



Corporate governance and structures

Corporate governance report

Pursuant to Section 96, paragraph 2 (1) of the Companies Code (amended through the Act of 6 April 2010 to promote good governance among listed companies) and the Royal Decree of 6 June 2010 regarding compliance with the Code on good governance by listed companies, WDP Comm. VA is required to comply with the Belgian Corporate Governance Code 2009.

WDP fully endorses the principles of good governance contained in the Belgian Corporate Governance Code of 12 March 2009, and uses this as a reference code.

The Belgian Corporate Governance Code is available on the website www.corporategovernancecommittee.be. WDP makes every effort to comply at all times with these principles, with due regard for the size of the company and WDP's specific management structure.

For this reason, the corporate governance principles are relevant primarily to the management structure of the statutory management company. Integrity and correctness in business conduct has been a priority for the closed-end property investment company since its establishment.

In addition, WDP is committed to creating a balance between the interests of its shareholders on the one hand and those of other parties who are involved either directly or indirectly with the company (the 'stakeholders') on the other hand.

The Corporate Governance Code mandates the 'comply or explain' principle, whereby deviations from the recommendations must be justified.

The WDP Corporate Governance Charter deviates from the recommendations of the Corporate Governance Code in a number of areas. The deviations from these recommendations can be explained by the limited size of the Board of Directors of the management company of WDP:

- The Corporate Governance Code recommends that the Board of Directors should be chaired by a non-executive director. WDP has departed from this rule, as the company's Chairman of the Board of Directors, Mark Duyck, maintains the role of 'executive director' without, however, being part of the executive management. WDP has elected to assign a particularly active role to the Chairman of the Board of Directors, with the latter serving as a sounding board to the executive management and providing advice in this capacity. However, the Chairman of the Board of Directors does not participate in the management's decision-making process.
His executive duties also include preparing strategic initiatives for discussion (and decision making) by the Board of Directors. WDP believes this role improves communication between the Board of Directors and the executive management and, more generally, the company's operations. In order to be able to properly perform these duties, Mr Duyck is present at the company's offices an average of three days a week. Under the Corporate Governance Code, the Chairman of the Board of Directors is permitted to assume specific responsibilities other than chairing the Board of Directors and its meetings.
- The audit committee convened twice in 2010, always prior to the start of a meeting of the Board of Directors. The Corporate Governance Code recommends a minimum of four meetings per year; however, in view of the company's size, its consistency, and the relatively high degree of predictability of the results, WDP believed that two meetings

Board of Directors

(from l. to r.) Dirk Van den Broeck, Frank Meysman, Mark Duyck, Tony De Pauw, Alex Van Breedam, Joost Uwents.

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of the audit committee, attended by the statutory auditor, were sufficient. With effect from the 2011 financial year, the audit committee will convene four times a year, always prior to the start of a meeting of the Board of Directors.

- The appointments committee and the remuneration committee convene at least once a year. The Corporate Governance Code recommends at least two meetings per year, but given the limited size of the Board of Directors and workforce of the management company, a second meeting is superfluous. Effective 1 January 2011, the remuneration committee, pursuant to Section 526*quater* of the Companies Code, is required to convene at least twice per year. As from that date, WDP will act in accordance with the law.
- The Corporate Governance Code recommends that the appointments committee should include a majority of independent non-executive directors. Due to the limited size of the Board of Directors, WDP's appointments committee consists of the entire Board of Directors, and is chaired by the Chairman of the Board of Directors. The appointments committee consequently consists of six members, half of whom – and hence not the majority, as recommended by the Corporate Governance Code – are independent non-executive directors. The Chairman of the Board of Directors (who has certain management duties) chairs the appointments committee, even though the Corporate Governance Code recommends that this should be a non-executive director. Since the Chairman of the Board of Directors, despite having certain executive duties, does not also serve as the CEO, the Board of Directors believes that one of the specific, typical duties of the Chairman, such as chairing the appointments committee, can be assigned to the Chairman of the Board of Directors.
- The Corporate Governance Code also recommends that the remuneration committee should consist of non-executive directors exclusively. WDP's remuneration committee has a different composition, consisting of four members – three of whom are non-executive directors – plus the executive chairman of the Board of Directors of the management company. Effective 1 January 2011, the remuneration committee, in accordance with Section 526*quater* of the Companies Act, must be composed of non-executive members of the Board of Directors. As from that date, WDP will act in accordance with the law and will change the composition of the remuneration committee in compliance with Section 526*quater* of the Companies Code.
- The Corporate Governance Code recommends that the remuneration committee prepare a remuneration report to be submitted to the Board of Directors. WDP will not be preparing a separate remuneration report for the 2010 financial year, as it believes that disclosure in the annual financial report (or, specifically, the corporate governance report) of the remuneration policy and the compensation paid to the members of the Board of Directors and the executive management is sufficient to describe the remuneration policy in a transparent manner. The Corporate Governance Code recommends that the remuneration committee should prepare a remuneration report (including a breakdown of the various components of the remuneration), which is then submitted to the Board of Directors. WDP will not prepare a separate remuneration report for the 2010 financial year (and, consequently, departs from the relevant provisions regarding separation of the various components of the remuneration in the remuneration report, as prescribed by the Corporate Governance Code), since the company believes that disclosure in the annual financial report (or, specifically, in the Corporate Governance Code) of the remuneration policy and the compensation paid to the members of the Board of Directors and the executive management are sufficient in order to describe the remuneration policy in a transparent manner. Commencing in the financial year ending on 31 December 2011, WDP will include a separate remuneration report in the corporate governance report, prepared by the remuneration committee,

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in compliance with Section 96, paragraph 3 of the Companies Code, which is applicable from the above-mentioned financial year.

- In the past, all members of the management company's Board of Directors were appointed for a period of six years (please also refer to Section 1.2.5., 'Current members of the Board of Directors' on page 33), whereas the Corporate Governance Code recommends a maximum term of four years. WDP preferred a mandate for a period of six years, since this offers the managers the chance to become familiar with this section of the property sector. In the future, however, the management company's directors will be appointed – and, as appropriate, reappointed – for a term of four years, in accordance with the recommendations of the Corporate Governance Code. At the Annual Meeting of 27 April 2011, the Board of Directors will propose that the mandates expiring this year – specifically, those held by Mark Duyck, Tony De Pauw and Dirk van den Broeck – be renewed for a period of four years.

The Board of Directors must devote a separate section of its annual report to corporate governance, detailing the company's practices in this area during the relevant financial year, including the specific information required under the applicable laws and the Corporate Governance Code. Pursuant to Section 96, paragraph 2 of the Companies Code, the corporate governance report must contain at least the following information:

- the Corporate Governance Code applied by the company, including statements regarding any deviations from the Corporate Governance Code, in accordance with the requirement of the 'comply or explain' principle;
- the principal features of the internal systems for monitoring and risk management in relation to financial reporting;
- the shareholder structure, based on the transparency statements the company has received from its shareholders, and specific financial and company information;
- and the composition and operation of its administrative bodies and committees.

This chapter of the 2010 annual financial report includes the contents of the WDP Corporate Governance Charter, which is also available on its website www.wdp.be.

The description of the Board of Directors of the management company and executive management applies to the situation as at 31 December 2010.

1. The Board of Directors

1.1. A few words about the context: the limited partnership with share capital

Warehouses De Pauw is a public closed-ended property investment company that has assumed the legal form of a limited partnership with share capital (Comm. VA). Limited partnerships with share capital have two types of partners. The first of these is the managing partner, whose name appears in the company's commercial name and who has unlimited liability and is jointly and severally liable for the commitments the company makes. The managing partner of WDP Comm. VA is De Pauw NV. Then there are limited or sleeping partners, who are shareholders and whose liability is limited to the extent of their investment.

It is characteristic of a limited partnership with share capital (Comm. VA) to be managed by a management company under the Articles of Association, which must have the capacity of managing partner which, to all intents and purposes, cannot be dismissed and holds the veto right against all important resolutions adopted by the General Meeting.

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The management company is free to resign at any time. However, its mandate can only be withdrawn by the decision of a court called upon for this purpose by the General Meeting of shareholders, based on valid reasons. The management company cannot take part in the vote on this General Meeting resolution.

The General Meeting can only deliberate and take decisions when the management company is represented. The latter must approve any amendment to the Articles of Association and the General Meeting resolutions on actions concerning the company's third-party interests, such as the distribution of dividends and any decision that has an impact on the company's capital.

1.2. The Board of Directors of the management company, De Pauw NV

1.2.1. Mandate of the Board of Directors

The Board of Directors performs various duties for the closed-end property investment company (cepic), including:

- defining its strategy and policy;
- approving all major investments, divestments and other significant transactions in order to achieve the goals set by WDP;
- monitoring the quality of its management, including through an in-depth analysis and detailed discussion of the annual financial statements, as well as by an annual assessment of its operations;
- ensuring that the company's management is consistent with its strategy;
- handling the company's financial communications with the media and analysts;
- dealing with such matters as:
 - approving the budget and the annual and interim financial statements;
 - proposing the dividend to the General Meeting of WDP
 - allocating authorised capital;
 - convening ordinary and extraordinary General Meetings.

1.2.2. Current composition of the Board of Directors

Since WDP is a closed-ended property investment company, WDP and its management company, De Pauw NV, are required to comply with the provisions of the Royal Decree of 7 December 2010 regarding cepics (the 'Royal Decree on Cepics').

Pursuant to Article 9 of the Royal Decree on Cepics, the Articles of Association of the management company De Pauw NV must provide that its Board of Directors is composed such that WDP can be managed independently and exclusively in the interest of its shareholders. Additionally, the Articles of Association must provide that the Board of Directors includes at least three independent members, within the meaning of Section 526ter of the Companies Code.

