qualifications necessary to assume their responsibilities, particularly in matters of finance, accounting, investment and remuneration policy.



- Competence of the Members of the Executive Committee and other staff: a recruitment process geared to the profiles required, adequate training and a policy of remuneration and evaluation based on the achievement of realistic and measurable goals make it possible to ensure the competence of IMMOBEL's staff.
- IMMOBEL has introduced a remuneration procedure dealing with remuneration policy for the Directors and the Members of the Executive Committees, that complies with the requirements of the Law of 6 April 2010 on Corporate Governance. During 2016, it has been more in particular decided to
 - modify the remuneration of the Directors (approved by the Extraordinary General Meeting of November 17th latest), regarding, on the one side, the approval of the "Performance Share Plan 2017-2019" to the benefit of the Executive Chairman and the Chief Executive Officer, and on the other side, on the revision of the remuneration of the non-executive Directors as from that Extraordinary General Meeting; and
 - uniformize the principles and modalities of the variable remuneration in the contracts of the Members of the Executive Committee, active in Belgium.

RISK ANALYSIS

IMMOBEL regularly carries out risk identification and evaluation exercises. They are mapped out and formal action plans are drawn up to deal with those risks for which the level of control is deemed to be inadequate. The Audit & Finance Committee monitors the implementation of these action plans.

The principle risks to which IMMOBEL is exposed are set out in detail in section I.B of the Directors' Report.

CONTROL ACTIVITIES

The control activities correspond to the regulations and procedures used to deal with the principal risks identified. Here are the main regulations and procedures established within IMMOBEL, we would like to mention:

- Feasibility studies are carried out systematically, allowing project margins to be monitored. The feasibility studies are then analysed by the developer, project manager, the Head of Development, the Head of Project Structuring & Financing and the CFO, together with the Executive Chairman and/or the Chief Executive Officer.
- The Executive Committee can, at its discretion, purchase property or similar rights for projects, the total cost (including e.g. construction costs, financing costs, fees and taxes) of which amounting up to MEUR 40 without prior consent of the Investment Committee or the Board of Directors. Furthermore, the Investment Committee can, at its discretion, mandate the Executive Committee to purchase property or similar rights for projects, the total cost (including e.g. construction costs, financing costs, fees and taxes) of which not exceeding up to MEUR 140 per project, without prior consent of the Board of Directors. The Board of Directors will ratify the purchase decision at its first subsequent meeting.
- A review of the discrepancies between the budget and the actual financial situation of the projects is carried out monthly by the Head of Project Structuring & Financing. Any significant differences observed are submitted to the Management bodies.
- The accounts department and future financial requirements are monitored and regular reports submitted to the Management bodies.
- The principle of multiple approvals exists at every phase of the engagement process. So, the double signature procedure applies to approval of all transactions and the signatories are specified in function of the sums involved in the transaction.



INFORMATION AND COMMUNICATION

IMMOBEL uses an appropriate software program as its financial management information system. In the transition period after the merger with the ALLFIN Group, IMMOBEL also uses another specific accounting and financial software. The maintenance and development of these systems is subcontracted to a partner.

Data continuity is also subcontracted to a partner who is contractually bound to follow a strict procedure to establish a reliable and secure information storage system.

For the entities in the IMMOBEL Group accounting is partially outsourced to a firm specialised in financial services. The finance department of IMMOBEL is naturally always in charge of the closure process and drafting the Annual Report, the Consolidated Financial Statements drawn up according to IFRS standards and the Annual Accounts. As from May 2017 it is intended to organise some insourcing of the accounting services.

Communication with the personnel and the various employees of IMMOBEL is appropriate to the size of the business. It is based mainly on work sessions, verbal communications from the management to the personnel as a whole, or internal e-mail notes signed mostly by the Chief Executive Officer.

In order to ensure rapid communication and equal treatment of all Shareholders, IMMOBEL publishes the Agenda and the Minutes of the Annual General Meetings, the half-yearly and annual Financial Results, Press Releases, the Articles of Association, the Corporate Governance Charter and the Annual Report on its website. Certain information is also published in the press.

SUPERVISION AND MONITORING

The Audit & Finance Committee is responsible for supervising internal control. For the year 2016 and previously the Audit & Finance Committee did not consider it necessary to create the position of internal auditor to assist it in his mission, given the size and the activities of the Company and the Group.

Given the increase size and the activities of the Company and the Group, the Audit & Finance Committee will reassess in 2017 whether it is necessary or not to create a position of internal auditor to assist it in this mission.

