



Codic International
Chaussée de la Hulpe 120
1000 Brussels (Belgium)
RLE Brussels 0448.424.367

(the “**Issuer**” or the “**Company**”)

Information Memorandum
Application has been made for admission to trading and listing on Alternext Brussels
of EUR 30,000,000
5.5 % fixed rated bonds
due 15 June 2020

Issue Price: 100 %
ISIN Code: BE0002231976

(the “**Bonds**”)

Issue Date: 15 June 2015

Codic International, a limited liability company (*société anonyme/ naamloze vennootschap*) under Belgian law, having its registered office at 1000 Brussels (Belgium), Chaussée de la Hulpe 120, enterprise number (RLE Brussels) 0448.424.367, will issue the Bonds (the “**Bond Issue**”) for a principal amount of EUR 30,000,000. The Bonds bear interest from the Issue Date (included) at an annual rate of 5.5 % (subject to any adjustment pursuant to Condition 3.5.3, Condition 3.5.4 or Condition 3.5.5 of the Terms and Conditions of the Bonds) and such interest will be payable on 15 June of each year (each an “**Interest Payment Date**”), up to and excluding 15 June 2020 (the “**Maturity Date**”).

The Bonds can be redeemed early in the limited cases described in Condition 3.6 entitled “Redemption and Purchase” of the Terms and Conditions of the Bonds. Unless previously redeemed or purchased and cancelled in accordance with Condition 3.6 entitled « Redemption and Purchase » of the Terms and Conditions of the Bonds, the Bonds will be redeemed at their principal amount outstanding on the Maturity Date.

ING Bank, a limited liability company (*naamloze vennootschap*) under Dutch law, acting through its Belgium Branch having its registered office at 1000 Brussels (Belgium), Avenue Marnix 24, enterprise number (RLE Brussels: 828.223.909) and Invest Securities, a limited liability company (*société anonyme*) under French law, having its registered office at 75008 Paris (France), Boulevard Haussmann 73, are acting as joint book runners (the “**Joint Book runners**”). ING Belgium SA/NV has been appointed as sole domiciliary, calculation and paying agent (the “**Agent**”).

The denomination of the Bonds shall be EUR 100,000 and integral multiples thereof.

This Information Memorandum does not constitute a prospectus for the purpose of article 20 of the Law of 16 June 2006 on public offerings of investment instrument and admission of investment instruments to trading on a regulated market (the “Belgian Prospectus Law”). This Information Memorandum or any other offering material relating to the Bonds has not been and will not be approved by the Belgian Financial Services and Markets Authority (the “FSMA”) nor by any other authority.

The offering of the Bonds does not constitute a public offering in Belgium. The offer may not be advertised and the Bonds may not be offered or sold, and this Information Memorandum or any other offering material relating to the Bonds may not be distributed, directly or indirectly, to any persons in

Belgium other than in those circumstances set out in Article 3, paragraph 2 of the Belgian Prospectus Law and Article 3.2 of the Directive 2001/34/EC (the “Prospectus Directive”).

Application has been made to Alternext Brussels for the Bonds to be listed and admitted to trading. Alternext Brussels is not a “regulated market” for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

The Bonds are issued in dematerialized form in accordance with Article 468 et seq. of the Belgian Companies Code (*Wetboek van vennootschappen/Code des sociétés*) and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the NBB System operated by the NBB or any successor thereto (the “**NBB System**”). The Bonds can be held by their holders through participants in the NBB System, including Euroclear and Clearstream, Luxembourg. The Bonds are accepted for clearance through the NBB System, and are accordingly subject to the applicable Belgian regulations on clearing of financial securities, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Royal Decrees of 26 May 1994 and 14 June 1994, and the rules of the NBB System and its annexes, as issued or modified by the NBB (the laws, decrees and rules mentioned here above being referred to herein as the “**NBB System Regulations**”). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

Unless otherwise stated, capitalized terms used in the Information Memorandum have the meanings set forth in the Information Memorandum. Where reference is made to the “**Conditions of the Bonds**” or to the “**Conditions**”, reference is made to the Terms and Conditions of the Bonds (see Section 3 entitled “Terms and Conditions of the Bonds”).

The Issuer is not rated. The Bonds will not be rated.

An investment in the Bonds involves certain risks. Prospective investors should refer to Section 1 entitled “Risk Factors” from page 8 for an explanation of certain risks of investing in the Bonds.

Joint Book runners



Invest *Securities*

IMPORTANT NOTICE

The Information Memorandum has been prepared in connection with the private placement of the Bonds. The Issuer accepts responsibility for the information contained, or incorporated by reference, in this Information Memorandum.

When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their own income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds. The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Information Memorandum may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

Neither the Information Memorandum nor any other information supplied in connection with the admission to trading of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Book runners that any recipient of the Information Memorandum or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither the Information Memorandum nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Joint Book runners to any person to subscribe for or to purchase any Bonds.

Some statements in the Information Memorandum may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in the Information Memorandum, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of the Information Memorandum, if one or more of the risks or uncertainties materialize, including those identified below or which the Issuer has otherwise identified in the Information Memorandum, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

Any forward looking statements contained in the Information Memorandum speak only as at the date of the Information Memorandum. Without prejudice to any requirement under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of the Information Memorandum any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

Neither the delivery of the Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in the Information Memorandum is true subsequent to the date hereof or otherwise that there has been no change in the affairs or in the condition (financial or otherwise) of the Issuer since the date hereof or the date upon which the Information Memorandum has been most recently amended or supplemented or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Joint Book runners and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds.

The Information Memorandum contains various amounts and percentages which are rounded and, as result, when these amounts and percentages are added up, they may not total.

The Information Memorandum is to be read in conjunction with (the relevant parts of) all the documents which are incorporated herein by reference, see Section 2 entitled "*Documents Incorporated by Reference*". The

Information Memorandum shall be read and construed on the basis that such documents are incorporated in and form part of the Information Memorandum.

This Information Memorandum does not constitute a prospectus for the purpose of article 20 of the Belgian Prospectus Law. This Information Memorandum or any other offering material relating to the Bonds has not been and will not be approved by the FSMA nor by any other authority.

The offering of the Bonds does not constitute a public offering in Belgium. The offer may not be advertised and the Bonds may not be offered or sold, and this Information Memorandum or any other offering material relating to the Bonds may not be distributed, directly or indirectly, to any persons in Belgium other than in those circumstances set out in Article 3, paragraph 2 of the Belgian Prospectus Law and Article 3.2 of the Prospectus Directive.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state or other jurisdiction of the United States. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (Regulation S). The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S) unless they have been so registered or pursuant to an available exemption from the registration requirements of the Securities Act.

To the extent permitted by law, none of the Joint Book runners accepts any responsibility for the contents of this Information Memorandum. The Joint Book runners have not separately verified the information contained in or incorporated by reference in this Information Memorandum. None of the Joint Book runners makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Information Memorandum.

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1. RISK FACTORS

The Bonds may not be a suitable investment for all investors. Investing in the Bonds may entail several risks. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In case of doubt, potential investors should consult their financial and legal advisers about the risks of investing in the Bonds and the suitability of this investment in light of their particular situation. In particular and without limitation, each potential investor may wish to consider, either on its own or with the help of its financial or other advisors, the following risk factors.

1.1 Risk factors concerning the Issuer¹

1.1.1 Economic cycle risks

The Issuer's activities are subject to general economic conditions and specific systemic hazards and risks associated with the cyclical nature of real estate.

The office and trade markets rely, firstly, on the confidence of investors and users, potential purchasers of real estate projects, and, secondly, on the trust of companies of private and public sectors, which are prospective tenants to these projects.

The economic environment in Europe remains difficult, especially in the most fragile economies. A prolonged deterioration of economic conditions or sudden changes in the economic, financial, monetary, regulatory, geopolitical, social, health, environmental markets in which the Issuer operates could have a negative impact on the business and prospects of the Issuer.

The development cycle of a real estate development project is, from its conception to its realization, generally three to ten years depending on the extent and nature of the program, requiring thus a long-term strategic vision. Since its creation, the Group has demonstrated in its real estate development activities, its ability to anticipate its investment/launch or transfer decisions, while applying good practices in risk management.

Furthermore, experience has shown that in periods of recovery, demand is primarily for qualitative property, well located and financially efficient, especially for the kind of projects that the Issuer specializes.

1.1.2 Activity risks

The Issuer engages in the development of real estate in several European countries. Although every project is subject to extensive technical, zoning, environmental and financial studies before an acquisition, there are still risks of external factors (delay in authority's decision, new regulation, especially in the field of soil pollution and energy efficiency, bureaucracy, environmental protection,...) or unplanned circumstances that can lead to delays in delivery or budget overruns in projects developed by the Issuer. The Issuer is particularly obliged to respect numerous planning rules relating to land use or authorized template. Changing these planning rules by political or administrative authority after the acquisition of a parcel can require significant adaptations to the Issuer's expectations in terms of design, cost and time.

The Issuer remains also exposed to the evolutions in the local markets where a risk of oversupply exists that can lead to a downward pressure on sale and rental prices which could influence the project result negatively.

The choice of a strategic location is also an important investment criterion for a project. Although the Issuer has a decision making process in place to mitigate and limit the risk of making a sub-prime investment, it cannot be excluded altogether.

The complexity of the projects, the applicable regulations, the number of parties involved, the need to obtain the necessary permits, the search and selection of occupiers and investors are all factors that influence the risks to which the Issuer is exposed. The Issuer mitigates these risks by stringent control processes throughout the project life cycle which are the result of years of experience and by enlisting the services of the best providers, contractors, consultants and companies.

¹ For the purpose of this Section 1, "Issuer" refers to Codic International (as identified on the first page of this Information Memorandum) and/or, where relevant, to the Issuer's subsidiaries (collectively with the Issuer "the Group"). "Company" refers solely to Codic International (as identified on the first page of this Information Memorandum).

The Issuer may also be exposed to legal actions inherent to its real estate activity. When the company has ended a project and has eventually marketed a property program, it may incur liability towards building owners or purchasers. This questioning can result from non-compliance in relation to contractual description, damage or disorders affecting the buildings. While the bulk of construction defects is in principle covered by the mandatory insurance policies, or is due to other operators in the construction, the Company may in some cases have to bear the cost of repairs or pay damages to the masters of works and the purchasers of projects. The Company pays special attention to the compliance of its providers in terms of insurance providers.

1.1.3 Urban planning rules risks

The Issuer is bound by local zoning regulations for its different developments. It is possible that these regulations are reviewed by the political or administrative authorities or that their legality is successfully challenged before a Court after the Issuer acquired a property. This could have severe implications on the planned development as foreseen by the Issuer and might lead to a reduction in project scope or even project abandonment. However, the Issuer is always very careful in relation to the purchase price in order to allow them to resell the property if the project has to be abandoned. Moreover, the Issuer is constantly surrounded by tax and legal experts in order to stay informed of the latest regulation changes.

Given the complexity of certain local, regional or national regulations and especially the process to obtain a construction permit, it may happen that delays occur in project start-up. The Issuer has extensive experience in this process and is aware of the technical and financial implications of these potential situations.