Furthermore, the Articles of Association of the management company De Pauw NV must provide that compliance with the criteria specified in Section 526ter of the Companies Code is also assessed as though the relevant independent member of the Board of Directors of De Pauw NV were, in fact, a director of WDP. This amendment to the Articles of Association pursuant to the new Royal Decree on Cepics will be adopted on the date of WDP's ordinary Annual Meeting.

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The Board of Directors currently includes only one representative of the reference shareholder.

The management company's Board of Directors is currently composed of six directors, including three independent directors who each comply with the criteria of Section 526ter of the Companies Code, and three executive directors.

The following provisions apply to the composition of the Board of Directors of the management company:

- the Board of Directors is composed of a minimum of four members – at least three of whom are independent – and a maximum of ten members;
- one or several directors, accounting for no more than half of the total number, can be executive directors, in other words they can assume an operational role within WDP;
- the individual competencies and experience of the Board members must be complementary;
- the individual contribution of each of the directors guarantees that no individual or group of directors can control the decision-making;
- directors should bear in mind the company's interests, forge an entirely independent opinion and contribute to the decision-making process;
- any independent director who ceases to comply with the independence requirements contained in Section 526ter of the Companies Code (to be completed by the Board of Directors as necessary) is obliged to inform the Board accordingly.

The directors of the management company De Pauw NV comply with sections 38 and 39 of the Act of 20 July 2004 regarding specific forms of group management of investment portfolios (a fit-and-proper test of the directors, advice provided by the Banking, Finance and Insurance Commission for appointments and reappointments, and rules regarding disqualification from professional practice).

1.2.3. Procedures of the Board of Directors

The Board of Directors of the management company meets four times a year, on the invitation of the chairman. One of these meetings is devoted to discussion of the company's strategy. The dates of the meetings are established in advance for the entire year, in order to prevent absences as much as possible.

Additional meetings must also be convened whenever the closed-end property investment company's interests so require or two directors so request.

The chairman is responsible for the management and smooth running of the Board meetings and sets the agenda of the meetings in consultation with the CEO. This agenda contains a fixed list of items to be discussed, which are prepared in depth and are the subject of detailed documentation, ensuring that all the directors receive the same information in good time prior to the meeting. These documents are sent to all the Board members no later than the Friday before the week during which the Board meeting is to take place, so that each of them can prepare for it appropriately.

The position of chairman of the Board of Directors and CEO cannot be held by the same person.

The Board of Directors appoints a company secretary. This person is responsible for monitoring and observing Board procedures and the relevant laws and regulations.

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Solely the members of the Board of Directors can take part in the deliberations and cast their votes. The Board's vote is only valid if the majority of its members are present or represented.

Resolutions of the Board are passed by a simple majority of votes. In the event of a tied vote, no resolution is adopted.

On the chairman's invitation, executive directors who are not Board members or specialists in a particular field may attend Board meetings in order to inform or advise the Board.

The Board of Directors may also seek the advice of an independent expert at any time. For matters concerning financial information or accounting procedures, the Board can call upon the accounts department and/or statutory auditor directly.

1.2.4. Appointment, remuneration and evaluation of the Board of Directors

Appointments

Directors are appointed by the General Meeting of Shareholders of De Pauw NV, following a recommendation from the appointments committee of the Board of Directors, which assesses all the nominations. The selection of a new director is based on a professional, objective selection process. Care is taken with all appointments so that the capacities and know-how within the Board of Directors are guaranteed.

A new director is appointed as soon as a director's mandate becomes vacant or as soon as this is required.

The General Meeting of management company De Pauw NV can dismiss directors at any time.

Whereas in the past directors were appointed for a term of six years, in the future they will be appointed for a period of four years. Independent directors must not have completed more than three successive mandates as non-executive directors on the Board of Directors, and this period may not exceed 12 years. The appointment of other, non-independent directors can then be renewed indefinitely. These rules are subject to the condition that the age limit of 65 is respected. That is to say, a director's mandate expires upon completion of the annual meeting held in the year in which he or she reaches the age of 65, unless the Board of Directors resolves otherwise on the recommendation of the remuneration committee.

Directors are authorised to hold additional director's mandates in other listed and unlisted companies. They must inform the Chairman of the Board of Directors of any such mandates. Under the Corporate Governance Code, non-executive directors are not permitted to hold more than five mandates in listed companies without the consent of the Board of Directors (subject to the 'comply or explain' principle). Any changes in their other relevant commitments and new commitments outside the company must be reported to the Board of Directors in a timely manner.

The directors must respect agreements relating to discretion and mutual confidentiality. They must also strictly comply with all the legal and applicable principles relating to conflicts of interest, inside information, etc. When a transaction is considered where a director has a potential conflict of interest, the corresponding provisions of the Company Code and the Royal Decree on Cépics apply. With regard to WDP share transactions

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conducted by directors on their personal behalf, WDP's rules of procedure must be respected (see also '4.1. Code of conduct regarding financial transactions' on page 52).

Remuneration

Any contractual arrangement entered into on or after 1 July 2009 regarding the compensation of executive directors must specify that the amount of the severance pay granted in the event of early termination of the contract may not exceed twelve months of basic remuneration and variable remuneration.

However, the Board of Directors may consider awarding severance pay of more than 12 months' salary, or, following the recommendation of the remuneration committee (stating compelling reasons), of more than 18 months' salary. Pursuant to Section 554, paragraph 4 of the Companies Act, which applies to contracts with executive directors entered into or renewed effective 3 May 2010, such payment must be submitted for prior approval by the ordinary General Meeting of Shareholders. Any such contract (i.e. entered into on or after 1 July 2009) must specify that the severance package does not include the variable remuneration and must not exceed the amount of twelve months' basic pay if the departing executive director has not satisfied the performance criteria referred to in the contract.

Effective 1 January 2011, the criteria for granting variable remuneration to executive directors must be included in the contractual or other provisions applicable to the legal relationship between the individual concerned and the company. The variable remuneration is payable only if the criteria for the reference period have been satisfied. In the event of non-compliance with the requirements above, the variable remuneration may not be included in the calculation of the severance pay.

Furthermore, effective 1 January 2011 and, unless otherwise provided for in the Articles of Association or expressly approved by the ordinary General Meeting, the following applies: (a) the variable remuneration of an executive director must be based for a least 25% on performance criteria that are measured over a period of at least two years, and for another 25% on performance criteria measured over a period of at least three years; and (b) directors can acquire shares no sooner than three years after they were allocated, and they can likewise only exercise share options or other rights to acquire shares no sooner than three years after they were granted. However, the rules specified in (a) above do not apply if the variable remuneration accounts for 25% or less of the total annual remuneration, where the total annual remuneration matches the total amount of the director's basic salary, variable remuneration, pension payments and other types of compensation.

Any contracts entered into or renewed between the company and an independent director from 3 May 2010 onwards and which would provide for variable remuneration are subject to the same conditions for approval as for the granting of severance pay of more than 12 months, or, depending on the individual case, 18 months for executive directors.

Pursuant to Article 16 of the Royal Decree on Cepsics, the compensation awarded to directors, management companies, members of the management board, individuals responsible for the company's day-to-day management and the de facto managers of WDP and De Pauw NV must not be determined based on the actions and transactions performed by the public closed-end property investment company or its subsidiaries.

They may receive variable remuneration, provided that (a) the criteria for the granting of such remuneration, which depends on the company's financial results, relate only to the cepic's consolidated net profit, not including any fluctuations in fair value of the assets and

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the hedging instruments, and (b) no remuneration is granted based on a specific action or transaction on the part of the cepic or any of its subsidiaries.

The Board of Directors can resolve to grant additional remuneration to the chairman for additional work, such as part-time executive duties. Remuneration can also be granted to directors who are assigned special roles or mandates. These are accounted for as general expenses.

The remuneration committee meets once a year to discuss the directors' compensation package. Effective 1 January 2011 and in accordance with Section 526*quater* of the Companies Act, the remuneration committee convenes at least twice a year, and whenever it deems this necessary in order to properly perform its duties.

Disclosure of remuneration

The corporate governance report included in the annual financial report must contain a separate remuneration report, prepared by the remuneration committee, commencing in the financial year ending on 31 December 2011. In compliance with Section 96, paragraph 3 of the Companies Act, concerning directors, this remuneration report must include the following information (list is not exhaustive):

- the procedures followed during the financial year under review to (a) create a remuneration policy for the directors and (b) to determine the remuneration of individual directors;
- a report regarding the remuneration policy for directors pursued during the financial year under review, which must include at least the following information:
 - the principles on which the remuneration was based, specifying the relationship between remuneration and performance;
 - the relative importance of the various components of the remuneration;
 - the features of performance-based bonuses in shares, options or other rights to purchase shares;
 - information regarding the remuneration policy for the two subsequent financial years;
- the remuneration and any other perquisites the non-executive directors have received on an individual basis either directly or indirectly from the company or from a company within the company's scope of consolidation;
- in the event that the executive directors are eligible for compensation based on the performance of the company (or a company included in the company's scope of consolidation), a business unit or the individual concerned, the criteria for the assessment of the performance in relation to the targets, the specification of the assessment period and the descriptions of the methods used to verify that these performance criteria have been satisfied;
- the amount of the remuneration and other perquisites granted by the company (or a company that is part of the company's scope of consolidation) to the principal representative of the executive directors either directly or indirectly. This information must break down into the following components:
 - the basic salary;
 - the variable remuneration: each additional perquisite linked to the performance criteria, specifying the form in which this variable remuneration is paid;
 - the pension: the amounts paid during the financial year under review or the charges for the services provided during the financial year under review, based on the type of pension plan, including a specification of the applicable pension scheme;

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- the other components of the remuneration, such as the costs or value of insurance policies and other in-kind perquisites, including details on the specific features of the main components;
- the total amount of the remuneration, broken down by category, of the executive directors. This information must be provided based on the same breakdown as for the principal representatives of the executive directors;
- an individual overview of the shares held by, the share option schemes for, and any other rights to acquire shares held by, the executive directors;
- on an individual basis, the severance pay or potential severance pay of the executive directors;
- in the event of the departure of an executive director, the justification and resolution by the Board of Directors, following the proposal of the remuneration committee, as to whether the individual concerned is eligible for the severance pay, and the calculation base to be used to calculate this pay;
- the degree to which the company is able to claim back the variable remuneration from the executive directors if such remuneration was granted based on inaccurate financial information.