In order to evaluate the control environment regularly, the Audit & Finance Committee entrusts the auditor with certain specific missions involving more thorough examination of internal control, consisting of testing the existing controls and identifying possible weaknesses compared to best practice. The Audit & Finance Committee ensures that the recommendations are implemented if the need arises.



III. RULES AND PROCEDURES

Transactions and other contractual relationships between the Company, including associated companies, with the Directors, the Members of the Executive Committee and the other staff

During 2016, the Board of Directors decided to initiate the procedure provided for in Article 523 BCC, in the framework of the deliberations of the Board of Directors regarding the merger with its reference shareholder ALLFIN Group, as well as the remuneration to be allocated to the Executive Chairman and to the Chief Executive Officer after the merger.

Furthermore, the Board of Directors has also applied the Corporate Opportunities-procedure once, and more especially in September 2016.

There have also been two transactions: one between a Director of the Company and a Group subsidiary, and another between a collaborator of the Group and a Group subsidiary.

Application of the rules cited above has not given rise to any difficulty.

Comments on the measures taken by the Company in the context of the Directive on insider trading and manipulation of the market

The Dealing and Disclosure Code intends to ensure that Directors, senior executives and other staff of IMMOBEL and affiliated entities do not misuse information which they may have about IMMOBEL which is not available to other investors.

These rules have been supplemented by an internal note summarizing the main legal obligations in this matter, particularly taking into account the new Regulation on Market Abuse as entered into force on July 3rd latest, with a view to increasing an awareness of their obligations in those concerned.

The Compliance Officer is tasked with ensuring compliance with said rules in order to reduce the risk of abuse of the market by insider trading. The Compliance Officer keeps lists of people who have or are liable to have privileged information and who know or cannot reasonably be unaware of the privileged nature of this information.

These rules provide, among others, in:

- A prohibition against Persons exercising managerial responsibilities to carry out transactions on their own behalf or on behalf of a third party, whether directly or indirectly, relating to the shares or debt instruments of IMMOBEL or to derivatives or other Financial Instruments linked thereto during the Closed Periods and the Prohibited Periods;
- The possibility given to the Compliance Officer, without being obliged, to authorize a Person exercising managerial responsibilities to negotiate during a Closed Period or a Prohibited Period (in specific cases);
- The obligation of Persons exercising managerial responsibilities to inform the Compliance Officer prior to the transaction, for their own account, on their own responsibility, relating to the shares or debt instruments of IMMOBEL or to derivatives or other related Financial Instruments, outside the Closed Periods and the Prohibited Periods;



- The obligation of Persons exercising managerial responsibilities and persons closely associated with them to notify the Compliance Officer and the FSMA of any transactions they have made for their own account in shares or debt instruments of such Issuers or on derivative instruments or other related financial instruments. Such notification shall be made within three working days from the date of the transaction. This notification obligation does not apply as long as the total amount of transactions carried out during the same calendar year does not exceed the threshold of EUR 5,000. These persons obliged to notify may, but must not, authorize IMMOBEL to make such notifications to FMSA on their behalf. In such cases, they must always notify IMMOBEL of such relevant transactions promptly and no later than two working days from the date of the transaction;
- The obligation for Persons exercising managerial responsibilities to ensure that their investment managers, persons who organize or carry out business transactions on their behalf or any other person who organizes or carries out transactions on their behalf do not trade during the Closed Periods or the Prohibited Periods, including when the investment managers are authorized financial intermediaries acting under a fully discretionary investment management mandate.

During the past financial year, the job of Compliance Officer at IMMOBEL was carried out by Mrs Joëlle MICHA.

Application of the rules cited above has not given rise to any difficulty.

Legal and arbitration procedures

The Board of Directors of IMMOBEL assesses that, except those disclosed in the Note 27 to the Consolidated Financial Statements "Main contingent assets and liabilities", no governmental, legal or arbitration proceeding exists that may have, or have had in the recent past, significant effects on the financial position or rentability of the Company and that the Company is not aware of proceedings which are pending that could cause these governmental, legal or arbitration proceedings.