1.1.4 Liquidity, financing and related securities risks

The development of the Company's business is financed by cash flow from operations, bank debt and equity. The Company can not guarantee that it will have anytime access to sufficient sources of external financing on acceptable terms and enable it to finance its development, or that the market is sufficiently liquid to enable the implementation of its selling program.

Concerning bank financing, the Group is financed by different prominent banking partners on an international level. A solid, long-term relationship is maintained with these partners, which has allowed as of now the Issuer to deal with potential financing or liquidity problems.

The Group needs financing to engage in the development of real estate projects. The financing needs to cover the entire lifecycle of a project including a reasonable period after the completion of a building to allow for the commercialization of the property. The financing is usually taken out by the operational subsidiaries on a project level.

Concerning securities given to banking partners, the projects in construction are mostly used as collateral for these engagements. On rare occasions, the Company provides a financial guarantee to its subsidiaries in order to ensure banking partners that its subsidiaries will anytime be able to respect their financial obligations. As of today, none of the few guarantees conceded were called by banking partners, thanks to an efficient global management of the realized projects.

The Company has also entered into two Bank Corporate lines for a total amount of €40m with ING and Crédit Agricole. Two series of Bonds have been issued in 2010 and 2013 by the Company for a total amount of €25.5m in order to diversify its sources of financing and extend its debt maturity.

1.1.5 Interest rate risks

The Issuer's activities may suffer from higher interest rates. Indeed the activity of the Company has recently benefited from a favourable environment characterized by low interest rates. A significant increase in interest rates could have an adverse impact including on the margins generated by operations. It should however be noted that the Company has for financial policy to hedge part of its exposure in order to systematically reduce its exposure to rate risks by contracting Cap or Swap.

1.1.6 Exchange risks

Transactions made by the Group are carried out on the basis of prices listed in Euros. The Group is therefore not exposed to currency risk at this level.

The Exposure to currency risk is therefore limited for the Group to the amount of local administrative costs which are not directly related to development projects.

1.1.7 Financial and banking counterparties risks

The Issuer uses the services of the following banks: BNP Paribas, ING, Belfius, Credit Agricole, SOCFIM and Deutsche Pfandbrief Bank, mainly. In the current global context these counterparties all have a strong profile and good financial ratings.

1.1.8 Other counterparties risks

This risk is mainly applicable to the investors who purchase the projects after completion. Notwithstanding the thorough screening of potential investors by the Issuer in terms of reputation and solvability there is always a risk of insolvency. This potential event can have a negative impact on the results of the Issuer. However, the risk can be considered as limited since bank guarantees are usually asked from the investors.

1.1.9 Risk of changes in tax legislation and the interpretation of such legislation in the jurisdictions in which it operates

The activities of the Codic Group are subject to tax at various rates around Europe computed in accordance with local legislation and practice. Action by governments to increase tax rates or to impose additional taxes may reduce the profitability of the Codic Group. Revisions to tax legislation or to its interpretation may also affect the results of the Codic Group in the future. In addition, any tax authority may initiate a review of the compliance by the Codic Group with its tax regime at any time. In the event that any such review results in the issue of fines or other penalties, this may have a material adverse effect on the profitability of the Issuer.

1.1.10 The Issuer may face legal proceedings, which may adversely affect the business

The outcome of legal proceedings in which the Issuer may become involved may adversely affect the business, financial condition and results of operations of the Issuer.

1.1.11 Marketing of the real estate development risks

As with any real estate developer, the profits of the Company also depend on the speed of commercialization of its programs and the pace of new program's launches and deliveries. The results of the Company can therefore fluctuate significantly from one year to another depending on the number of building projects likely to be sold during a fiscal year.

1.1.12 Real estate development in white and gray risks

Real estate developments in white (operation by which a developer acquires a land and proceeds to start a building construction while having neither an investor customer nor a future user) and in gray (operation by which a developer acquires a land and proceeds to start a building construction by having a future user customer but do not yet have an investor client) can cause, if purchasers and users are not found in the short term from the start of construction, costs to be borne by the Company (such as the financing of work or finance charges) that may significantly affect the profitability of such operations.

1.2 Risk factors concerning the Bonds

1.2.1 The Issuer may not have the ability to repay the Bonds

The Issuer may not be able to pay interest or to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in the event of a default as set out in the Terms and Conditions. If the Bondholders were to ask the Issuer to repay their Bonds following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to pay interest or to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries) at the time of the requested repayment. The Issuer's failure to pay interest or to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

1.2.2 The decision to subscribe to the Bonds is not a suitable investment choice for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behavior of any relevant financial markets; and
- (v) be able to assess (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to assess how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

Furthermore, each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

1.2.3 Legality of Purchase

Neither the Issuer, the Joint Book runners nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor in the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.2.4 Liquidity of the Bonds

The Bonds are newly created financial instruments for which no market currently exists. A request has been made with a view to admitting these Bonds to trading on Alternext Brussels but nothing guarantees the development of an active market enabling the trading of these Bonds. If the market develops, it may not be very liquid. As such, investors may not be in a position to sell their Bonds easily or at a price that would provide them a comparable yield to similar investments for which a secondary market has developed. The lack of liquidity could have negative consequences on the market value of the Bonds.

1.2.5 Market value of Bonds

The value of the Bonds could be affected by the Issuer's financial situation as well as by a number of additional factors, such as interest rate fluctuations and the time remaining until the Bonds mature, as well as more generally, any event or economic, financial and political circumstance in all countries, including all factors affecting capital markets in general and the market on which the Bonds are to be traded. The price at which an investor is capable of selling its Bonds before their maturity date could be lower, and possibly considerably lower, than the issue price or the purchase price paid by this investor.

1.2.6 Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

1.2.7 The Bonds may be redeemed prior to maturity

In a case whereby the Issuer would be obliged to pay additional amounts following a change in laws, treaties or regulations in Belgium, or of any public or private entity with decision-making power concerning taxation, or following a change in the application or official interpretation of these laws, treaties or regulations, with these changes becoming effective after the issue date, the Issuer may redeem the Bonds in compliance with the Terms and Conditions of the Bonds.

The Bonds can also be redeemed at the option of the Bondholders following an event of default as further described in the Terms and Conditions of the Bonds.

In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security bearing an effective interest rate as high as that which existed on the Bonds prior to redemption.

1.2.8 Modifications and waivers

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

1.2.9 Additional debt

In the future, the Issuer could decide to increase its level of debt. The Terms and Conditions of the Bonds do not limit the amount of debt that the Issuer may contract, other than through the Net Financial Debt/Stock Ratio Test set out in the Terms and Conditions.

1.2.10 The Bonds are structurally subordinated to the Issuer's secured debts as well as all secured or unsecured debt of the Issuer's subsidiaries

The right to receive reimbursement or any other payment in terms of the Bonds is not guaranteed by any securities (*sûreté réelle/zakelijke zekerheid*) granted by the Issuer and will be structurally subordinated to the Issuer's secured debts (including debts guaranteed by the assignments of receivables, which are considered as quasi-securities) as well as to all secured or unsecured debts of the Issuer's subsidiaries. In the event of liquidation, dissolution, reorganization, bankruptcy, or all other similar procedures, whether voluntary or not, affecting the Issuer, bearers of guaranteed debts genuinely secured by the Issuer will have the right to a privileged payment from the asset guaranteeing these debts, before the asset can be used to enable the reimbursement or any other payment in terms of the Bonds.

In addition, the Issuer's ability to fulfill its financial obligations under the framework of the Bonds partly depends on the revenues stemming from its subsidiaries and dividends paid by its subsidiaries as well as on the ability of the issuer to successfully develop and sell its real estate projects. If, in the future, the Issuer is not capable of ensuring the ongoing transfer to its benefit of these dividends and other revenues from its subsidiaries or successfully develop and sell its real estate projects, its ability to respect its financial obligations under the framework of the Bonds could be compromised.

1.2.11 Representation of Bondholders

The issue terms for the Bonds contain a number of measures relative to the calling of Bondholders to a general meeting to discuss questions concerning their interests. These measures mean that decisions can be taken according to specific majority conditions. Those decisions will bind all Bondholders, including those who do not take part in the meeting or who voted against the decision adopted by the majority.

1.2.12 Situation in global credit market

Potential investors must be aware of the lack of liquidity in secondary markets for instruments similar to the Bonds. The Issuer cannot predict when these circumstances might change or, assuming that they do change, provide guarantees that these types of circumstances will not return in the future.

1.2.13 Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. This risk could increase by any reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro.

1.2.14 Credit rating risks

The Bonds are not rated. One or more independent credit rating agencies may, as the case may be, assign credit ratings to the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.2.15 Legislative changes

The terms of the Bonds issued are subject to Belgian law in force at the date of this Information Memorandum and have been drawn up on this basis. No guarantee can be provided as to the consequences of a regulatory or legislative change or reform, a case law decision or a change in administrative practices occurring after the date of issue of the Bonds.

1.2.16 Relations with the Issuer

All notifications and payments to be made to holders of Bonds will be made via the settlement system operated by the NBB or any successor of this NBB System. If a Bondholder does not receive a notification or a payment, its rights may be prejudiced but it may not have a direct claim to act against the Issuer in this respect.

1.2.17 NBB System Procedure for transfer, payment and communications

The Bonds are to be issued in a dematerialized form in accordance with the Belgian Companies Code and cannot be delivered physically. The Bonds will be exclusively represented by book entry into the NBB System.

Access to the NBB System is available via participants in the NBB System. Participants in the NBB System include certain banks and brokerage companies as well as Euroclear and Clearstream, Luxembourg. Transfers between the participants in the NBB System and the rights attached to Bonds will be undertaken in compliance with the rules and operating procedures of the NBB System. Transfers between investors are to be undertaken in compliance with the rules and operating procedures of the NBB System by virtue of which participants own their Bonds.

The Issuer and the Agent will not be held responsible for the correct performance, by the NBB System or by participants in the NBB System for their obligations in compliance with the rules and operating procedures applying to them respectively.

All holders of Bonds must comply with the NBB System procedures in order to receive payments stemming from the Bonds. The Issuer takes no responsibility for registrations or payments relative to Bonds in the NBB System.

1.2.18 No segregation of amounts received by the Agent in respect of the Bonds

For all payments to be made to Bondholders, the Agent will debit the relevant Issuer account and use these funds to Bondholders. The Issuer's obligations in terms of the Bonds will be satisfied by its payment to the Agent of all amounts due in respect of the Bonds.

The Agent is to pay, at the same time as receiving any amounts due concerning the Bonds, the said amount to owners of the Bonds, directly or via the NBB. However, the Agent has no obligation to segregate the amounts it receives relative to the Bonds, and in the event that the Agent is subject to a bankruptcy procedure at any time during which it possesses such sums, owners of the Bonds will have no rights relative to the Issuer concerning these sums and will be obliged to request the sums from the Agent in compliance with Belgian bankruptcy laws.