The ordinary General Meeting that passes resolutions regarding the annual report prepared by the Board of Directors will also decide on the remuneration report.

The management company's remuneration for 2010 was EUR 850,000. This amount matches the total cost incurred by the Board of Directors in 2010, including the bonus scheme for the executive management and the administration of the closed-ended property investment company.

Overview of individual remuneration for the 2010 financial year.

	Fixed (EUR)	Variable (EUR)
Non-executive directors		
MOST BVBA, permanently represented by Frank Meysman	20,000	-
Alex Van Breedam	20,000	-
Dirk Van den Broeck	20,000	-
Executive directors		
Tony De Pauw	180,000	100,000
Joost Uwents	180,000	72,000
Executive Chairman of Board of Directors		
Mark Duyck	177,000	

The total pay of the independent directors and the executive director during the 2010 financial year amounted to EUR 237,000 (100% fixed). The total pay of the executive management during the 2010 financial year was EUR 532,000 (including 30% variable remuneration).

There are currently no employment contracts or service contracts in place with the executive directors that provide for special payments upon termination of employment. In addition, each director receives a fixed expense allowance of EUR 3,500 per year. No options or other perquisites are provided for, except a company car for the members of the executive management.

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The criteria and objectives based on which the variable pay is granted to the executive directors are expressly documented by the Board of Directors at the beginning of the financial year, following a proposal by the remuneration committee. For the 2010 financial year, the criteria were used for the group's operating result, the occupancy rate, the execution of the 'solar energy' project and the management of the gearing. These criteria and objectives were assessed by the remuneration committee after the end of the financial year. Based on the profit achieved, the Board of Directors granted the variable pay to the executive directors Tony De Pauw and Joost Uwents. Since the Royal Decree on Cepics became effective on 7 January 2011, the criteria for granting the variable remuneration or the portion of the remuneration that is based on financial performance may relate solely to WDP's consolidated net profit, excluding any fluctuations in the fair value of the assets and the hedging instruments, and no remuneration may be granted on the basis of a specific action or transaction performed by WDP or any of its subsidiaries.

Evaluation

Directors are evaluated on a continuous basis (as members of the Board of Directors and as members of a committee), in particular by their colleagues. If a director has any doubts concerning the contribution of one of his colleagues, he can propose that this be included as an agenda item of a meeting of the Board of Directors or the relevant committee, or notify the chairman, who may then, at his discretion, take any necessary steps.

In addition, directors are also individually assessed by the Board of Directors each year. Interim assessments can be conducted if circumstances so require.

1.2.5. Current members of the Board of Directors

The Board is composed of the following six members:

- **Mark Duyck** (Lindekensweg 73, B-1652 Alsemberg) has been a director since 1999, chairman of the Board of Directors since 2003 and executive chairman since 2006. He is an economist and holds an MBA. After holding various positions, including at European and American companies, he held various management positions during a 15-year period at Brussels Airport.

In the past five years, he has also been a director of SN Brussels Airlines* and Valck Group*, and managing director of Coconsult BVBA, companies where he is also a strategic adviser.

His mandate ends on 27 April 2011 (attendance rate in 2010: 100%). The Board of Directors of the management company intends to nominate Mr Mark Duyck for reappointment as a director of De Pauw NV, for a mandate expiring on 29 April 2015.

- MOST BVBA, (Drielandenbaan 66, B-1785 Merchtem), permanently represented by **Frank Meysman**, has been an independent director since 2006. Mr Meysman has in-depth knowledge and international experience in marketing and in this respect is able to reinforce WDP's customer focus. He has been a director at several international companies including Procter & Gamble, Douwe Egberts and Sara Lee. In the past five years, he has also been a director of Gimv*, Picanol, Spadel, Pinguin*, Palm, MOST BVBA, Grontmy NV, Betafence, and Corporate Express*. He is also Chairman of the Board of Directors of JBC.

His mandate ends on 25 April 2012 (attendance rate in 2010: 87.5%).

* These mandates have now expired.





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- **Alex Van Breedam** (Duffelshoek 5, B-2550 Kontich) has been an independent director since 2003. He holds a PhD in applied economic sciences and several Master's degrees. After gaining experience with KPMG, he has since 2000 coordinated the launch of the Flanders Institute of Logistics and is an independent expert in Supply Chain Management, specialising in strategic support for logistics companies. Until 2008, he was the director general of the Flemish Institute of Logistics. He is currently a director at Tri-Vizor NV, an innovative new logistics company affiliated with the University of Antwerp. He is also a part-time lecturer and a guest professor at three Flemish universities.

In the past five years he has also been a director of Advisart BVBA (managing director) and Business Development Logistics BVBA.

His mandate ends on 29 April 2015 (attendance rate in 2010: 100%).

- **Dirk Van den Broeck** (Leo de Bethunelaan 79, B-9300 Aalst) has been an independent director since 2003. He was a partner of Petercam from 1988 to 2010 and a director there from 1994 to 2010. He represented Petercam on several boards of directors of property companies involved in the issuing of mortgage debentures. He still works as an independent consultant in the property sector and other areas. Dirk Van den Broeck graduated in law and economic sciences.

In the past five years, he has also been a director of 3P (L) SARL*, 3P Air Freighters Ltd*, 3P Air Freighters Belgium SA*, ASL Aviation Group Ltd*, Amil Singapore, AMP Ltd, Beaulieuwaan NV*, Belgian European Properties, SA*, Certifimmo SA*, Certifimmo II SA*, Certifimmo III SA*, Distri-Invest NV*, EQM Funds Plc*, ALINSO NV*, Financière Sainte Gudule CVBA*, German Residential Property SA*, Immobilière de la Place Sainte Gudule SA*, Immo-Régence SA*, Meli NV, NIBC Petercam Derivatives NV*, New Paragon Investments Ltd, New Phoenix Investments Ltd, Nouvelle Inter NV*, Omega Preservation Fund Luxembourg*, PAM Alternative Investments PLC*, Park De Haan NV*, Petercam & Associés SCRL*, Petercam Capital UK Ltd*, Petercam Management Ireland Ltd*, Petercam Management Services NV*, Petercam SA*, Petercam Services SA*, Promotus BVBA, QAT Investments SA*, QAT II Investments SA*, QAT ARKIV SA*, Reconstruction Capital II Ltd, Resilux NV*, Schumanplein SA*, Serviceflats Invest NV, Urselia NV, Vastgoedmaatschappij Leopold III-iaan NV*, Wilma Project Development NV and WPD Holding NV Winprover.

His mandate ends on 27 April 2011 (attendance rate in 2010: 100%).

The Board of Directors of the management company intends to nominate Mr Van den Broeck for reappointment as a director of De Pauw NV, for a mandate ending on 29 April 2015. In view of the statutory rule that independent directors may not have completed three successive mandates as non-executive directors on the Board of Directors subject to a maximum term of 12 years, Mr Van den Broeck will no longer be regarded as an independent director from 25 February 2015, i.e. prior to the expiry of the term of his mandate as director. In view of the statutory rule that cepsics (or their management companies) must employ three independent directors at all times, the management company will be required to appoint a new independent director in a timely manner.

* These mandates have now expired.

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- **Tony De Pauw**, (Ganzenbos 5, B-1730 Asse), executive director and CEO since 1999, represents the principal group of shareholders, i.e. the De Pauw family. In the past five years, he has also been a director of Ensemble Leporello VZW.

His mandate ends on 27 April 2011 (attendance rate in 2010: 87.5%).

The Board of Directors of the management company intends to nominate Mr De Pauw for reappointment as the director of De Pauw NV, for a mandate ending on 29 April 2015.

- **Joost Uwents**, (Hillarestraat 4 A, B-9160 Lokeren), director since 2002 and executive director and CEO since 2010, forms the WDP executive management team together with Tony De Pauw. He is a commercial engineer and holds an MBA.

His mandate ends on 30 April 2014 (attendance rate in 2010: 100%).

The directors Alex Van Breedam, Dirk Van den Broeck and MOST BVBA (permanently represented by Frank Meysman) meet the independence criteria as stated in Section 526ter of the Companies Code.