IV. INFORMATION ABOUT THE ISSUED CAPITAL

A. SHAREHOLDING STRUCTURE

Based on the transparency declarations received by IMMOBEL, following shareholders are the most important (since June 29th, 2016):

Shareholder at December 31, 2016	Voting rights	% of the gross number of shares ³³
A ³ CAPITAL nv ³⁴ having its registered seat at 1000 Brussel, Akenkaai 52		
VEMACO nv ³⁵ having its registered seat at 1000 Brussel, Akenkaai 52	5 875 369	58,77 %
A ³ MANAGEMENT bvba ³⁶ having its registered seat at 1000 Brussel, Akenkaai 52		
IMMOBEL sa/nv (own shares / Treasury shares) having its registered seat at 1000 Brussel, Regentschapsstraat 58	1 230 398	12,30 %
CAPFI DELEN ASSET MANAGEMENT nv ³⁷ having its registered seat at 2020 Antwerpen, Jan Van Rijswijklaan 178	412 196	4,12 %

There are no special voting rights and, to the extent known by the Company, no shareholder agreements. Further to a decision of the Board of Directors, the dividend rights of the treasury shares kept by IMMOBEL are suspended. In application of the Belgian Companies Code, these shares have no voting rights.

³³ A gross number of 9,997,356 shares were issued.

³⁴ Company controlled by Mr. Marnix GALLE.

³⁵ Company controlled by Mr. Marnix GALLE.

³⁶ Company controlled by Mr. Marnix GALLE.

³⁷ Mutual fund.



B. ELEMENTS THAT COULD HAVE AN INFLUENCE IN CASE OF A TAKEOVER BID ON SECURITIES ISSUED BY THE COMPANY

During the General Meeting of November 17th, 2016, the Shareholders have authorized the Board of Directors to increase the Company's capital by a maximum amount of 97,000,000 EUR, in one or more occasions, dates and manner to be determined by the Board of Directors, and for a term of five years from the publication of this authorization in the Belgian Official Gazette.

The Company may acquire or take as security its own shares under the conditions determined by the law. The Board of Directors is authorized to sell, on the stock exchange or outside, at the conditions it determines, without prior authorization of the General Meeting, in accordance with the law.

By decision of the Extraordinary General Meeting of Shareholders of November 17th, 2016 the Board of Directors is authorized, for a term of 3 years dating from said Extraordinary General Meeting, to purchase or dispose of shares in the Company when this purchase or disposal is necessary to prevent any serious imminent harm. This authorization is granted for a period of three (3) years dating from publication of this authorization in the Annexes to the Belgian Official Gazette. Such authorization shall also be valid for the acquisition or the alienation of shares of the Company by a direct subsidiary according to article 627 of the BCC.

Furthermore, by decision of the Extraordinary General Meeting of November 17th, 2016, the Board of Directors is authorized to acquire or alienate shares of the Company to a maximum of twenty percent (20 %) of the issued shares at a price which will not be less than ten (10) EUR nor more than twenty percent (20 %) during the highest closing of the last twenty trading days of the Company shares on Euronext Brussels before the acquisition or alienation. This authorization is granted for a period of five (5) years from the date of the Extraordinary General Meeting of November 17th, 2016. This authorization also applies to the acquisition of shares of the Company by a direct subsidiary according to article 627 of the BCC.

The Board of Directors has full powers to cancel the shares acquired by the company in this way, to have the cancelation certified by notarial act and to amend and coordinate the Articles of Association to bring them into line with the decisions taken.

The rules governing the appointment and replacement of Directors and the amendment of the Articles of Association shall be those provided by the Companies Code, as well as by the Corporate Governance Charter of IMMOBEL.

The terms of change of control contained in credit agreements with financial institutions were approved by the General Meeting of 22nd May 2014, pursuant to section 556 of the Companies Act.



V. OTHER CONTRIBUTORS

A. STATUTORY AUDITOR

The Statutory Auditor is Deloitte Reviseurs d'Entreprises, represented by Kurt Dehoorne, which is headquartered at 1930 Zaventem, Gateway building, Luchthaven Nationaal 1J. Flat fees of Deloitte Reviseurs d'Entreprises charged to IMMOBEL SA for the examination and review of statutory and consolidated accounts amounted to 149 KEUR (excluding VAT). His fee for the review of the statutory accounts of subsidiaries amounted to 157 KEUR (excluding VAT).

Total fees charged by the Statutory Auditor and his network in 2016 in the exercise of the mandate on Group level amounted to 735 KEUR (excluding VAT).

B. CENTRAL PAYING AGENT

BNP Paribas Fortis Bank is the Central Paying Agent of IMMOBEL for an indefinite period. The remuneration of the commission amounts up to 0.20 % of the net amount (VAT excluded) of the coupon and of the income securities presented in a securities account.

AHO Consulting bvba
represented by Alexander Hodac
Managing Director

A³ Management bvba
represented by Marnix Galle
Chairman of the Board