1.2.19 European savings directive

Under Directive 2003/48/EU of the European Council, in terms of taxation of household savings under the form of interest payments (the Savings Directive), member states of the European Economic Union are required to provide to the tax authorities of another Member State, the details concerning payments of interest (or similar income) paid or secured by a person established in a Member State to, or for the benefit of, an individual resident in another Member State, or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Savings Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless if during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, none of the Issuer, the Domiciliary and Paying Agent or any other person would be obliged to pay additional amounts with respect of any Bonds as a result of the imposition of such withholding tax. Investors who are in any doubt as to their position should consult their professional advisers.

1.2.20 Belgian withholding tax

If the Issuer, the NBB, the Agent or any other person is obliged to withhold any tax or make a deduction for or on behalf of any present or future tax, obligations or charges irrespective of their type concerning the Bonds, the Issuer, the NBB, the Agent or any other person will make the payments once the tax or deduction has been withheld and report to the relevant authorities the amount to be withheld or deducted.

Belgian withholding tax, currently at a rate of 25%, will in principle be applicable to the interest on the Bonds held in a non-exempt securities account (an “**N account**”) in the X/N System, as further described.

In addition, potential investors should be aware that any relevant tax law or practice applicable as at the date of this Information Memorandum and/or the date of purchase or subscription of the Bonds may change at any time (including during any subscription period or the term of the Bonds). Any such change may have an adverse effect on a Bondholder, including that the liquidity of the Bonds may decrease and/or the amounts payable to or receivable by an affected Bondholder may be less than otherwise expected by such Bondholder.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

1.2.21 Foreign Account Tax Compliance Act (“FATCA”)

Whilst the Bonds are held within the NBB System, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“FATCA”) will affect the amount of any payment received by the clearing system. However, FATCA may affect payments made to custodians or intermediaries in the payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives a payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA, including any inter-governmental agreements, if applicable) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Bonds are discharged once it has made payment to, or to the order of, the NBB System and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the NBB System and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an “IGA”) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

1.2.22 Financial Transaction Tax (“FTT”)

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the “Draft Directive”) on a common financial transaction tax (“FTT”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Bonds where at least one party is a financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Notwithstanding the European Commission proposals, a statement made by the participating Member States (other than Slovenia) indicates that a progressive implementation of the FTT is being considered, and that the FTT may initially apply only to transactions involving shares and certain derivatives, with implementation occurring by 1 January 2016. However, full details are not available.

The FTT proposal remains subject to negotiation between the participating Member States and its timing remains unclear. Additional EU Member States may decide to participate. Prospective holders of Treasury Notes are advised to seek their own professional advice in relation to the FTT.

1.2.23 Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to seek the advice of a tax professional regarding their individual tax liabilities with respect

to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus. Such taxes or documentary charges could also be due in case of a possible change of the statutory seat of the Issuer. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

1.2.24 Investment restrictions

The investments likely to be undertaken by certain investors can be subject to laws and regulations or a control or a regulation by certain authorities. Each potential investor must consult its own legal, tax and accounting advisors in order to determine if and to what extent (i) acquiring Bonds is legal for it, (ii) the Bonds can be used as a guarantee for various types of commitment, and (iii) other restrictions apply in terms of purchase or transfer of the Bonds.

1.2.25 Potential conflicts of interests

The Issuer and the Joint Book runners may engage in transactions adversely affecting the interests of the Bondholders.

The Joint Book runners may have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relationship or/and in specific transactions with the Joint Book runners and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should also be aware that the Joint Book runners may hold from time to time debt securities or/and other financial instruments of the Issuer.

Within the framework of normal business relationship with its banks, the Issuer or any subsidiary could enter into or has entered into loan agreements and other facilities with the Joint Book runners (via bilateral transactions or/and syndicated loans together with other banks). The terms and conditions of these debt financings may differ from the Terms and Conditions and certain terms and conditions of such debt financings could be or are more restrictive than the Terms and Conditions of the Bonds. The terms and conditions of such debt financings may contain financial covenants, different from or not included in the Terms and Conditions of the Bonds. In addition, as part of these debt financings, the lenders may have or have the benefit of certain guarantees or security, whereas the Bondholders will not have the benefit from similar guarantees. This may result in the Bondholders being subordinated to the lenders under such debt financings.

The Bondholders should be aware of the fact that the Joint Book runners, when they act as lender to the Issuer, has no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that it is under no obligation to take into account the interests of the Bondholders.

The Joint Book runners and their affiliates have engaged in, or may engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Book runners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates.

The Joint Book runners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

These conflicts of interests may occur amongst other things in case of an event of default for any of the credit facilities granted by the Joint Book runners before the maturity of the Bonds or in case of a mandatory early repayment and may affect the repayment capacity of the Issuer. It is not excluded that these credit facilities will be repaid before the maturity of the Bonds. The Joint Book runners do not have any obligation to take into account the interests of the Bondholders when exercising their rights as lender under the aforementioned credit facilities. Any full or partial repayment of credit facilities granted by the Joint Book runners will, at that time, have a favorable impact on the exposure of the Joint Book runners vis-à-vis the Issuer.

2. DOCUMENTS INCORPORATED BY REFERENCE

The Information Memorandum should be read and construed in conjunction with (the relevant parts of) all documents incorporated by reference (as mentioned below).

These documents shall be incorporated in, and form part of, the Information Memorandum, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of the Information Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Information Memorandum.

The documents incorporated by reference are: (i) the Issuer's annual report 2012/2013 (ii) the Issuer's annual report 2013/2014, (iii) the Issuer's consolidated half-year results on 31 October 2014 and (iv) the press releases published since the publication of the consolidated Half-year results of 31 October 2014.

The statutory auditor of the Issuer, SCRL Deloitte Réviseurs d'Entreprises (having its registered office at 1831 Diegem, Belgium, Berkenlaan 8/B), represented by Rik Neckebroek, a member of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren", has audited, and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended 30 April 2013 and 30 April 2014. The statutory auditor has also reviewed (but not audited) the interim condensed consolidated balance sheets of the Issuer as of 31 October 2014. The Issuer confirms that it has obtained the approval from its statutory auditor to incorporate those documents by reference in this Information Memorandum.

Copies of the aforementioned documents incorporated by reference may be obtained (free of charge) from the registered offices of the Issuer and on the website of the Issuer (www.codic.eu).

The following annual reports are available in French and English and the following half year report is available in French.

Annual Report 2012/2013

- Management of the Group p. 8
- Key figures p.11
- Real Estate Report (The year in pictures and Current projects) pp.12 to 43
- General Information and Financials pp.46 to 57
- Management Report p.58

Annual Report 2013/2014

- Management of the Group p. 8
- Key figures p.11
- Real Estate Report (The year in pictures and Presentation of the projects) pp.12 to 41
- General Information and Financials pp.42 to 53
- Management Report p.54

Half year Report 31 October 2014

- Interim Financial accounts

Press releases

- Press release dated 10 March 2015: *CODIC and IMMOBEL sell the "Gateway" project at Brussels Airport to BEFIMMO*
- Press release dated 27 February 2015: *Luxembourg .. a city in movement*
- Press release dated 20 February 2015: *BEST confirms his attraction*
- Press release dated 29 January 2015: *Royal-Hamilus*
- Press release dated 22 January 2015: *Gateway - the new face of Brussels Airport*

3. TERMS AND CONDITIONS OF THE BONDS

Where this section "Terms and Conditions of the Bonds" refers to a "Bond" or to "Bonds", it is understood that these terms relate only to the Bonds and not, for the avoidance of any doubt, to the other bonds issued or to be issued by the Issuer.

The issue of the EUR 30,000,000 5.5 % Bonds due 15 June 2020 (the "**Bonds**", which expression shall include any further Bonds issued pursuant to Condition 3.14 (*Further Issues*) and forming a single series therewith) was authorised by a resolution of the Board of Directors of the Issuer passed on 08 June 2015.

A domiciliary and paying agency agreement has been entered into between the Issuer and ING Belgium SA/NV, acting as domiciliary, calculation, paying and listing agent (the "**Agent**"), which expression shall include any successor Agent under the Agency Agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") on 12 June 2015 in relation to the Bonds. A copy of the Agency Agreement is available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at 1000 Brussels (Belgium), Avenue Marnix 24. The Bondholders are bound by and deemed to have notice of all provisions of the Agency Agreement applicable to them.

References herein to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

3.1 Definitions

In these Terms and Conditions:

"**Board of Directors**" means the board of directors of the Issuer.

"**Bondholders**" means the holders of the Bonds.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Brussels and on which the TARGET System and the NBB Clearing System operate.

"**Change of Control**" means the situation where:

- i) Europe Invest cease to hold directly or indirectly at least 50% of the capital of the Issuer; and
- ii) the Thierry Behiels Family and/or any entity (including Emabe), directly or indirectly controlled by any member of the Thierry Behiels Family, pursuant to article 5 et seq. of the Belgian Companies Code, cease to hold directly or indirectly, at least 10% of the capital of the Issuer.

"**Change of Control Resolutions**" means the resolutions of the shareholders' meeting of the Issuer approving Condition 3.5.4 (*Change of Control Step-Up Change*) have been taken, together with evidence that an extract of such resolutions has been filed with the clerk of the commercial court of Brussels in accordance with Article 556 of the Belgian Company Code (*Code des sociétés*).

"**Consolidated Equity**" means, on the last day of the Relevant Period, the aggregate of the following items in the liabilities and shareholders' equity section ("passif") of the consolidated balance sheet of the Issuer, as per the model of its consolidated balance sheet for the year ending on 30 April 2014:

- i) Capital ("*Capital*"),
- ii) Share premium account ("*Prime d'émission*"),
- iii) Consolidated reserves ("*Réserves consolidées*"),
- iv) Translation differences ("*Ecart de conversion*"), and
- v) Non-controlling interests ("*Participations ne donnant pas le contrôle*");

less the intangible assets ("*Immobilisations incorporelles*") item in the assets section.

"Consolidated Equity/Total Assets Ratio" means, on the last day of the Relevant Period, the ratio of Consolidated Equity to Total Assets.

"Debt Instruments" means debt securities through the issue of bonds or other transferable securities (including negotiable securities) listed or negotiated (or capable of being listed or negotiated) on a regulated market or any other organized market of financial instruments or over-the-counter.

"Financial Condition Step-Down Change" means following a Financial Condition Step-Up Change, the circumstance where it appears from a Compliance Certificate delivered pursuant to Condition 3.7 (*Compliance Certificate*) that the Financial Ratio Test has been complied with.

"Financial Condition Step-Up Change" means the circumstance where it appears from a Compliance Certificate delivered pursuant to Condition 3.7 (*Compliance Certificate*) that the Financial Ratio Test has not been complied with.

"Financial Ratio" means:

- i) the Consolidated Equity;
- ii) the Consolidated Equity/Total Assets Ratio; or
- iii) the Net Financial Debt/ Stock Ratio.

"Financial Ratio Test" means

- i) the Consolidated Equity shall be at least EUR 95 million;
- ii) the Consolidated Equity/Total Assets Ratio shall not be less than 30% ; or
- iii) the Net Financial Debt/Stock Ratio shall not exceed 0.8.