The table below shows the terms of the mandates of the Board of Directors and the proposed reappointments (for a period of 4 years)

Directors	Start of mandate	Renewal	End of mandate	End of mandate following proposal for reappointment
MOST BVBA, permanently represented by Frank Meysman	2006		25 April 2012	-
Alex Van Breedam	2003	2009	29 April 2015	-
Dirk Van den Broeck	2003	2005	27 April 2011	29 April 2015
	(after cooptation)	2005	27 April 2011	29 April 2015
Tony De Pauw	1999	2005	27 April 2011	29 April 2015
Joost Uwents	2002	2008	30 April 2014	-
Mark Duyck	1999	2005	27 April 2011	29 April 2015

1.2.6. Declarations concerning directors and executive management

WDP's management company under the Articles of Association declares, based on the information at its disposal, that:

- at least in the past five years neither it, nor its directors or, in the case of companies that act as directors, their permanent representatives, nor members of the executive management:
 - have been convicted of fraud;
 - have been the object of officially and publicly expressed accusations and/or sanctions imposed by legal or regulatory authorities (including recognised professional organisations), or have ever been declared unfit to act as a member of the administrative or regulatory bodies of a company or to act in the capacity of a director or performing a company's activities;

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- have held a managerial position as a senior manager or member of a company's administrative, managerial or supervisory bodies at the time of its bankruptcy, curatorship or liquidation.
- at present, there are no employment contracts or service contracts in place with the directors, cepic or statutory management company that provide for special payments upon termination of employment;
- the employment contracts or service contracts concluded between the management company under the Articles of Association and the members of the executive management provide for no special payments upon termination of employment.

Number of shares in possession on 31 December 2010

Non-executive directors	Number of shares	% shares
MOST BVBA	1,000	0.01
Alex Van Breedam	0	0.00
Dirk Van den Broeck	130,000	1.04

Executive directors	Number of shares	% shares
Tony De Pauw	982,796	7.84
Joost Uwents	14,000	0.11

Part-time executive Chairman of Board of Directors	Number of shares	% shares
Mark Duyck	1,423	0.01

1.2.7. Conflicts of interest

Conflicts of interest involving directors

The statutory regulation relating to conflicts of interest for directors, (pursuant to Section 523 of the Companies Code), applies to decisions or actions arising from the competences of the Board of Directors, subject to the following conditions:

- a director has a direct or indirect property interest, i.e. an interest with financial implications;
- the interest must be conflicting.

The potentially conflicting interest relates to the company's interest in the proposed decision or action and the interest of the director concerned.

In accordance with this regulation, directors are obliged to point out any potential conflicting property interest to the Board of Directors before the decision is taken. They should leave the meeting during the discussion of the relevant agenda item and cannot take part in the debate or the decision taken on this agenda item.

To the company's knowledge, none of the directors currently have a conflict of interest within the meaning of Section 523 of the Companies Code of which the Board of Directors has not been informed. Other than potential conflicts relating to remuneration issues, the company does not foresee any other potential conflicts of interest in the immediate future.

Conflicts of interest involving transactions with affiliates

The cepic is also required to follow the procedure stipulated in Section 524 of the Companies Code should it make a decision or perform a transaction that is related to (a)

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the cepic's relations with an affiliate, not including its subsidiaries, and (b) relations between a subsidiary of the cepic and an affiliate, not including subsidiaries of that subsidiary.

Functional conflicts of interest

WDP is subject to the provisions of articles 18 and 19 of the Royal Decree on Cepics. Article 18 contains a provision regarding functional conflicts of interest under which cepics must inform the Banking, Finance and Insurance Commission if and when certain persons affiliated with the cepic (an exhaustive list of which is set out in the same Article, including the management company and its directors, the individuals responsible for supervising the cepic, are affiliated therewith or hold a stake therein, the promoter and the other shareholders of all the cepic's subsidiaries) that act directly or indirectly as a counterparty concerning, or gain any financial benefit from, a transaction with the public cepic or any of its subsidiaries. In its statement to the Banking, Finance and Insurance Commission, WDP must demonstrate its interest in the planned transaction and the fact that the transaction concerned is within the scope of the investment policy of the cepic. Transactions that involve a functional conflict of interest must be completed at normal market conditions. If such a transaction concerns property, the valuation of the property expert is binding as a minimum price (in the event of a sale by the cepic) or a maximum price (in the event of acquisition by the cepic).

Such transactions, along with the data to be reported, are publicly disclosed without delay. They are explained in the annual financial report and in the report of the statutory auditor.

In addition to these provisions of the Companies Code and the Royal Decree on Cepics, WDP also requires that each director should avoid the creation of conflicts of interest as much as possible.

If a conflict of interest nevertheless arises (that is not subject to the statutory regulations for conflicts of interest), with regard to an issue that does not fall within the authority of the Board of Directors and on which it must take a decision, the director concerned will notify his colleagues accordingly. They will then decide whether the member concerned will be permitted to vote on the issue to which the conflict of interest relates, and if he is entitled to attend the meeting during which the issue is discussed.

There is a 'conflict of interest involving a member of the Board of Directors' if:

- the member or any of his or her close relations has a property interest that conflicts with a decision or transaction of the company;
- a company that does not form part of the group and in which the member or any of his or her close relations holds a director's or management position has a proprietary interest that conflicts with a decision or transaction of the company.

1.3. Specialist committees established by the Board of Directors

With a view to the implementation of the Corporate Governance Code, WDP's Board of Directors already set up four specialist committees in autumn 2004: a strategic committee, an audit committee, an appointments committee and a remuneration committee. The composition of these committees is in accordance with the Royal Decree on Cepics and the Corporate Governance Code, with the exception of the deviations specified at the beginning of this section see page 24.

All of these committees can invite people who are not committee members to attend their meetings. They can also request, on behalf of the company, external professional advice

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on subjects relating to the committee's specific competences. They are nevertheless required to inform the chairman of the Board of Directors beforehand.

After each committee meeting, all of the members of the Board of Directors receive a copy of the minutes of the meeting and its conclusions.

1.3.1. The strategic committee

The strategic committee deals with subjects that could potentially affect the company's strategy.

Given the limited number of directors and the importance of strategic discussions, this is undertaken permanently by the entire Board of Directors.

The strategic committee is chaired by the chairman of the Board of Directors.

Name	Capacity	Attendance rate
Mark Duyck	Executive Chairman	100%
MOST BVBA	Independent Director	50%
Alex Van Breedam	Independent Director	100%
Dirk Van den Broeck	Independent Director	100%
Tony De Pauw	Executive director	50%
Joost Uwents	Executive director	100%

1.3.2. The audit committee

The Board of Directors has appointed an audit committee from its midst. This committee is composed of the non-executive directors of the Board of Directors. Mr Dirk Van den Broeck is the chairman of the audit committee.

At least one member of the audit committee must possess the necessary expertise in the field of accountancy and audits and, as an independent director, must satisfy the criteria specified in Section 526ter of the Companies Code. Mr Dirk Van den Broeck currently satisfies the criteria with respect to expertise, as well as the criteria specified in the foregoing sentence.

The audit committee is chaired by an independent director, who organises the proceedings of the audit committee and can invite members of the executive management, the chairman or the statutory auditor to take part in the meetings.

The audit committee performs the following duties:

- monitoring the financial reporting process;
- monitoring the efficiency of the systems for WDP's internal control and risk management;
- monitoring the internal audit and its effective operation;
- monitoring the statutory audit of the financial statements and the consolidated financial statements, including the follow-up of questions and recommendations made by the auditor;
- assessing and monitoring the auditor's independence, in particular in relation to additional services provided to the company.

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The audit committee reports to the Board of Directors on a regular basis on the performance of its duties, and in any case when the Board of Directors prepares the financial statements, the consolidated financial statements and the summary income statement intended for publication.

Prior to each half-yearly meeting of the Board of Directors, an interim report is drawn up that is presented to the audit committee by the statutory auditor.

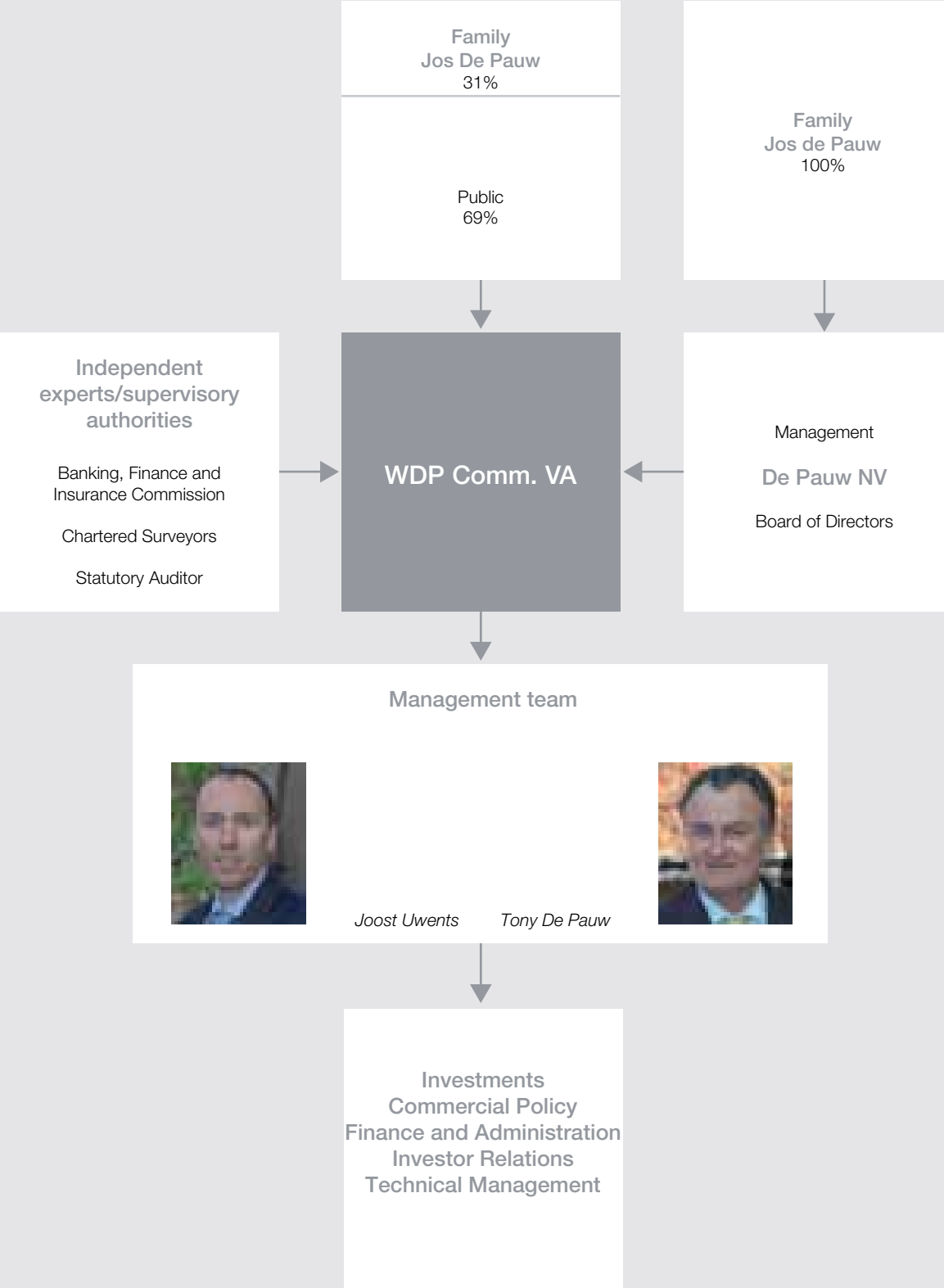
Name	Capacity	Attendance rate
MOST BVBA	Independent Director	100%
Alex Van Breedam	Independent Director	100%
Dirk Van den Broeck	Independent director and chairman of the audit committee	100%

