

**WAREHOUSES DE PAUW Comm.VA/SCA**  
Blakebergen 15, 1861 Wolvertem (Belgium)  
Company number: 0417.199.869  
Register of legal entities Brussels, in Dutch  
(the “**Company**”)

*The original version of this report has been written in Dutch; this English version is an unofficial translation.*

---

**SPECIAL REPORT BY THE BUSINESS MANAGER REGARDING THE PROPOSED SWITCH TO A PUBLIC LIMITED COMPANY WITH A BOARD OF DIRECTORS IN TERMS OF THE CODE OF COMPANIES AND ASSOCIATIONS**

---

**I. INTRODUCTION**

The manager proposes to implement the provisions contained in the new Code of Companies and Associations (the “**CCA**”) (which replaces the current Company Code (the “**CC**”)) voluntarily in advance at the Company in application of Article 39, §1 (2) of the Act of 23 March 2019 to implement the Code of Companies and Associations and establishing the various provisions (the “**CCA Act**”) (the “**Opt-in**”).

As part of that scenario the manager also proposes converting the Company to a public limited Company with a Board of Directors under the CCA and to adapt the articles of association of the Company to the provisions of the CCA.

In this report, drawn up with the application of Article 778 of the Company Code, the manager sets out his proposal to switch.

**II. STATEMENT OF ASSETS AND LIABILITIES**

In accordance with Article 776 of the Company Code, the manager has drawn up a statement of assets and liabilities for the Company as at 30 June 2019, which is appended to this report as Annex 1. Based on the statement, the net assets of the Company as at 30 June 2019 were EUR 1.687.232.000 and therefore exceed the registered capital of EUR 187,597,676.87 stated therein.

In accordance with Article 777 of the Company Code, the statutory auditor of the Company, Deloitte Bedrijfsrevisoren CVBA, permanently represented by Rik Neckebroeck, issued a report on the statement, which is appended to this report as Annex 2. The auditor’s report confirms particularly that there has been no overestimate of the net assets.

**III. INFORMATION PERTAINING TO THE PROPOSED CONVERSION**

The proposed conversion of the Company is in part as a consequence of the entry into force of the CCA, which replaces the CC. The CCA will abolish the current legal form of the Company, namely the “partnership limited by shares”. As soon as the CCA enters into force, the Company will therefore have

to assume a different legal form. As the Company is a public regulated real estate Company, it can only be switched to a public limited Company. Article 11, §4 of the Act of 12 May 2014 regarding regulated real estate companies retains the regulations for public regulated real estate companies for “public limited companies” and “partnerships limited by shares”. In light thereof, the manager proposes to convert the Company to a public limited Company under the CCA.

Even if the Company did not convert to a public limited Company under the CCA before 1 January 2020, certain mandatory rules contained in the CCA would become applicable to the Company from that date. **To avoid uncertainty regarding the Company law that is applicable to the Company**, the manager proposes implementing the provisions of the CCA in advance and voluntarily under application of Article 39, §1 (2) of the CCA Act and to convert the Company within the context of the Opt-in before 1 January 2020 already. If converting the Company within the context of the Opt-in (and the amended articles of association of the Company) is approved, it will enter into force from the publication thereof in the Annexes to the Belgian State Gazette, but not before 1 October 2019 (if the required quorum is not present or if the manager is absent, necessitating a (second) extraordinary general meeting, then not before 1 November 2019). From that date the Company will be a public limited Company and the CCA will apply to it.

Under the CCA the Company would ultimately by operation of law be converted to a public limited Company with a sole director. In that case the manager would assume the mandate of sole director and continue to enjoy the relative impossibility to be removed and a veto right for changes to articles of association and dividend payments. However, the manager is in favour of converting the Company to **a public limited Company with a (one-tier) Board of Directors**.

The option of a public limited Company with a (one-tier) Board of Directors **fits in the context of the Company’s current phase in its life cycle and growth**. This brings with it an overall adjustment to the Company’s control structure, in consultation with partnership RTKA, the family company structure of the Jos De Pauw family, who is currently the controlling shareholder in the Company and also the shareholder of the manager. Based on corporate governance considerations this option also perfectly ties in with the most transparent legal form under Belgian law for listed companies.

Given the choice for a public limited Company with a (one-tier) Board of Directors, the mandate of De Pauw SA as statutory manager of the Company will also end. The manager proposes appointing the current members of De Pauw SA’s Board of Directors as directors of the Company, for a term equal to the remaining duration of their current respective director’s mandates at De Pauw SA, the current manager of the Company. The Board of Directors will therefore comprise 7 directors, of whom 4 will be independent non-executive directors<sup>1</sup>, 1 non-executive director and 2 executive directors. The composition of the advisory committees of the Board of Directors for the Company will also remain the same as the current composition thereof within the De Pauw SA’s Board of Directors.