"Group" means the Issuer and each of its Subsidiaries from time to time.

"Indebtedness" means any indebtedness for or in respect of

- i) any monies borrowed pursuant to one or more credit facility agreements or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- ii) receivables and/or payables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis in the ordinary course of the business of the Issuer); and
- iii) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (i) to (ii) above,

it being understood that any amount calculated under this definition may only be counted once, even if an item may qualify under various paragraphs.

"NBB" means the National Bank of Belgium.

"NBB Clearing System" has the meaning given to that term in Condition 3.2 (*Form, denomination and title*).

"Net Financial Debt" means, on a consolidated basis and without double counting, the aggregate of (i) the debt owing under hybrid securities (insofar as they qualify as debt instruments for the purpose of the consolidated financial statements of the Issuer), (ii) the subordinated long term debt, (iii) the unsecured debentures (including bonds), (iv) the borrowings from financial institutions, and (v) the financial lease obligations of the Issuer less the aggregate of (a) the marketable securities, (b) the cash in hand, and (c) the short term bank deposits of the Issuer.

"Net Financial Debt/Stock Ratio" means, on the last day of the Relevant Period, the ratio of Net Financial Debt to Stock.

"Permitted Encumbrance" means any mortgage, pledge over business, other security interest, lien or pledge created after the Issue Date on any asset acquired by the Issuer to secure any indebtedness incurred pursuant to the issue of Debt Instruments for the main purpose of financing or re-financing that acquisition provided that the principal amount of such indebtedness so secured does not exceed EUR 20,000,000.

"Relevant Period" means each period of 12 months ending on 30 April.

"Step-Down Change CoCR" means the satisfaction of the Change of Control Resolutions following the occurrence of a Step-Up Change CoCR.

"Step-Up Change CoCR" means a failure to meet the Change of Control Resolutions at the latest at the next annual general meeting of shareholders.

"Stock" means the inventories under the relevant accounting entry of the consolidated balance sheet of the Issuer, for the Relevant Period, as per the accounting entry of its consolidated balance sheet for the year ending on 30 April 2014.

The Stock is recorded according to the following accounting rules:

Group projects in the development phase are recognised in inventories.

Inventories are measured at the lower of cost and net realisable value. Cost includes all expenses associated with the completion of the project, namely:

- land and associated expenses;
- design costs;
- construction costs and consultants' fees;
- borrowing costs associated with the financing of the project;
- other direct and indirect costs incurred in bringing the inventories to their current state.

A write down is recognised in profit and loss when the estimated net realisable value at closing is lower than the carrying amount. In the event that a property acquired by the Group with a view to redeveloping it is leased out wholly or in part, the lease payments temporarily received are applied in reduction of inventories. Since the property is not intended to be leased out by the Group but rather to be sold, it is classified in inventories and as such not depreciated. To recognise rental income without a corresponding expense therefore seems inappropriate.

"Subsidiary" means any subsidiary within the meaning of Article 6 of the Belgian Companies Code.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

"Thierry Behiels Family" means Thierry Behiels, his spouse and/or his heirs.

"Total Assets" means, on the last day of the Relevant Period, the total assets of the consolidated balance sheet of the Issuer, as per the model of its consolidated balance sheet for the year ending on 30 April 2014.

"Website" means the website of the Issuer from time to time, being currently www.codic.eu.

3.2 Form, denomination and title

The Bonds are in dematerialised form in accordance with Article 468 of the Belgian Company Code and cannot be physically delivered. The Bonds will be represented by book entry in the records of the securities settlement system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB Clearing System**"). The Bonds can be held by their holders through participants in the NBB Clearing System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB Clearing System. The Bonds are accepted for clearance through the NBB Clearing System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 (all as amended from

time to time) and the rules of the NBB Clearing System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the "**NBB Clearing System Regulations**"). Title to the Bonds will pass by account transfer. The Bondholders will not be entitled to exchange the Bonds into bonds in bearer form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator.

The Bonds are in principal amounts of €100,000 each (the "**Specified Denomination**") and can only be settled through the NBB Clearing System in nominal amounts equal to that denomination or integral multiples thereof.

3.3 Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3.4 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3.4 (*Negative Pledge*), at all times rank at least equally with all its respective other present and future unsecured or unsubordinated obligations.

3.4 Negative pledge

Except for a Permitted Encumbrance, so long as any of the Bonds remain outstanding the Issuer will neither grant nor have outstanding any mortgage over their present or future real property assets or interests, or any pledge on all or part of their businesses or other security interest, lien or pledge over all or part of their assets or income, present or future, in order to guarantee (i) any present or future Debt Instruments issued by the Issuer, or (ii) any guarantee or indemnity from the Issuer relating to Debt Instruments issued by third parties (agreed before or after the issue of the Bonds), without granting the same security to the Bonds. This undertaking is given only with respect to security given within the framework of the issues of Debt Instruments and does not in any way affect the right of the Issuer to otherwise dispose of assets or to grant any security in respect of such assets in any other circumstances.

3.5 Interest

3.5.1 Interest Rate and Interest Payment Dates

- (a) Each Bond bears interest from and including 15 June 2015 (the "**Issue Date**") at the rate of 5.5% per annum (the "**Standard Interest Rate**"), plus or minus any applicable changes in the rate of interest as a result of:
 - (i) a Step-Up Change CoCR or a Step-Down Change CoCR in accordance with Condition 3.5.3 (*Step-Up Change CoCR and Step-Down Change CoCR*); and/or
 - (ii) a Change of Control Step-Up Change in accordance with Condition 3.5.4 (*Change of Control Step-Up Change*);
 - (iii) a Financial Condition Step-Up Change or a Financial Condition Step-Down Change in accordance with Condition 3.5.5 below (*Financial Condition Step-Up Change and Financial Condition Step-Down Change*),(the Standard Interest Rate together with any such changes, if applicable, the "**Applicable Interest Rate**").
- (b) The interest on the Bonds is payable annually in arrears on 15 June in each year (each, an "**Interest Payment Date**"), commencing with the Interest Payment Date on 15 June 2016. Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".
- (c) When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated on the basis of (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on

which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

3.5.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the rate determined in accordance with Condition 3.5.1(a) (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

3.5.3 Step-Up Change CoCR and Step-Down Change CoCR

- (a) The Applicable Interest Rate will be adjusted from time to time in the event of a Step-Up Change CoCR or a Step-Down Change CoCR, as follows:
 - (i) in the event of a Step-Up Change CoCR, the Applicable Interest Rate shall be increased by 0.5% per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Step-Up Change CoCR occurred;
 - (ii) in the event of a Step-Down Change CoCR following a Step-Up Change CoCR, the Applicable Interest Rate shall be decreased by 0.5% per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Step-Down Change CoCR occurred;
 - (iii) if a Step-Up Change CoCR and, subsequently, a Step-Down Change CoCR occur before the same next Interest Payment Date, the Applicable Interest Rate shall neither be increased nor decreased as a result of either such event

provided, however, that the Applicable Interest Rate will not be increased if the Applicable Interest Rate has already been increased pursuant to Condition 3.5.1(a)(i).

- (b) The Issuer will cause the occurrence of an increase or decrease in the Applicable Interest Rate in accordance with this Condition 3.5.3 to be notified to the Agent and (in accordance with Condition 3.13 (*Notices*)) the Bondholders in no event later than 5 Business Days before the beginning of the next Interest Period.

3.5.4 Change of Control Step-Up Change

- (a) In the event of a Change of Control, the Applicable Interest Rate shall be increased by 0.75% per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Change of Control occurred (the “**Change of Control Step-Up Change**”).
- (b) The Issuer will cause the occurrence of an increase in the Applicable Interest Rate in accordance with this Condition 3.5.4 to be notified to the Agent and (in accordance with Condition 3.13 (*Notices*)) the Bondholders in no event later than 5 Business Days before the beginning of the next Interest Period.

3.5.5 Financial Condition Step-Up Change and Financial Condition Step-Down Change

- (a) The Applicable Interest Rate will be adjusted from time to time in the event of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change, as follows:
 - (i) in the event of a Financial Condition Step-Up Change, the Applicable Interest Rate shall be increased by 0.5% per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Up Change occurred;

- (ii) in the event of a Financial Condition Step-Down Change following a Financial Condition Step-Up Change, the Applicable Interest Rate shall be decreased by 0.5 % per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Down Change occurred;

provided, however, that the Applicable Interest Rate will not be increased if the Applicable Interest Rate has already been increased pursuant to Condition (i) and has not in the meanwhile been decreased pursuant to Condition 3.5.5(a) (ii).

- (b) The Issuer will cause the occurrence of an increase or decrease in the Applicable Interest Rate in accordance with this Condition 3.5.5 to be notified to the Agent and (in accordance with Condition 3.13 (*Notices*)) the Bondholders in no event later than 15 Business Days before the beginning of the next Interest Period.

3.6 Redemption and Purchase

3.6.1 Final redemption

Unless previously redeemed, or purchased and cancelled (as provided below), the Bonds will be redeemed at their principal amount outstanding on 15 June 2020 (or the following Business Day if such day is not a Business Day), subject as provided in Condition 3.8 (*Payments*) (the "**Maturity Date**").

3.6.2 Redemption for tax reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 3.13 (*Notices*) (which notice shall be irrevocable) at their principal amount, together with interest accrued to (but excluding) the date fixed for redemption, if:

- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 3.9 (*Taxation*) as a result of (i) any change in, or amendment to, the laws or regulations of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations, which change, amendment application or interpretation becomes effective on or after the Issue Date, and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition 3.6.2, the Issuer shall deliver to the Agent:

- (c) a certificate signed by two members of the Board of Directors stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (d) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Bonds shall be redeemed on the date of redemption specified in the notice of redemption pursuant to this Condition 3.6.2 at their principal amount, together with interest accrued to the date of redemption.

Upon the expiry of any such notice as is referred to in this Condition 3.6.2, the Issuer shall be bound to redeem the Bonds in accordance with this Condition 3.6.2.

3.6.3 Purchase

The Issuer may at any time purchase Bonds in the open market or otherwise and at any price, and any Bonds purchased by the Issuer or any of its Subsidiaries may, at their option, be held, reissued, resold or cancelled.

3.6.4 Cancellations

Any Bond which is redeemed by the Issuer will be cancelled and accordingly may not thereafter be held, reissued or resold.

3.7 Compliance Certificate

The Issuer shall deliver annually to the Agent a duly executed certificate from the Issuer (represented for this purpose by its CFO), approved by the statutory auditor of the Issuer, setting out (in reasonable detail) computations indicating the Financial Ratios as at 30 April of the last financial year to which such certificate relates (the "**Compliance Certificate**") within 120 days after the end of the Issuer's relevant financial year.

Upon receipt of such Compliance Certificate, the Agent shall inform the Issuer of the occurrence of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change. The occurrence of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change shall be notified by the Issuer to the Bondholders in accordance with Condition 3.13 (*Notices*). Any Bondholder may request to the Agent a copy of such Compliance Certificate by email at the following address: be-lfm.coa.spa@ing.be.