1.3.3. The appointments committee

The appointments committee was established to advise the Board of Directors on appointments to be proposed to the General Meeting of the management company. It also gives its opinion on recruitment for key posts at the management company and the cepic, even if this does not have to be approved by the General Meeting of the management company.

Given the limited size of the Board of Directors, the appointments committee is composed of the entire Board of Directors and is chaired by the Chairman of the Board of Directors. The appointments committee consequently consists of six members, half of whom – i.e. not the majority (as recommended by the Corporate Governance Code) – are independent directors. The Chairman of the Board of Directors (who has certain executive duties) chairs the appointments committee, even though the Corporate Governance Code recommends that this should be a non-executive director. Since the Chairman of the Board of Directors, although he/she has certain executive duties, does not also serve as CEO, the Board of Directors believes that a specific, typical responsibility of a chairman, such as chairing the appointments committee, can be assigned to the Chairman of the Board of Directors. However, the chairman is not authorised to chair the appointments committee when his/her successor is to be selected or where it concerns his reappointment.

The appointments committee meets at least once a year, before the final meeting of the Board of Directors of that year. It also meets at other times if circumstances so require. The Corporate Governance Code recommends at least two meetings per year, but given the limited size of the Board of Directors and the workforce of the management company, WDP is of the opinion that a fixed second meeting would be superfluous.



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Name	Capacity	Attendance rate
Mark Duyck	Executive chairman	100%
MOST BVBA	Independent director	50%
Alex Van Breedam	Independent director	100%
Dirk Van den Broeck	Independent director	100%
Tony De Pauw	Executive director and CEO	50%
Joost Uwents	Executive director and CEO	100%

1.3.4. The remuneration committee

The remuneration committee is comprised of the non-executive members of the Board of Directors. It includes a majority of independent directors within the meaning of Section 526*ter* of the Companies Code, and possesses the necessary expertise on remuneration policies. The Chairman of the Board of Directors (if the latter is a non-executive director) or another non-executive director chairs the committee.

The remuneration committee performs the following duties:

- It submits proposals to the Board of Directors regarding the remuneration policy of directors and the members of the executive management, as well as, where applicable, any resulting proposals that the Board of Directors must submit to the shareholders;
- It submits proposals to the Board of Directors regarding the individual remuneration of the directors and the members of the executive management, including variable remuneration and long-term performance bonuses, linked to shares or otherwise, in the form of share options or other financial instruments, and of severance payments and, where applicable, the resulting proposals that must be submitted to the shareholders by the Board of Directors;
- It prepares the remuneration report that the Board of Directors subsequently incorporates into the corporate governance report contained in the annual financial report;
- It clarifies the remuneration report at the ordinary General Meeting of shareholders.

The Corporate Governance Code recommends that the remuneration committee should meet at least twice a year; however, considering the limited size of the Board of Directors and the executive management of the management company, WDP believes that a regular second meeting would be superfluous. In compliance with the newly implemented Section 526*quater* of the Companies Code, which provides that the remuneration committee must convene at least twice a year and whenever it deems this necessary to properly perform its duties, however, the committee, with effect from 2011, will meet at least twice a year, and it will regularly report to the Board of Directors regarding the performance of its duties.

Composition in the 2010 financial year:

Name	Capacity	Attendance rate
Mark Duyck	Executive chairman	100%
MOST BVBA	Independent director	0%
Alex Van Breedam	Independent director	100%
Dirk Van den Broeck	Independent director	100%

With effect from the 2011 financial year, the executive director, pursuant to the newly implemented Section 526*quater* of the Companies Code, no longer forms part of the

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remuneration committee (which may only include non-executive directors). However, the Chairman of the Board of Directors is invited to all the meetings of the remuneration committee, which he may attend without being a member of this committee and without having voting rights. However, if the remuneration committee is discussing the remuneration of the Chairman of the Board, the latter is not invited to that particular meeting. MOST BVBA, permanently represented by Frank Meysman, will chair the remuneration committee with effect from the 2011 financial year.

2. The executive management

The cepic WDP Comm. VA is a self-managed fund. It does not delegate the management of its property assets to a third party, but manages them itself in consultation with the management company. The management is therefore not involved in any other property activity, but works exclusively for WDP's stakeholders.

2.1. Executive management duties

WDP's executive management is responsible for:

- preparing, proposing and implementing the strategic objectives and the group's general policy plan, as approved by the Board of Directors;
- defining the standards based on which the strategy must be implemented;
- implementing Board resolutions, monitoring performance and results;
- reporting to the Board.

2.2. Current composition and division of duties of the executive management

Duties amongst the executive management are divided as follows:

Tony De Pauw is an executive director and CEO.

He bears executive responsibility for:

- general management (i.e. day-to-day management of the WDP team);
- investment policy (i.e. finding, analysing and negotiating new potential acquisitions in the areas where WDP operates);
- management of the property portfolio (specifically, defining the policy for the management of existing properties [maintenance, renovation and improvement work] in consultation with the facility managers);
- project management, i.e. supervising current new construction sites in conjunction with the project managers.

Joost Uwents is an executive director and CEO.

He has ultimate responsibility for:

- financial policy and internal reporting. This includes cash management, accounts receivable and accounts payable, the management of loans and interest charges, and reporting to the various levels in consultation with the finance manager;
- marketing, particularly preparing commercial campaigns aimed at current and potential clients, in conjunction with the marketing director;

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- the commercial policy, i.e. devising a strategy to increase long-term occupancy rates, focussing on both current and potential clients. Mr Uwents works in conjunction with the various commercial directors;
- investor relations, i.e. liaising with private and institutional investors through communications with financial analysts and journalists, as well as directly with the investors through road shows and other initiatives.

The management team can also count on the support and professional experience of the chairman of the Board of Directors, who works on a part-time basis (three days a week) in his capacity as executive chairman.

2.3. Procedures of the executive management

The members of the executive management work together closely and in constant consultation. Where the company's day-to-day operations are concerned, resolutions are adopted by a majority of votes. Major decisions regarding day-to-day management are taken unanimously in accordance with agreements made with the Board of Directors. If the executive management fails to reach agreement regarding these major decisions, the decision is passed to the Board of Directors.

External representation of the company is conducted in accordance with the provisions of the Companies Code and the Royal Decree on Cepics and as set out in the Articles of Association.

A weekly management meeting is held, attended by both the members of the management team and the Chairman of the Board of Directors in his capacity as executive chairman. The Board of Directors is entitled to see the agenda and minutes of these meetings. An agenda is drawn up before each meeting and is sent well in advance to all the management team members and the executive chairman so that they can prepare for the meeting appropriately. This agenda contains matters including operational decisions relating to day-to-day operations, the status of projects in progress and leases and the evaluation of new projects under consideration.

2.4. Accountability to the Board of Directors

The executive management submits all the relevant financial and business information to the Board of Directors of the management company every three months. The following information is provided: key figures, an analytical presentation of the results in relation to the budget, an overview of the changes in the property portfolio, and consolidated management accounts including notes.

The members of the executive management who are also executive directors are also accountable to their colleagues on the Board of Directors.

2.5. Management

At least two members of the Board of Directors – each of them natural persons or single-director BVBA's represented by their sole partner and managing director – supervise the cepic's day-to-day management. In the past financial year, these duties were performed by Tony De Pauw and Joost Uwents. Their duties in relation to the actual management of the cepic are explained above (see '2.2. Current composition and division of duties', on page 44).

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2.6. Appointments, remuneration and evaluation

2.6.1. Appointments

The CEO (or both CEOs, if two CEOs are nominated) is/are selected and nominated by the Board of Directors, which also acts as an appointments committee.

The CEO (or both CEOs, if two CEOs are nominated) and the Chairman of the Board of Directors jointly submit the selection and nomination of the executive management for approval to the Board of Directors, which also acts as an appointments committee.

2.6.2. Remuneration

WDP's remuneration policy with regard to its executive management is the responsibility of the remuneration committee, which submits proposals to the Board of Directors. The remuneration of the executive management is assessed annually.