---

<sup>1</sup> Based on the information available to the manager, the current independent directors meet the independence criteria in Article 7:87, §1 of the CCA, that of the Belgian Corporate Governance Code 2020 and that of Article 13 of the RREC Act *juncto* Article 526 *ter* of the Company Code.

<b>Rik Vandenberghe</b> Independent non-executive director	Start: April 2019 End: April 2023	Chair of the nomination committee Member of the audit committee Member of the remuneration committee
<b>Frank Meysman</b> Non-executive director	Start: April 2006 End: April 2021	Member of the nomination committee Member of the audit committee Chair of the remuneration committee
<b>Anne Leclercq</b> Independent non-executive director	Start: April 2015 End: April 2022	Member of the nomination committee Member of the audit committee Member of the remuneration committee
<b>Cynthia Van Hulle</b> Independent non-executive director	Start: February 2015 End: April 2022	Member of the nomination committee Chair of the audit committee Member of the remuneration committee
<b>Jürgen Ingels</b> Independent non-executive director	Start: April 2018 End: April 2022	Member of the nomination committee Member of the audit committee Member of the remuneration committee
<b>Tony De Pauw</b> Executive director	Start: May 1999 End: April 2023	Member of the nomination committee
<b>Joost Uwents</b> Executive director	Start: April 2002 End: April 2022	Member of the nomination committee

In addition, each natural person, legal person<sup>2</sup> or Company (with or without legal personality)<sup>3</sup> will have a **binding right to appoint** with regard to one member of the Board of Directors for each block of 10% of the shares in the Company that he or she holds individually and directly. The terms and conditions of this binding right to appoint are set out in the Company's amended articles of association. Mr Tony De Pauw is nominated as director by the current controlling shareholder of the Company,

<sup>2</sup> Such as a foundation.

<sup>3</sup> Including a partnership.

partnership RTKA, in application of this binding right to appoint. Partnership RTKA, that individually and directly holds more than 20% of the shares in the Company, has indicated that it will provisionally not exercise its right to appoint a second director under its binding right to appoint.

In closing the manager would like to clarify that immediately after the conversion enters into effect, all shares in De Pauw SA will be transferred by partnership RTKA to the Company at a price equal to De Pauw SA's net asset value as at 31 December 2018. De Pauw SA's net asset value as at 31 December 2018 is approximately EUR 85,000, which more or less matches the capital RTKA contributed to De Pauw SA.<sup>4</sup> In due course all the assets of De Pauw SA, including both the rights and responsibilities, will be transferred to the Company within the framework of an action similar to the form of a merger through takeover. This will fully integrate De Pauw SA in the Company.

Also within the context of switching the Company, and with a view to increasing marketability, accessibility and attractiveness of the shares, the manager proposes a share split. In that case each share will be split into 7 shares (with coupon no. 1 attached). The split shares will retain the same rights as before, and will have a ratio of 1/7<sup>th</sup> thereof per split share. The share split is as a consequence fully neutral, and the position of shareholders will not be diluted in any way. The Company has submitted an application to Euronext Brussels and Euronext Amsterdam for admission to trade the split shares on the regulated markets of Euronext Brussels and Euronext Amsterdam. The manager proposes that the share split should enter into effect on 2<sup>5</sup> January 2020. From that date the split shares will be tradable on the regulated markets of Euronext Brussels and Euronext Amsterdam under the new ISIN code BE0974349814, assuming the share split is approved.

#### **IV. AMENDED ARTICLES OF ASSOCIATION**

Due to the switch, the Company's articles of association must also be amended. The object of the Company will not change. The draft version of the Company's amended articles of association is attached to this report as Annex 3.

The proposal to switch the Company within the context of the Opt-in option will be put before the (first) extraordinary general meeting on 11 September 2019 or, if the required quorum is not present or if the manager is absent, the (second) extraordinary general meeting on 30 September 2019 for approval. The draft of the amended articles of association for the Company will also be put forward for approval, immediately following on the decision to switch the Company.

---

<sup>4</sup> After 31 December 2018 and up to the transfer date De Pauw SA is expected to incur some costs to be financed by WDP (such as the remuneration of directors, certain costs associated with insurances and limited administrative costs).

<sup>5</sup> Because 1 January 2020 is not a trading day.

Done on 29 July 2019,

On behalf of the manager,

Name: Tony De Pauw

Title: Permanent representative of  
De Pauw SA, manager

- Annexes:
1. Statement of assets and liabilities of the Company as at 30 June 2019
  2. Auditor's report on the statement of assets and liabilities
  3. Draft of the Company's amended articles of association