If the Issuer fails to deliver a Compliance Certificate within 120 days after the end of any Relevant Period, or if the delivered Compliance Certificate does not meet the conditions of this Condition 3.7, the Agent shall inform the Bondholders of the absence of a valid Compliance Certificate in accordance with Condition 3.13 (*Notices*).

3.8 Payments

3.8.1 Principal and Interest

Payments of principal, interest and other sums due under the Bonds will be made in accordance with the NBB Clearing System Regulations through the NBB, and any payment so made will constitute good discharge for the Issuer. The payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB Clearing System (or, if appropriate, an Alternative Clearing System) in respect of each amount so paid.

3.8.2 Payments

Each payment in respect of the Bonds will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the Target System.

3.8.3 Payments subject to fiscal laws

All payments in respect of the Bonds are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment (without prejudice to the provisions of Condition 3.9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements hereunder, any official interpretations thereof, or other official guidance, or any law implementing an intergovernmental approach thereto ("**FATCA Withholding**").

3.8.4 Agents, etc.

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent, (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the NBB Clearing System and (iii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such

Directive. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 3.13 (*Notices*).

3.8.5 No Charges

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

3.8.6 Fractions

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

3.8.7 Non-Business Days

If any date for payment in respect of the Bonds is not a Business Day, the Bondholder shall not be entitled to payment until the next following Business Day, nor to any interest or other sum in respect of such postponed payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

3.9 Taxation

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of The Kingdom of Belgium, or any political subdivision thereof or any authority therein or thereof having power to tax, **unless** the withholding or deduction of such Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholder of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, **except that** no such additional amounts shall be payable in respect of any Bond:

- (a) held by a Bondholder, or a third party acting on its behalf, who is authorized not to pay the deduction or withholding by reason of a non-resident tax return or any other similar exemptions; or
- (b) held by a Bondholder which is liable to Taxes in respect of such Bonds by reason of its having some connection with the Kingdom of Belgium other than the mere holding of the Bond; or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
- (d) held by a Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of issue of the Bond but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or
- (e) held by a Bondholder which is liable to such Taxes because the Bonds were converted into registered Bonds upon its request and could no longer be cleared through the NBB Clearing System.
- (f) which is held by or on behalf of a Bondholder that could have been exempted of such withholding or deduction by holding the Bonds on a securities account of another financial institution based in another member state of the European Union.

For the avoidance of doubt, the Issuer will not be required to pay additional amounts on account of any FATCA Withholding.

3.10 Prescription

- (a) Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of such payment.
- (b) Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.
- (c) In this Condition,

"**Relevant Date**" means, in respect of any Bond, whichever is the later of:

- (i) the date on which payment in respect of it first becomes due; and
- (ii) if any amount of the money payable is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 3.13 (*Notices*) that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

3.11 Events of Default

If any of the following events (each an "**Event of Default**") occurs then any Bond may, by notice in writing given by registered mail to the Issuer at its registered office, with a copy to the Agent at its specified office, by its Bondholder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount outstanding together with accrued interest without further formality:

- (a) **Non-payment** – the Issuer defaults on the payment on the due date of any interest or principal due in respect of any Bond and such default is not remedied by the Issuer within 15 calendar days of such due date or the Issuer defaults on the payment at maturity; or
- (b) **Other obligations** – the Issuer fails to perform any of its other obligations relating to the Bonds and such default is not remedied within 30 calendar days as from the receipt by the Issuer of written notice of such default given by any Bondholder; or
- (c) **Cross-default** – the occurrence of a payment default in respect of any Indebtedness or guarantee of Indebtedness, present or future, of the Issuer in an amount greater than EUR 10,000,000 (or the equivalent in any other currency) at the due date (including, as the case may be, at the end of any applicable grace period); or
- (d) **Insolvency and insolvency proceedings** – the Issuer is in cessation of payment or is the subject of a liquidation or voluntary or judicial dissolution, voluntary or judicial moratorium of all or a substantial part of its debts, judicial reorganisation (*réorganisation judiciaire*) or winding-up (*faillite*) or any similar procedure affecting the Issuer, is implemented; or a judgement is rendered ordering judicial liquidation (*liquidation judiciaire*) or transfer of all assets of the Issuer; except a dissolution or liquidation occurring during a transfer, merger or any other form of reorganisation under which all or substantially all assets of the Issuer would be transferred to another company that would assume all assets and liabilities (including those relating to the Bonds) of the Issuer and whose main purpose is to continue the Issuer's activity in accordance with applicable regulations.

3.12 Meetings of Bondholders, Modification and Waiver

3.12.1 Meeting of Bondholders

Bondholders are represented by the Bondholders general assembly.

The Bondholders general assembly shall be entitled to exercise the powers set out in Article 568 of the Belgian Companies Code, to amend these Conditions subject to the assent of the Issuer, to take interim protection

measures in the common interest and to appoint, if applicable, one or several representatives entrusted with the execution of the resolutions adopted by the assembly and the representation of the collective body (*masse*) of Bondholders. Its resolutions are binding on all Bondholders, whether or not they are present at the meeting, even for the incapable dissenters.

The assembly may be convened by the Board of Directors or the auditors. They shall convene the assembly at the request of Bondholders representing at least one-fifth of the existing Bonds.

Convening notices for each general assembly contain an agenda indicating the topics to be addressed as well as the proposed resolutions. They are made by way of a notice published by the Issuer on its Website, in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*) and in two financial newspapers with a national circulation, one in French, the other in Dutch (which are expected to be the *Echo* and the *Tijd*), at least 15 days prior to the assembly.

The right to participate to the general assembly is subject to the filing, at least 3 Business Days before the date of the meeting, of a NBB System participant's certificate, through a financial institution in whose accounts the Bonds are held, at the place indicated by the convening notice.

An attendance list is held at each assembly.

The Bondholders general assembly is presided over by the Chairman of the Board of Directors or a managing director (*administrateur délégué*) and, if he or she is unable to attend, by another director. The Chairman appoints a secretary which may not be a bondholder and chooses two scrutineers amongst the attending Bondholders.

Each Bondholder may be represented at the general assembly by a representative, Bondholder or not. The Board of Directors may decide the form of the proxies.

Each Bond gives the right to one vote.

The assembly may validly deliberate and decide if those who attend represent at least one-half of the existing Bonds. If this requirement is not met, a new convening notice is necessary and the general assembly may deliberate regardless of the numbers of Bonds present or represented.

Resolutions are adopted by a majority of 3/4 of the Bonds for which a vote is exercised, except for the matters set out in Article 568, al. 2, 2° and 3° of the Belgian Companies Code.

The minutes of the general assemblies are signed by the members of the office (*bureau*) and Bondholders who request to sign it.

Copies or extracts of these minutes are signed by a director of the Issuer.

The rights and obligations of Bondholders in general assembly are further described in Articles 568 *et seq.* of the Belgian Companies Code.

3.12.2 Modification and Waiver

These Conditions, the Agency Agreement, any agreement supplemental to the Agency Agreement may be amended without the consent of the Bondholders to correct a manifest error or to comply with mandatory provisions of law. In addition, the parties to the Agency Agreement may agree to modify any provision thereof or any agreement supplemental to the Agency Agreement, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of formal, minor or technical nature, it is made to correct a manifest error, or it is, in the opinion of the parties to the Agency Agreement, not materially prejudicial to the interests of the Bondholders. These modifications will be published in accordance with Condition 3.13 (*Notices*).

3.13 Notices

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the NBB Clearing System for communication by it to the participants of the NBB Clearing System and (ii) if published on the

Website. Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the NBB Clearing System and (ii) the date of first publication. The Issuer shall bear all fees, costs and expenses in relation to the drafting, delivery and publication of such notices.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code.

3.14 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further tranches of bonds either having the same terms and conditions as the Bonds in all respects or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding bonds of any tranche (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition and forming a single series with the Bonds. The Agency Agreement contains provisions for convening a meeting of the outstanding holders of any tranche of bonds (including the Bondholders).

3.15 Governing law and jurisdiction

- (a) The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.
- (b) The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with the Agency Agreement or the Bonds ("**Proceedings**") may be brought in such courts.

4. CLEARING

The Bonds are accepted within the NBB System under the ISIN Code BE0002231976 and under the Common Code 124582237 . They are consequently subject to the NBB System Regulations.

The number of Bonds in circulation will be mentioned at any time in the registry of the Issuer's registered securities opened in the name of the NBB.

It is possible to have access to the NBB System via NBB System participants whose license will allow them to hold securities such as the Bonds.

The NBB System participants include various banks, listed companies, Euroclear and Clearstream, Luxembourg. Therefore, the Bonds could also be liquidated via (and are therefore accepted by) Euroclear and Clearstream, Luxembourg. Investors can hold the Bonds via securities accounts with Euroclear and Clearstream, Luxembourg.

Transfers of Bonds among participants of the NBB System are executed in compliance with the rules and operating procedures of the NBB System. Transfers among investors are executed in compliance with the rules and procedures of the NBB System participants through which they hold the Bonds.

The Agent performs the obligations of domiciliary agent as provided in the clearing services agreement entered into between the Agent, the Issuer and the NBB and the agency agreement entered into between the Issuer and the Agent.

The Issuer and the Agent have no responsibility regarding the compliance of the NBB System or its participants with their obligations pursuant to the applicable rules and procedures.

The Issuer and the Agent will not have any responsibility for the proper performance by the NBB System or its NBB System participants of their obligations under their respective rules and operating procedures.

The Issuer is responsible for paying a fee related to the listing of the Bonds on Alternext Brussels of EUR 3,250 per year to maturity, whereby every year commenced is charged as a full calendar year.

5. DESCRIPTION OF THE ISSUER²

5.1 General

5.1.1 Historical background

CODIC is a Belgian real estate developer, started its activity in Belgium in 1970 with the construction of warehouses with small office spaces in industrial zones and small commercial projects in city centers or on the periphery. Its first projects were located near Zaventem Airport.

Over the years and taking advantage of positive developments in the Belgian market, including the extension of the European institutions, CODIC undertook more ambitious real estate developments like “Beaulieu” buildings in Brussels (hosting the European Commission on 60.000 sqm), “L’îlot Saint Michel” in the heart of Liège and the Waterloo Office Park. These projects reinforce CODIC’s reputation as a market maker (in particular by the development of highly qualitative business parks like the Waterloo Office Park).

In 1989, CODIC has entered the Luxembourg market and has actively participated to structure the office market on the Kirchberg plateau. CODIC has notably developed 21,000 sqm of office spaces at the “Espace Kennedy” or 50 000 sqm of office spaces on the project “The Square”, both located on the Kirchberg plateau.

To take advantage of the real estate offices and commercial dynamism of its neighboring market in France, CODIC has opened offices in Lille in 1990. It has developed projects such as (i) the reconstruction of a prestigious shopping and office building in Paris, rue de Rivoli, (ii) the development of the iconic building at the entrance to the street Serpenoise in Metz, or (iii) 17,000 m² of office spaces of the “Euralliance building” in Lille.