The remuneration committee has drawn up a new remuneration policy under the supervision of the Chairman of the Board of Directors, which was approved by the Board of Directors and is made up of two parts:

- fixed remuneration, including insurance and pension contributions;
- variable remuneration, a portion of which is awarded after the end of the financial year, with the other portion awarded at the end of the subsequent financial year (i.e. after three years);

WDP complies with the provisions regarding remuneration as set forth in the Companies Code and the Royal Decree on Cepics, as well as with the principles of the Corporate Governance Code (with the exception of the deviations set out in this corporate governance report), as contained in this annual financial report (see '1.2.4. Appointment, remuneration and evaluation of the Board of Directors' on page 29). These provisions also apply to the executive management.

2.6.3. Disclosure of remuneration

The corporate governance report contained in the annual financial report must include a separate remuneration report prepared by the remuneration committee, with effect from the financial year ending on 31 December 2011. In compliance with Section 96, paragraph 3 of the Companies Code, concerning executive management, this remuneration must include the following information (list is not exhaustive):

- The procedures followed during the financial year under review to (a) develop a remuneration policy for executive management and (b) to fix the remuneration of the individual members of the executive management;
- a report regarding the remuneration policy for the executive management pursued during the financial year to which the annual report relates, which must contain at least the following information:
 - the principles on which the remuneration was based, specifying the relationship between remuneration and performance;
 - the relative significance of the various components of the compensation;
 - the features of the performance-related bonuses in shares, options or other rights to acquire shares;
 - information regarding the remuneration policy for the two subsequent financial years;

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- the amount of the remuneration that the members of the executive management who are also members of the executive management receive in that capacity;
- in the event that the members of the executive management are eligible for compensation based on the performance of the company (or a company that is part of the company's scope of consolidation), a business unit or the individual concerned, the criteria for assessing the performance in relation to the targets, the specification of the evaluation period and a description of the methods used to determine whether these performance criteria have been satisfied;
- the amount of the remuneration and other perquisites that the company (or a company that is part of this company's scope of consolidation) has granted either directly or indirectly to the principal representative of the other directors or to the principal representative of the individuals responsible for day-to-day management. This information must break down as follows:
 - the basic salary;
 - the variable remuneration: any additional perquisites linked to performance criteria, specifying the form in which this variable remuneration was paid;
 - pension: the amounts paid during the financial year under review or the charges for services provided during the financial year under review, based on the type of pension plan, including a specification of the applicable pension scheme;
 - the other components of the remuneration, such as the costs or value of the insurance and other in-kind perquisites, including specific details on the principal components.
- the total amount of the remuneration, broken down by category, of the members of the executive management. This information must be provided with the same breakdown as used for the principal representative of the executive directors;
- a separate list of the shares held by, the share option plans for, and any other rights to acquire shares held by, the members of the executive management;
- on an individual basis, the severance pay or potential severance pay of the members of the executive management;
- in the event of the departure of a member of the executive management, the justification and resolution by the Board of Directors, following a proposal by the remuneration committee, whether the person concerned is eligible for the severance pay, and the calculation base used;
- the degree to which the company has the right to recover the variable remuneration of the members of the executive management if such compensation was granted on the basis of inaccurate financial information.

The ordinary General Meeting that adopts resolutions regarding the annual report of the Board of Directors will also resolve on a remuneration report through a separate vote.

The total pay of the independent directors and the executive chairman during the 2010 financial year amounted to EUR 237,000 (100% fixed). The total pay of the executive management during the 2010 financial year was EUR 532,000 (including 30% variable remuneration). The statutory rules regarding the distribution over time of the variable remuneration, as detailed above (see '2.6.2. Remuneration' on page 46) are complied with effective 1 January 2011.

There are currently no employment contracts or service contracts in place with the executive directors that provide for special payments upon termination of employment.



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2.6.4. Evaluation

The executive management is assessed by the Board of Directors on the basis of objectives and performance.

The executive management will be assessed by the remuneration committee and the Board of Directors.

The objectives used as a basis for the evaluation are defined by the Board of Directors, following the recommendation of the remuneration committee.

2.7. Conflicts of interest

The provisions regarding functional conflicts of interest set out in sections 18 and 19 of the Royal Decree on Cepics also apply to the members of the executive management (see '2.2. Current composition and division of duties of the executive management' on page 44).

In addition to these provisions of the Royal Decree on Cepics, WDP also requires that each member of the executive management should avoid the creation of conflicts of interest as much as possible. Should a conflict of interest nevertheless arise (that is not subject to the statutory regulation on conflicts of interest) concerning a matter that is within the authority of the executive management, and on which it must decide, the person involved shall inform his colleagues. They will then decide whether or not their colleague can take part in the vote on the matter to which the conflict of interest relates and whether that colleague can be present during the debate on this issue.

There is a 'conflict of interest for a member of the executive management' if:

- the member or one of his/her close relatives has a proprietary interest which conflicts with a company decision or transaction;
- another company which does not belong to the group and in which the member or one of his/her close relatives exercises a directorship or management position has a proprietary interest which conflicts with a company decision or transaction.

3. Structures outside Belgium

In order to manage its foreign property assets as effectively as possible, WDP Comm. VA has created subsidiaries in various European countries (these subsidiaries do not have the status of 'institutional closed-ended property investment companies').

France

- Etablissement stable WDP, Rue Cantrelle 28, 36000 Châteauroux.
- WDP France SARL, Rue Cantrelle 28, 36000 Châteauroux.

The Netherlands

- WDP Nederland NV, Princenhagelaan 1-A2 Herenkantoor B, 4813 DA Breda, P.O. Box 9770, 4801 LW Breda.

Romania

- WDP Development RO, Baia de Arama no. 1, sector 2, Bucharest, a 51-49% joint venture with entrepreneur and Romania expert Jeroen Biermans.

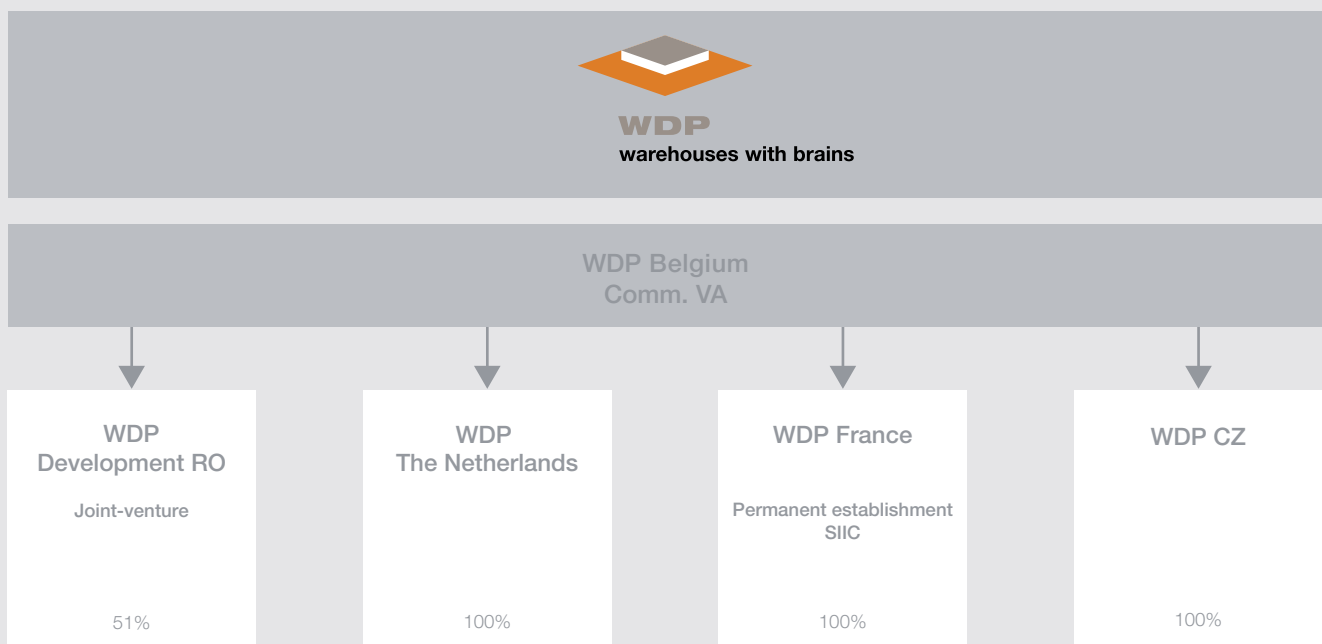
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Czech Republic

- WDP CZ sro, Hvězdova 1716/2b, 14078 Prague.

The group's companies share various characteristics.

- The company structure is the local equivalent of a private limited liability company (BVBA), with the exception of WDP Nederland, which has held the status of *Naamloze Vennootschap* [public limited company] since 29 October 2010.
- WDP has a 100% stake in all the subsidiaries outside Belgium, except for the WDP Development RO joint venture (51%), always apart from a single share held by De Pauw NV (owing to the prohibition of 100% shareholding).
- Subsidiaries' results are subject to local corporation tax, except WDP Nederland, which holds the status of *Fiscale Beleggingsinstelling* (fiscal investment institution), and WDP France, which has SIIC status ('Sociétés d'Investissements Immobiliers Cotées') providing exemption from corporation tax and capital gains tax. More information on the FBI and SIIC statuses is available on our website www.wdp.be.
- Net profits can be distributed to WDP, so that exemption from tax deduction at source can be claimed on the grounds of parent-subsidiary legislation. The profits of foreign subsidiaries are included in the consolidation, after deduction of depreciation on the property and deferred taxes payable on capital gains.