The expansion of CODIC has required from the management to rethink the internal functioning of the company in order to improve efficiency. This has justified in 1992 the constitution of Codic International (i.e. the Issuer) as parent company of the Issuer Group.

In 1998, after several successful real estate development realized in France, the Issuer has decided to open another office in Paris.

Over the last ten years, the Group's growth has accelerated considerably with the development of more than one million sqm.

The Issuer is mainly positioned on large projects with a focus on excellence of the location, the quality of programming, a strong architectural identity, the use of high-level technologies and neat landscaping, answering, if the case is applicable, to international and public consultations contest. As part of this strategy, the Issuer systematically develops its projects according to higher environmental standards, seeking a harmonious balance between professional spaces, urban and living spaces. As an example, the Issuer won in 2010 the Royal-Hamilius contest (which consists of the redevelopment of a block located in the heard of Luxembourg City of 36.000 sqm that foresees shops, offices, housing and parking spaces) among 72 bidders.

In 2014, the shareholding structure of the Group has been restructured between two companies: Europe Invest Ltd, a company owned by the two French Families Descours and Mulliez, and Emabe Invest SPRL, owned by Mr. Thierry Behiels.

For a more detailed description of the Issuer, reference is the Annual Report 2013-2014, as well to all additional information incorporated in the Information Memorandum by references (see section 2 (Documents incorporated by reference)).

5.1.2 Identification

Company name	Codic International SA
Registered office	Chaussée de La Hulpe, 120

² For the purpose of this Section 5, Issuer refers to Codic International (as identified on the first page of this Information Memorandum) and/or, where relevant, to the Issuer’s subsidiaries (collectively with the Issuer “the Group”). Company refers solely to Codic International (as identified on the first page of this Information Memorandum).

	1000 Brussels Belgium
Legal form	Limited liability company incorporated under the laws of Belgium
Incorporation date	22 October 1992
Financial year	From 1 st of May to 30 April
Date of the annual General Meeting	On the forth Wednesday of the month of August
Registration number	0448.424.367

5.1.3 Corporate object

The Company's corporate object is any real estate operations including, the purchase, sale, realization, development, construction, appropriation, renovation, operation, management, rental, site division of real estate.

The Company may perform, in Belgium or abroad, any industrial, commercial and financial operations and any operations related to real or movable property that are likely to promote or expand, directly or indirectly, its industry and trade.

The Company may acquire participations, by any means including through mergers, in any business, companies or firms having an identical, similar or related corporate object or that are likely to promote the growth of the Company, procure it raw materials or facilities the sale of its products.

5.1.4 Listing

In December 2013, the Company has issued bonds for a principal amount of €13.580.000, which has been admitted to trading and listing on Euronext Paris. Euronext Paris is a regulated market pursuant to directive EC/2004/39. As a consequence, the Company is a listed company in the meaning of article 4 of the Belgian Code of Company.

5.1.5 Registered capital

On the date of this Information Memorandum, the Company's share capital amounts to €5.483.740,20 and is divided into 33.415 shares with no stated nominal value, each of which accounts for an identical fraction of the share capital. There are three categories of shares: class A share, class B shares and class C shares. The class A shares and class B shares are voting and carry equal rights to the Company's profits or liquidation proceeds. The class C shares are non-voting and provide an entitlement to (a) a preferential dividend of €1 in addition to ordinary dividend and to (b) in the event of a liquidation, a preferential repayment of their capital contribution and an equal ordinary right to liquidation proceeds. The class C shares are intended to be held by the management of Codic and its subsidiaries and shall not convert into shares from another class in the event of a change in ownership.

5.1.6 Management

Board of Directors

Name	title	End of the mandate
Mr. Christofer Descours	Director and Chairman	September 2020
Mr. Thierry Behiels	Director and CEO	September 2020
Mr. Evrard de Montgolfier	Director	September 2020

Mr. Henri Marcoux	Director	September 2020
Mr. Hervé d'Halluin	Director	September 2020
Vincent Doumier SRPL, Represented by Mr. Vincent Doumier	Independent Director	September 2020
Mr. Stéphane Wilmet	Independent Director	September 2020

The Board of Directors has seven members. Each director may be re-elected. The Board of Directors meets as often as the business of the company and those of the Group require and at least 6 times a year.

The Board is mainly responsible to adopt, on the basis of proposals made by the Executive Committee,:

- The strategy and the general policy of the Group, especially in terms of investment, diversification, financing and risk diversification, from a financial/geographical and commercial point of view,
- the "five years business plan" translating these strategic options and policy, and any amendment thereto,
- to adopt the annual operating budgets of the Group,
- to approve the creation, sale or liquidation of any company which is a part/will be a part of the Issuer Group, the acquisition of interests in other companies or the conclusion of partnership agreements if these operations are not foreseen in the five-year business plan,
- to approve any financing required for the real estate developments,
- to approve any project that would have the effect of increasing the liabilities of the Group compared to the five-year business plan,
- to approve the remuneration policy of the key management.

With respect to the day-to-day management, in addition to his legal duties, the CEO:

- chairs the Executive Committee,
- manages its work, and
- monitors the implementation of the Issuer's strategy and general policy, as adopted by the Board of Directors, as well as any decision taken by the Board of Directors.

Executive Committee

Name	Title
Mr. Thierry Behiels	Member of the Executive Committee and President of the Executive Committee
Mr. Hervé Bodin	Member of the Executive Committee and CFO
Mr. Philippe Weicker	Member of the Executive Committee, CEO's Advisor In charge of Romania
Mr. Christophe Boving	Member of the Executive Committee, Head of Development, Project Management In charge of Hungary
Mr. Christophe Sirot	Member of the Executive Committee In charge of France

Mr. Christophe Jacobs

Member of the Executive Committee

In charge of Belgium

Except as mentioned above and the competences reserved to the Board of Directors by virtue of law, the Board has delegated its management powers to manage the Company to the Executive Committee. The main tasks of the Executive Committee are as follows:

- the elaboration, implementation and monitoring of the strategy and general policy of the Group in investment and diversification of financing and risk diversification, especially from a financial/geographical and commercial point of view,
- the elaboration implementation and monitoring of the five-year business plan,
- the implementation and coordination of real estate developments,
- the review of any investment and development proposals in order to formulate recommendations to the Board of Directors,
- the control of the management of the Group, including the financial aspects of that management

Audit Committee

Name	Title
Mr. Henri Marcoux	Chairman of the Audit Committee
Mr. Evrard de Montgolfier	Member of the Audit Committee
Vincent Doumier SRPL, Represented by Mr. Vincent Doumier	Member of the Audit Committee

The advisory audit committee is mainly responsible to monitor the accounts of the Company and its subsidiaries (both statutory and consolidated), to analyze the valuation rules and the internal control system, to make proposal related to the auditor's appointment, to monitor ongoing litigation as well as to review the external audit with the auditor.

Investment Committee

Name	Title
Mr. Thierry Behiels	Chairman of the Investment Committee
Mr. Evrard de Montgolfier	Member of the Investment Committee
Mr. Hervé d'Halluin	Member of the Investment Committee
Mr. Hervé Bodin	Member of the Investment Committee
Mr. Philippe Weicker	Member of the Investment Committee

The Investment Committee is responsible for reviewing, on the basis of proposals made by the CEO, the acquisition projects of the Group in order to make a recommendation to the Board of Directors on the basis of which the latter decides.

5.1.7 Audit

The Issuer's statutory auditor is SCRL Deloitte Réviseurs d'Entreprises (having its registered office at 1831 Diegem, Belgium, Berkenlaan 8/B), represented by Rik Neckebroek, a member of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". The statutory auditor was appointed by the Ordinary General Meeting that was held on 27 August 2014, for a period of 3 years.

5.2 Issuer's activities and business strategy

5.2.1 Issuer's activities

The property developer business is to anticipate, design and develop new real estate projects. To do this, the Issuer realizes various expertises and studies: architectural and technical studies; construction's engineering studies; legal, financial and administration project's structuration studies. The Issuer does not retain the developed projects but sells them with the aim of materializing the added value as early as possible.

With over 40 years of experience and constant value creation, the Issuer has demonstrated his ability to do his job in the service of investors, tenants and local authorities.

The real estate development business includes five major steps:

1 - The identification and acquisition of land or buildings:

Prospecting and acquisition of land with a strategic location and a typology adapted to market needs is a key phase in the arrangement of a property development program.

This phase requires extensive expertise in terms of knowledge of the different geographical areas, of land prospecting, of analysis of market trends, of preliminary technical studies and of financial and legal negotiations.

Moreover, to identify and negotiate the land and buildings at the best prices constitutes an important step to ensure the future profitability of the project.

Depending on the nature of the proposed project and current market conditions, land control can be considered with more or less security. Generally the prior condition precedent of obtaining the various administrative building permits will be sought, an additional requirement of pre-commercialization could possibly also be obtained.

In other circumstances, or in another country, land will be acquired without particular condition precedent, either because it is not market practice in the country concerned, or because the rapid and unconditional acquisition of the land enables the developer to acquire a key position on a land block.

2 - Program design:

The design phase uses the technical, legal, architectural and financial teams of the Company and requires full assessment of market evolutions in order to optimize the potential of the project and the expectations of future users.

The choice of architect and engineering firms are capital, as well as the Group's ability to conduct the final feasibility studies including the best estimated construction costs. In this phase, the Company is always associated with key partners.

3 - Obtaining administrative authorizations and permits:

The phase of obtaining prior administrative authorizations for construction and their purge of any appeal constitutes an important milestone in the technical and financial project. For each project, the Company is therefore required to comply with numerous regulations. These steps follow very regulated procedures and add to the construction's schedule unavoidable deadlines/delays which are specific to each country.

4 – Construction:

Once the permit is obtained and purged, the construction phase begins. The Company uses sub-contractors and local suppliers through bidding. Depending on the nature and the scope of the project, the Company will require either a general contractor or separated states bodies. The Company does not have exclusive policy with particular subcontractors or suppliers.

During this stage, Codic seeks to respect deadlines, budget and insures of the correct execution of the project.

5 – Commercialization:

In general terms, the commercialization of a project is delegated by mandate to reputable marketers agents. The commercialization intervenes as soon as possible, when all the administrative authorizations have been obtained. However, in certain cases, Codic may undertake a direct commercialization in order to identify needs of specific users, the search for land arising in this case from the need which is so identified.

5.2.2 Business Strategy

1 – To anticipate

It takes three or four years to develop a project of offices and up to ten years for a business park or mall.

The challenge therefore is to identify trends and anticipate the needs of investor clients, of users or tenants and of local authorities to provide functional and sustainable responses to their expectations.

2 – Creating quality living environments

The Issuer creates quality living environments by remaining attentive to the society. It is in anticipation, responsiveness and adaptability that the company creates added value. By putting in place appropriate and useful real estate answers to everyone, the Issuer intends to meet a structural demand for performant tertiary buildings.

3 – To develop major and structural projects...

The Issuer develops its expertise in urban development by focusing on important and strategic developments which reorganize and modernize urban zones.

4 – With renowned partners...

The Issuer systematically calls to renowned architects to create iconic buildings. In general, the careful selection of all technical partners of the project is an essential and determinant axis in the strategy of the Issuer.

5 – And within the frame of prestigious partnerships...

Especially on large projects, the Issuer remains very open to financial and technical partnerships with major national and international developers. The experiences with groups such as Icade or Immoel are very positive and will be pursued wherever possible.

6 – Always with the conviction that Building the Future is an Art.

Being a real estate developer is not limited to design a building project and build. It is also to create an environment of activities, to enhance their attractiveness on the economic and social level, to create pleasant living spaces and to help to provide sustainable added value to the city. It is for the above mentioned reasons that architecture, quality materials and landscaping are predominant in all the projects developed by the Issuer.

In the natural extension of its working philosophy, the Issuer chooses to integrate works of art in its developments, because Art is the extension of the architecture and contributes to create pleasant places.

5.3 Important changes since 31 December 2014

- Sale of the Royal Hamilius Project

The Issuer has finalized on the 15th of January 2015 the closing of the Royal-Hamilius project in Luxemburg for which it has entered into a joint-venture with a major international investor for the development of the offices, retail areas and public parking of this project. The investor has taken a majority stake of 51 % in the three companies set up for each of these functions. Codic Luxemburg will be in charge of the project management and the commercialization of the project until its delivery.

Codic International will pursue independently the development of the residential part of the project, consisting of 73 flats. The financing of the entire project has been achieved through the pooling of the following banks: BNP Paribas Fortis (agent/lead), BGL BNP Paribas, ING Luxembourg and Belfius.

The asbestos cleaning and the dismantling works have started and the project will be completed in 2019.

- Sale of the Gateway's project

The Issuer and ImmoBel sold the "Gateway" project at Brussels Airport to Befimmo. Within the scope of its investment policy, Befimmo was attracted by the outstanding quality of the location (Departure Terminal of Brussels Airport), by the technical and environmental performance of the building (which obtained a BREEAM "Excellent" certification in design phase) and by the long term presence of Deloitte, a first quality tenant.

6. USE OF PROCEEDS

The net proceeds from the issue of the Bonds will be used to reach the main following objectives:

- To reimburse the €0.75m bonds issued in July 2010 and maturing on 7 July 2015;
- To diversify funding sources to finance development pipeline;
- To lengthen the average debt maturity profile of the Issuer.

7. TAX

The following summaries do not purport to be a comprehensive description of all tax considerations that could be relevant for the Bondholders. These summaries are intended as general information only and each prospective Bondholder should consult a professional tax adviser with respect to the tax consequences of an investment in the Bonds. These summaries are based on tax legislation and published case law in force as of the date of this document. They do not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

7.1 EU Savings Directive

Under Council Directive 2003/48/EC regarding the taxation of savings income (hereinafter referred to as the “**EU Savings Directive**”), EU Member States are required to provide to the tax authorities of another EU Member State details of certain payments of interest paid or secured by a person established within its jurisdiction to or for the benefit of an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State (“**Disclosure of Information Method**”). However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The Belgian State elected to abandon the transitional withholding system and provides information in accordance with the EU Savings Directive as of 1 January 2010. In April 2013, Luxembourg announced that it will end the withholding system and instead exchange information. The Disclosure of Information Method was introduced by the Law of 25 November 2014 and is applicable since 1 January 2015. It is expected that Austria should do the same in 2015.

On 24 March 2014, the European Council adopted a directive 2014/48/UE strengthening the EU rules on the exchange of information on savings incomes, aimed at enabling the Member States to better clamp down on tax fraud and tax evasion. This directive extends the scope of the EU Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU individual, and (ii) a wide range of income similar to interest. It includes life insurance contracts, as well as a broader coverage of investment funds. Tax authorities, using a "look-through" approach, will be required to take steps to identify who is benefiting from interest payments. The Member States will have until 1 January 2016 to adopt the national legislation necessary to comply with the directive. Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

If a payment were to be made or collected through a paying agent established in any other state which applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Paying Agent nor any other person would be obliged to pay additional amounts to the Bondholders or to otherwise compensate Bondholders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

7.1.1 Individuals not resident in Belgium

Interest paid or collected through Belgium on the Bonds and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

7.1.2 Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a withholding tax, such withholding tax does not liberate the Belgian individual from declaring the interest income in its personal income tax declaration. The Source Tax will be credited against the personal income tax. If the withholding tax exceeds the personal income tax due, the excess amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

7.2 European Mutual Assistance Directive

EU Council Directive 2011/16/EU on administrative cooperation in the field of taxation (the “**Mutual Assistance Directive**”) provides rules and procedures for the administrative cooperation between Member States’ tax administrations including, amongst others, the automatic exchange of certain predefined information on residents in other Member States to the Member State of residence.

The Mutual Assistance Directive has been amended by EU Council Directive 2014/107/EU of 9 December 2014 providing for automatic exchange of information in accordance with the OECD standard. Under its amended reading, the Mutual Assistance Directive will, as of 1 January 2016, not only provide for the automatic exchange of information regarding interest income received by a resident of another Member State but regarding all financial income and proceeds (interest, dividends and capital gains). Moreover, the exchange of information will also apply to bank account balances at 31 December of each year.

Member States have until 31 December 2015 to adopt the laws, regulations and administrative provisions necessary to comply with the amended Mutual Assistance Directive and shall apply these measures as of 1 January 2016. Due to the wider scope of the amended Mutual Assistance Directive, it is expected that the Savings Directive will eventually be repealed.

On 18 March 2015, the Commission has proposed to amend the Directive in order to broaden the automatic exchange of information.

7.3 Taxation in Belgium

This section provides a general description of the main Belgian tax issues and consequences relating to the Bonds and is included herein solely for information purposes. It does not purport to be a complete analysis of all tax considerations relating thereto. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, or collective investment undertakings.

Prospective purchasers are urged to consult their own tax advisers as to the consequences under the tax laws of their countries of citizenship, residence, ordinary residence or domicile and the tax laws of Belgium of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts hereunder.

This summary is based upon the laws and regulations in Belgium as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date (or even before with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Prospective investors are therefore urged to consult their own professional advisors as to the effects of state, local or foreign laws and regulations, including the tax laws and regulations in Belgium to which they may be subject.

For Belgian income tax purposes and for the purposes of the summary below, interest includes: (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) in case of a sale of the Bonds between two interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period.

7.3.1 Belgian withholding tax

Under current Belgian tax legislation, all interest payments in respect of the Bonds (which include any amount paid in excess of the initial issue price upon redemption of the Bonds by the Issuer as well as the pro rata of accrued interest corresponding to the detention period in case of a sale of the Bonds between two interest payment dates) is as a rule subject to Belgian withholding tax, currently at a rate of 25 per cent on the gross amount of the interest. Tax treaties may provide for lower rates subject to certain conditions and formalities.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of Belgian withholding tax if and as long as, at the moment of payment or attribution of interest, the Bonds are held by certain investors (the Eligible Investors, see below) in an exempt securities account (an X-account) that has been opened with a financial institution that is a direct or indirect participant (a Participant) in

the NBB System operated by the NBB. Euroclear and Clearstream, Luxembourg are direct or indirect Participants for this purpose.

Holding the Bonds through the NBB System enables Eligible Investors to receive gross interest income on their Bonds and to transfer the Bonds on a gross basis.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier/Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*), which include, *inter alia*:

- (a) Belgian resident corporate investors subject to Belgian corporate income tax;
- (b) Institutions, associations or companies referred to in article 2, §3 of the law of 9 July 1975 on the control of insurance companies, other than those referred to in (i) and (iii), without prejudice to the application of article 262, 1° and 5° of the Belgian Income Tax Code 1992 (the ITC 1992);
- (c) State regulated institutions (*institutions parastatales/parastatalen*) for social security or institutions equated therewith, referred to in article 105, 2° of the Royal Decree implementing ITC 1992 (RD/ITC 1992);
- (d) Non-resident investors whose holding of the Bonds is not connected to a professional activity in Belgium, referred to in article 105, 5° of the RD/ITC 1992;
- (e) Investment funds recognized in the framework of pension savings, referred to in article 115 of the RD/ITC 1992;
- (f) Investors referred to in article 227, 2° of the ITC 1992 which are subject to non-resident income tax in accordance with article 233 of the ITC 1992 and which have used the income generating capital for the exercise of their professional activities in Belgium;
- (g) The Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 of the ITC 1992;
- (h) Investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants (such as *fonds de placement/beleggingsfondsen*) and the units of which are not publicly offered in Belgium or traded in Belgium;
- (i) Belgian resident companies, not referred to under (a), whose activity exclusively or principally consists of the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident individuals and Belgian non-profit organizations, other than those mentioned under (b) and (c) above.

Participants in the NBB System must keep the Bonds which they hold on behalf of non-Eligible Investors in a non-exempt securities account (an N-Account). In this event (i) all interest payments to the holders of the N Accounts, and (ii) upon the transfer of Bonds by the holders of N Accounts, the *pro rata* accrued interest since the date of the previous interest payment, are subject to a withholding tax of currently 25%. This withholding tax is withheld by the NBB from the interest payment and paid to the Belgian Treasury.

Transfers of Bonds between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-account (to an X-account or N-account) gives rise to the payment by the transferor "non-Eligible Investor" to the NBB of withholding tax on the accrued portion of interest calculated from the last interest payment date up to the transfer date.
- A transfer from an X-account (or N-account) to an N-account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued portion of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax.

Upon opening an X-account for the holding of Bonds, an Eligible Investor is required to provide a statement of its eligible status on a standard form approved by the Belgian Minister of Finance and send the completed form to the participant in the NBB System where the account is kept. This certification need not be periodically renewed (although Eligible Investors must update their certification should their eligible status change). NBB System participants are however required to make annually declarations to the NBB as to the eligible status of each investor for whom they hold Bonds in an X-account during the preceding calendar year.

These identification requirements do not apply to Bonds held with Euroclear or Clearstream, Luxembourg or their sub-participants outside Belgium, acting as Participants in the NBB System, provided that these institutions or sub-participants only hold X-accounts and are able to identify the holders for whom they hold Bonds in such accounts.

7.3.2 Belgian income tax and capital gains

Belgian resident individuals

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax (*personenbelasting/impôt des personnes physiques*) and who hold the Bonds as a private investment, do not have to declare interest in respect of the Bonds in their personal income tax return, provided that the Belgian withholding tax of 25% has effectively been levied on the interest.

Nevertheless, Belgian resident individuals may choose to declare interest in respect of the Bonds in their personal income tax return. Where the beneficiary opts to declare them, the interest income will in principle be taxed at a flat rate of 25 per cent (or at the relevant progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower). The Belgian withholding tax levied may be credited against the income tax liability and is refundable.

Capital gains realized on the disposal of the Bonds are as a rule tax exempt, unless the capital gains are realized outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses realized upon the disposal of the Bonds held as a non-professional investment are in principle not tax deductible.

Specific tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Belgian resident companies

Interest attributed or paid to companies that are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*), as well as capital gains realized upon the disposal of the Bonds, are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. Capital losses realized upon the disposal of the Bonds will normally be tax deductible.