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In the choice of financing methods (i.e. group loans versus bank loans), the effect of this financing on the consolidated gearing of WDP (the maximal gearing that is to be respected at the consolidated level is 65%, in accordance with Article 53, paragraph 1 of the Royal Decree on Cepics. With effect from 7 January 2012, this same maximum gearing also applies at the separate level for cepics). At the consolidated level, the deferred group loans do not affect the group's gearing, whereas bank loans do.

In applying this financing strategy (in addition to the gearing), two important tax principles that vary from country to country must be taken into account:

- the rules regarding companies' thin capitalisation obligation;
- the percentage of withholding tax charged on interest for group loans paid to the country of origin.

4. Other corporate governance provisions, as published in the Corporate Governance Charter

4.1. Code of conduct regarding financial transactions

4.1.1. Compliance officer

The compliance officer is responsible for monitoring compliance with the rules of conduct regarding the financial transactions provided under the Corporate Governance Charter (i.e. the 'dealing code').

He should have a sufficient number of years' experience within the company. At WDP, the executive director Joost Uwents has been appointed as the compliance officer.

4.1.2. Rules regarding transactions involving the company's shares

The following rules apply to all the members of the Board of Directors, members of the executive management and all the members of staff of WDP Comm. VA and De Pauw NV, as well as the staff of the independent property surveyors who have access to information of which they are aware, or should be aware, that it constitutes inside information. Inside information is understood as any information not publicly disclosed that is accurate and directly or indirectly relates to one or more issuers of financial instruments or one or more financial instruments and that, if it were publicly disclosed, could significantly affect the price of those financial instruments (or that of financial instruments derived from them).

The statutory auditor is subject to the legal provisions and code of ethics of the Institute of Company Auditors.

These rules also apply to transactions completed under the company's programmes to acquire its own shares.

Duty of disclosure

Both where the management company and the directors of the management company are concerned, WDP applies the provisions of Section 25bis §2 of the Act of 2 August 2002 concerning the supervision of the financial sector and financial services (the 'Act of 2 August 2002'), relating to the reporting of the transactions made by these persons. This means that persons with management responsibilities at WDP Comm. VA (the management company and its permanent representative), along with the persons who are closely affiliated with them (in the meaning of Section 2, 23° of said Act of 2 August 2002) and the

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directors of De Pauw NV are required to report each transaction to purchase shares issued by WDP Comm. VA on their own behalf to the compliance officer (stating all information required to enable the compliance officer to report to the Banking, Finance and Insurance Commission as is legally required) in the course of the working day following the working day when the transaction was made.

The compliance officer must report each notification to the Banking, Finance and Insurance Commission as soon as possible however no later than five working days after the execution of the transaction. However, the compliance officer can postpone such notifications until 31 January of the following calendar year at the latest if the total amount of transactions made by the same person during the current calendar year remains below the EUR 5,000 limit. Should this limit be exceeded, the compliance officer shall report all transactions made by the same person so far within five working days after execution of the last transaction of said person.

This system, in which the compliance officer reports on behalf of the person concerned, does not alter the fact that, from a legal perspective, the duty of disclosure exclusively exists on account of the individual persons obliged to make a disclosure, namely the persons with management responsibilities and those closely related to them, and that they remain responsible for this.

Disclosure of inside information

The Board of Directors is required to report any inside information (or postpone the notification of such information) in accordance with the statutory provisions. All of the members of the Board of Directors, the executive management and staff who obtain potentially price-sensitive information regarding WDP are obliged to inform the compliance officer accordingly.

The directors undertake to preserve the confidential nature of inside information and to not disclose it in any form whatsoever, nor enable anyone to gain access to it without the prior consent of the Chairman of the Board of Directors and in compliance with the relevant statutory provisions.

Ban on the misuse of inside information

In this respect, WDP complies with Section 25, paragraph 1, (1) of the Act of 2 August 2002.

Ban on market manipulation

WDP complies with the provisions of Section 25, paragraph 1, (2) of the Act of 2 August 2002.

Closed periods

As from the sixteenth working day after the end of each quarter until the date of publication of the results for the past quarter (closed periods), it is forbidden to sell or purchase the company's shares or other financial instruments. The partial sale of shares with a view to financing the exercise price of options or any capital gains tax payable is also forbidden during these periods.

However, the compliance officer can authorise derogations to this principle in exceptional cases. He is also entitled to impose occasional closed periods on the basis of significant inside information known to the Board of Directors and the executive management, but of which the disclosure under Section 10 of the Act of 2 August 2002 is postponed.

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These occasional closed periods begin at the moment when the information becomes known to the Board of Directors and the executive management. They last until the moment when the information is released to the public.

The fixed and occasional closed periods apply to the members of WDP's Board of Directors, executive management and all members of staff.

Transactions prohibited at all times

Short-term speculative transactions are always prohibited. This means that short-term option transactions, known as 'short selling', and the hedging of options granted under share option schemes are not allowed.

The following transactions are always authorised, including during closed periods:

- Purchases and sales are possible even during closed periods on condition that these were ordered outside these periods (and, obviously, at a time when the person concerned did not possess any inside information). Restricted purchase and sale orders must not be altered during closed periods.
- The exercise of options granted under a share option scheme, provided that this transaction was ordered outside the closed period (and, obviously, at a time when the person concerned did not possess any inside knowledge). The sale of shares acquired through this exercise during a closed period is nevertheless prohibited.
- The acquisition of shares as part of dividend distribution (and, obviously, at a time when the person concerned did not possess any inside information).
- Transactions undertaken in the context of discretionary asset management outsourced to third parties, where the party concerned does not exercise control over the management and the choice of the financial instruments by the asset management company, with the latter preferably not consulting the parties concerned on this issue.

4.2. Relations with shareholders and the General Meeting

The company will treat all WDP shareholders that are in the same circumstances equally. Shareholders have access to the Investors section of the website, where they are provided with all the information they need to act in knowledge of the facts. They can also download from the website any documents required to take part in the voting at the Annual General Meeting. This part of the website also includes the most recent version of the Articles of Association and the Corporate Governance Charter.

In accordance with the conditions and terms stipulated in sections 6 to 13 of the Act of 2 May 2007, any natural person or legal entity that, either directly or indirectly, purchases shares carrying voting rights of the company, is obliged to inform the latter and the Banking, Finance and Insurance Commission of the number of shares in their possession if the voting rights associated with these shares reach or exceed 3% of the total of the existing voting rights. This threshold was incorporated into the Articles of Association in accordance with Section 18 of the Act of 2 May 2007, along with the legal thresholds referred to in the following paragraph.

This notification is also obligatory in the event that additional shares are acquired, either directly or indirectly, if as a result of this acquisition the number of voting rights associated with the acquired shares is equal to or exceeds 5%, 10%, 15%, 20%, or any following increment of 5 percentage points, of the total number of voting rights. This notification is also obligatory in the event that the shares with voting rights are sold, either directly or

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indirectly, if such disposal results in the voting rights falling below one of the aforementioned thresholds.

No special control rights are granted to any specific categories of shareholders. WDP currently has only one reference shareholder, which has a sole representative on the Board of Directors (see '1.2.5. Current members of the Board of Directors' on page 33).

The notice convening a General Meeting should include the agenda and the proposals for resolutions.

Once the Act concerning the exercise of specific rights of shareholders of listed companies (Bill approved by the House and Senate, for the implementation of Directive 2007/36/EC regarding the exercise of specific rights of shareholders in listed companies) the 'Act on Shareholder Rights' has entered into force, the notice will also include the following information:

- the location, date and time of the General Meeting; a clear and detailed description of the formalities that shareholders must complete in order to be admitted to the General Meeting and exercise their right to vote during this meeting, particularly the term within which shareholders must communicate their intention to attend the meeting, along with information regarding the formalities related to attendance of the General Meeting and exercising the right to vote; the deadline for registration for attendance; the procedures used for proxy voting; and any options of participation and voting remotely, to the extent that the Articles of Association provide for this option;
- the registration date and the announcement that only individuals who are shareholders on the date of the meeting are authorised to participate and vote in the General Meeting;
- the location where, and the manner in which, documents prescribed by the Companies Code can be consulted;
- the website where the following information is made available: the notice and agenda for the General Meeting; the total number of shares on the date of the notice; the documents to be submitted to the General Meeting; a proposal for resolution for each item on the Agenda of the General Meeting, or, if the item to be addressed does not require a resolution, notes from the Board of Directors; the forms to be used for proxy voting, unless these forms are sent directly to each shareholder. If these forms cannot be made available on the website for technical reasons, the company will include information on its website on how these forms can be obtained in hardcopy format.

The notices are made through an announcement in the Belgian Official Gazette and in one national newspaper at least 24 days prior to the meeting. The holders of the registered shares will receive the notices by post 15 days prior to the meeting, unless they expressly agreed in writing that the notice would be made through another channel. If a second notice is necessary because the required quorum was not met at the first meeting, the date of the second meeting was listed in the first notice and no new item was included on the agenda, then the notice for the second meeting must be made at least seventeen days prior to the meeting. The minutes of the General Meeting and the results of the votes will be published as soon as possible on WDP's website, www.wdp.be.

Once the Act on Shareholder Rights has entered into force, the notices for the General Meeting will be made through an announcement published at least thirty days prior to the meeting in (a) the Belgian Official Gazette, (b) in media of which it can reasonably be assumed that they can ensure efficient dissemination of the information among the public in the European Economic Area and that is accessible quickly and without restriction of access (to this end, WDP will include the notice on its website) and (c) in a nationally

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distributed periodical. For ordinary General Meetings being held in the city or town and at the venue, date and time specified in the deed of incorporation and with an agenda limited to discussion of the financial statements, the annual report and the statutory auditors' report, for the vote on the discharge to be granted to the directors and the statutory auditors, along with the vote on the items listed in Section 554 of the Companies Act (paragraphs 4 and 5), the company has been relieved of the obligation to publish the notice in a nationally distributed periodical. However, publication under (a) and (b) remain compulsory. If a second notice is necessary because the required quorum was not met at the first meeting, the date of the second meeting was listed in the first notice, and no new item was included on the agenda, then the notice for the second meeting must be made at least seventeen days prior to the registration date. Once the Act on Shareholders Rights has entered into effect, the notices to the holders of registered shares must be sent by post thirty days or seventeen days (for second notices), respectively, prior to the meeting, unless they have expressly agreed in writing that the notice will be made through a different channel.