The Belgian withholding tax levied, if any, may be credited against the income tax liability and is refundable.

Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax (*rechtspersonenbelasting/impôts des personnes morales*) and which do not qualify as Eligible Investors (as defined above) will not be subject to any further taxation on interest in respect of the Bonds over and above the withholding tax of 25 per cent. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (as defined above) and which consequently have received gross interest income are required to declare and pay the 25 per cent. withholding tax themselves to the Belgian tax authorities.

Belgian legal entities are not liable to income tax on capital gains realized upon the disposal of the Bonds (unless the capital gains qualify as interest (as defined above)). Capital losses are in principle not tax deductible.

Non-residents

Non-residents who use the Bonds to exercise a professional activity in Belgium through a permanent establishment are in principle subject to the same tax rules as the Belgian resident companies (see above).

Bondholders who are non-residents of Belgium for Belgian tax purposes, who are not holding the Bonds through a permanent establishment in Belgium and who are not investing in the Bonds in the course of their

Belgian professional activity, will normally not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership, redemption or disposal of the Bonds, provided that they qualify as Eligible Investors and that they hold their Bonds in an X-account.

This being said, under a strict reading of Article 228, §3, ITC (new), capital gains realized on the Bonds by Belgian non-residents could, however, be subject to Belgian taxation, levied in the form of a professional withholding tax, if the following three conditions are cumulatively met: (i) the capital gain would have been taxable if the non-resident were a Belgian tax resident, (ii) the income is “borne by” a Belgian resident individual, a Belgian resident company or entity, a Belgian public authority or Belgian establishment which would, in such a context, mean that the capital gain is realized upon a transfer of the Bonds to a Belgian resident (including a Belgian establishment of a foreign entity) and (iii) Belgium has the right to tax such capital gain pursuant to the applicable double tax treaty, or, if no such tax treaty applies, the non-resident does not demonstrate that the capital gain is effectively taxed in its state of residence.

However, it is unclear whether a capital gain included in the purchase price of an asset can be considered to be “borne by” the purchaser of the asset within the meaning of the second condition mentioned above. Furthermore, this tax requires that the Belgian resident purchaser is aware of (i) the identity of the Belgian non-resident (to assess the third condition mentioned above) and (ii) the amount of the capital gain realized by the Belgian non-resident (as such amount determines the amount of professional withholding tax to be levied by the Belgian purchaser). Consequently, the application of this tax on transactions with respect to the Bonds occurring on Alternext Brussels will give rise to practical difficulties as the seller and purchaser typically do not know each other.

Non – resident investors that would potentially be caught by Article 228, §3 ITC (new), are advised to consult their own tax advisors so to understand the impact hereof on their particular situation.

7.3.3 Belgian taxation on stock exchange transactions

No transfer tax (*taks op beursverrichtingen / taxe sur les operations de bourse*) will be due on the issuance of the Bonds.

Any transfer for the acquisition and disposal of the Bonds on the secondary market if executed in Belgium through a professional intermediary will trigger a transfer tax at a rate of 0.09 per cent. on each acquisition and disposal separately, with a maximum amount of EUR 650 per taxable transaction and is collected by the professional intermediary.

However, the tax referred to above will not be payable if no professional intermediary intervenes in the transaction or, even if a professional intermediary intervenes in the transaction, by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1, 2° of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*).

According to a Law of 19 December 2014, some rates of the tax on stock exchange transactions have increased, but not for securities that benefit from the reduced rate of 0.09 %.

The Belgian government has announced that it plans, in 2016, to submit individual founders or beneficiaries of certain intermediate entities which are subject to a tax favorable regime, to a tax calculated on the income received by these entities (the “Caiman tax”). These entities will be considered as transparent from a tax perspective.

7.3.4 Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the “Draft Directive”) on a common financial transaction tax (“FTT”). According to the Draft Directive, the FTT should be implemented and should have entered into effect in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; together the “Participating Member States”) on January 1, 2014.

Pursuant to the Draft Directive, the FTT generally would apply to certain dealings in the Bonds where at least one party to the financial transaction is established or deemed to be established in a Participating Member State and at least one party to the financial transaction is a financial institution. The FTT would, however, not apply

to, inter alia, primary market transactions referred to in article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time. Moreover, once the Draft Directive has been adopted, it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Draft Directive might deviate from the Draft Directive itself. Further, additional Member States may decide to participate.

Prospective holders of the Bonds should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, acquiring, holding and disposing of the Bonds.

7.3.5 Foreign Account Tax Compliance Act

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2011, commonly referred to as FATCA, imposes a new reporting regime and potentially a 30 per cent. withholding tax (any such withholding being "FATCA Withholding") with respect to certain payments to non-US financial institutions (a "foreign financial institution" or "FFI" (as defined by FATCA)) that do not become a "Participating FFI" by entering into agreements with the U.S. Internal Revenue Service ("IRS Agreements") or become subject to provisions of local law intended to implement an intergovernmental agreement ("IGA Legislation") entered into pursuant to FATCA. Such Participating FFIs may be required to identify "financial accounts" held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In order (a) to obtain an exemption from FATCA Withholding on payments it receives and/or (b) to comply with any applicable laws in its jurisdiction, an FFI that enters into an IRS Agreement or is subject to IGA Legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) apply FATCA Withholding to all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA Withholding.

Under FATCA, withholding may be required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation made on or after 1 January 2017 (at the earliest) in respect of "foreign passthru payments" (a term not yet defined). This withholding would potentially apply to payments in respect of any Bonds characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "grandfathering date", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date. If Bonds are issued before the grandfathering date, and additional Bonds of the same series are issued on or after that date, the additional Bonds may not be treated as grandfathered, which may have negative consequences for the existing Bonds, including a negative impact on market price.

The application of FATCA to interest, principal or other amounts paid with respect to the Bonds and the information reporting obligations of the Issuer and other entities in the payment chain is still developing. In particular, a number of jurisdictions (including Belgium in April 2014) have entered into, or have announced their intention to enter into, IGAs (or similar mutual understandings) with the United States, which modify the way in which FATCA applies in their jurisdictions. The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA. Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the U.S. Internal Revenue Service. The United States and Belgium have entered into an agreement based largely on the Model 1 IGA.

The Issuer and financial institutions through which payments on the Bonds are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Bonds is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

Whilst the Bonds are held within the NBB System, it is not expected that FATCA will affect the amount of any payments made under, or in respect of, the Bonds by the Issuer, any paying agent and the NBB System, given that each of the entities in the payment chain between the Issuer and the participants in the NBB System is a major financial institutions whose business is dependent upon compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Bonds.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Bonds.

8. SUBSCRIPTION AND SALE

According to the terms of a placement agreement dated on or about 12 June 2015 (the **Placement Agreement**), the Joint Book runners have agreed to procure the subscription and the payment for the Bonds at the Issue Price and the payment of the Bonds. The Placement Agreement may be terminated in certain circumstances by the Joint Book runners prior to payment of the Issuer.

ING Belgium SA/NV (in its capacity as **Agent**) and the Issuer have also entered into an agency agreement (the **Agency Agreement**), the terms and conditions of which specify the modalities of the creation of the Bonds at the Issue Date, and the payment of the interest due in respect of the Bonds.

General

In certain jurisdictions, the offer of the Bonds and the participation in such offer may be subject to specific regulations or legal and regulatory restrictions. The Bonds are neither offered directly or indirectly to any persons subject to such restrictions nor can the Bonds be accepted by persons residing in a country subject to such restrictions. Consequently, any person in possession of the Information Memorandum must make sufficient enquiries in respect of any applicable local restrictions and act in accordance with them. The Information Memorandum does not constitute an offer, nor an invitation to purchase Bonds in those jurisdictions where such offer or invitation would be illegal. The Issuer and the Joint Book runners expressly decline all responsibility in respect of any person violating local regulations applicable to them.

European Economic Area

The offering of the Bonds in any member state of the European Economic Area which has implemented the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (the **Prospectus Directive**), as amended by Directive 2010/73/EU, is made through a private placement and does not qualify as a public offering, in the meaning of the Prospectus Directive, since the Bonds have a denomination of EUR 100,000 per Bond.

Belgium

The Information Memorandum has not been submitted for approval to the FSMA or any other competent authority in the European Economic Area and, accordingly, the Bonds may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 2.1(d) of the Prospectus Directive and Article 3 §1 of the Belgian Prospectus Law, save in those circumstances (commonly called "private placement") set out in Article 3.2 of the Prospectus Directive and Article 3 §2 of the Belgian Prospectus Law.

United States

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

United Kingdom

The distribution of the Information Memorandum, the offer of the Bonds and the participation in such offer in the United Kingdom is subject to compliance with all applicable provisions of the Financial Services and Markets Act.

France

The Bonds may not be distributed in France by way of an offer of securities to the public. An offer to subscribe or purchase the Bonds may be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or (c) to a closed circle of investors (*cercle restreint d'investisseurs*), as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Monetary and Financial Code."

Luxembourg

The Information Memorandum has not been submitted for approval to the Commission de Surveillance du Secteur Financier (CSSF) or any other competent authority in the European Economic Area and, accordingly, the Bonds may not be distributed in the Grand Duchy of Luxembourg by way of an offer of securities to the public, as defined in Article 2.1(d) of the Prospectus Directive and Article 2.1(l) of the Luxembourg law of 10 July 2005 relative aux prospectus pour valeurs mobilières, as amended (the “**Luxembourg Prospectus Law**”), save in those circumstances (commonly called "*exempt public offers of securities*") set out in Article 3.2 of the Prospectus Directive and Article 5.2 of the Luxembourg Prospectus Law.

The Netherlands

No offer of the Bonds may be made in the Netherlands, except to individuals or legal entities who or which qualify as qualifying investors within the meaning of the Financial Supervision Act.

9. GENERAL INFORMATION

- (a) Application has been made for the Bonds to be listed and admitted to trading as from the Issue Date on Alternext Brussels.
- (b) The Bond Issue was authorized by a resolution passed by the Board of Directors of the Issuer on 08 June 2015.
- (c) Save as further detailed in the Information Memorandum, there has been no significant negative change in the financial or trading position of the Issuer since 31 October 2014 and no material adverse change in the prospects of the Issuer since 31 October 2014.
- (d) The Bonds have been accepted for clearance through the NBB System of the National Bank of Belgium. The Common Code of the Bonds is 124582237. The International Securities Identification Number (ISIN) of the Bonds is BE0002231976. The address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels.
- (e) The statutory auditor of the Issuer, SCRL Deloitte Réviseurs d'Entreprises (having its registered office at 1831 Diegem, Belgium, Berkenlaan 8/B), represented by Rik Neckebroek, a member of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren", has audited, and rendered unqualified audit reports on the consolidated annual financial statements for the year ended 31 December 2014.
- (f) No rating has been assigned to the Issuer or the Bonds.
- (g) Except as disclosed in the Annual Report 2013/2014 or in this Information Memorandum, neither Issuer nor any of its subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Information Memorandum which may have or has had in the recent past significant effects on the financial position or the profitability of the Issuer.

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