The chairman presides over the Annual General Meeting. He sets aside sufficient time to answer all questions that the shareholders wish to ask about the annual financial report or items on the agenda, within the statutory parameters.

Shareholders who wish to have certain items included on the agenda of a General Meeting must submit them to the Board of Directors at least two months in advance. This period of notice is required so that the company's interests can be taken into account, legal deadlines are met for convening the Annual General Meeting and to give the Board of Directors reasonable time to examine the proposals. The Board of Directors is not obliged to accept these proposals. This does not affect the right of the shareholders representing 20% of the capital and that have requested the Board of Directors to convene the General Meeting in compliance with Section 532 of the Companies Act, in order to include items to be discussed on the agenda for this General Meeting.

From the effective date of the Shareholder Rights Act until no later than the twenty-second day prior to the date of the General Meeting, one or more shareholders that collectively own at least 3% of the authorised capital will be authorised to include items to be discussed on the agenda for the General Meeting and submit proposals regarding items included or to be included on the agenda. This does not apply if a General Meeting is convened because the quorum required for the first notice was not met.

Shareholders representing over one-fifth of the authorised capital can request that an Extraordinary General Meeting be convened.

As from the effective date of the Shareholders' Rights Act, the following provisions will also apply:

- Shareholders can only participate in Annual General Meetings and exercise their right to vote in these meetings based on the registration of the shareholders' registered shares in the accounts, on the registration date, through registration in the share register in the company's name, or through registration in the accounts of a recognised shareholder or an institution designated by the King as a central depository for financial instruments, or by submitting the bearer shares to a financial agent, irrespective of the number of shares the shareholder possesses at the General Meeting. The fourteenth day prior to the General Meeting, at twenty-four hours (24:00 a.m. CET) will be deemed to be the registration date.

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- No later than on the sixth day prior to the date of the General Meeting, shareholders, or the person they have designated for that purpose, must indicate their intention to attend the General Meeting.
- The management company will maintain a register for each shareholder that has communicated the wish to attend the General Meeting. This register will state the shareholders' name and address or registered office, the number of shares they own on the registration date and through which they have communicated their intention to attend the General Meeting, along with a description of the documents demonstrating that they were in possession of the shares on the registration date. Without prejudice to Section 549, paragraph 1 (1) of the Companies Act (concerning a public request to grant proxies), a proxy may be granted for one or more specific meetings or for the meetings held during a specific period. The proxy granted for a specific meeting applies to the successive meetings convened through the same agenda. The proxy holder possesses the same rights as the shareholder represented in this manner, specifically the right to take the floor, ask questions during the General Meeting and exercise his right to vote at this meeting.
- The shareholder of the company whose shares have been approved for trading in one of the markets specified in Section 4 of the Companies Act ('listed company') is only entitled to designate one person as a proxy holder for a specific General Meeting. In derogation thereof:
 - the shareholder will be entitled to appoint a separate proxy holder for every type of shares he possesses, as well as for each of its securities accounts if he owns shares in a company in more than one securities account;
 - an individual qualified as a shareholder who, however, acts professionally on behalf of other natural persons or legal entities, is entitled to grant a proxy to each of these other natural persons or legal entities or to a third party they have designated.
- A person acting as a proxy holder is entitled to hold a proxy of more than one shareholder. Proxy holders who have received proxies from multiple shareholders can vote differently on behalf of different shareholders.
- The designation of a proxy holder by a shareholder in a listed company must be in writing or through an electronic form, and must be signed by the shareholder, where applicable through a technologically advanced electronic signature within the meaning of Section 4 (paragraph 4) of the Act of 9 July 2001 regarding the adoption of specific rules relating to the legal framework for electronic signatures and certification services, or through an electronic signature that satisfies the conditions of Article 1322 of the Belgian Civil Code.
- The notification of the proxy to the company must be in writing, This notification can also be electronic, at the address listed in the notice.
- The company must be in receipt of the proxy no later than six days prior to the date of the meeting.
- In order to determine the rules regarding quorum and majority, the only proxies considered will be those submitted by the shareholders that have completed the formalities specified in Section 536, paragraph 2 of the Companies Act that must be complied with in order to be admitted to the meeting.
- Without prejudice to the option to depart from the instructions under specific circumstances, pursuant to Section 549, paragraph 2 of the Companies Act, the proxy holder will cast his vote in accordance with any instructions provided by the shareholder of a listed company that has designated him. The proxy holder must maintain a register of voting instructions for at least one year, and, at the request of the shareholder, must confirm that he has complied with the voting instructions.
- In the event of a potential conflict of interest between the shareholder and the proxy holder he has designated, as provided under Section 547bis, paragraph 4 of the





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Companies Act the proxy holder must disclose the exact facts that are relevant to the shareholder in order to assess whether there is a risk that the proxy holder has any interest other than that of the shareholder. Furthermore, the proxy holder will only be entitled to vote on behalf of the shareholder if he has received specific voting instructions for each item on the agenda.

4.3. Misuse of company property and corruption

WDP directors, executive management and staff are prohibited from using WDP's property or credit for private purposes, either direct or indirect. They can only do so if they have been duly authorised for this purpose.

They also undertake not to accept any benefits in the form of gifts or entertainment from customers or suppliers, except where this is compatible with customary, admissible commercial practices.

In the event of a breach of this rule, the Criminal Code will be applied.

If a director, executive manager or member of staff is unsure whether or not a specific act constitutes 'misuse of company property' or 'corruption', they must request prior authorisation from the Chairman of the Board of Directors. Such authorisation, however, can clearly not exempt them from any potential criminal liability.

4.4 Internal control and risk management systems

Control environment

■ Company organisation

WDP's internal organisation has expanded significantly in recent years through the growth of WDP. The number of employees has increased considerably, and the internal division of duties has been expanded in order to ensure a clearer separation of responsibilities.

For example, WDP is organised into various support departments. The various roles are held by the following departments: Commercial Management & Business Development, Finance, Legal, Human Resources, Facility Management and Project Management.

Notwithstanding this further professionalisation, the size of the team remains limited, as an excessively heavy structure and bureaucracy would have an undermining effect on the company. A certain flexibility, where some employees must sometimes serve as a backup for colleagues, remains vital. However, the responsibilities are clearly defined and daily meetings are held to discuss and follow up on current business.

Furthermore, in 2010 WDP also implemented a new ERP-system (Enterprise Resource Planning) by the name of SAP Real Estate. This system will allow the company to more effectively structure its business processes, as well as ensuring improved accuracy and consistency of business data. In the course of 2011, WDP's offices in France and the Netherlands will also be switching to this platform.

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■ Organisation of internal control

With regard to the organisation of internal control, the audit committee has a specific responsibility as regards WDP's internal control and risk management. The composition of the audit committee and its activities are described elsewhere in this annual report (see '1.3.2 The audit committee', on page 40).

Risk analysis and audits

The company's risk analysis processes are described in the section entitled 'Risk factors' of this annual financial report (see page 4). This section also describes the measures WDP is implementing and the strategy it pursues in order to manage and reduce the potential impact of these risks if they occur.

The audit committee and the Board of Directors regularly assess these risks and, based on these assessments, they take a number of decisions (e.g. with regard to defining an interest-rate-hedging strategy, assessing tenant risks, etc).

Financial information and communications

The process of preparing financial information is structured based on predefined responsibilities and the time schedules to be adhered to.

WDP uses a checklist containing all the tasks to be performed as part of the annual, biannual and quarterly closing of the WDP accounts (at both the separate and consolidated levels). A person responsible within the financial department and a deadline are linked to each task. Based on this checklist, all employees in the financial department know exactly what tasks are to be performed, along with the deadline for completion.

Once all accounting tasks have been completed, the person responsible in the financial department verifies the figures. This verification consists mainly of the following steps:

- an analysis of the discrepancies between the actual figures and the budgeted figures; these latter figures are drawn up once a year and are updated each quarter based on a forecast;
- an analysis of the discrepancies between actual figures and historical data;
- an ad hoc analysis of all material amounts and entries;

Once these checks have been completed, the figures are submitted to WDP's executive management and documented by agreement with the person responsible in the financial department.

Parties involved in the assessment of internal control

During the course of the financial year, the quality of the internal control is also assessed by:

- the statutory auditor: a) as part of the audit of the biannual and annual figures, and b) as part of the annual investigation of the underlying processes and procedures. In the course of 2010, the process related to the invoicing, acquisition, and administrative follow-up of the solar panels was thoroughly checked and inspected based on spot checks. Based on the recommendations of the statutory auditor, the process was adjusted where necessary.

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- The audit committee: as stated above, the audit committee has a special responsibility when it comes to WDP's internal control and risk management (see Risk factors on page 4).

The Board of Directors of the management company is responsible for ensuring that the duties of the audit committee are performed, including through reports submitted by the audit committee to the Board of Directors.

5. Statutory provisions relating to the management company and amendments to the Articles of Association

5.1. The statutory management company

Partnerships limited by shares are characterised by the fact that they are managed by a managing director who must act in the capacity of managing partner, essentially cannot be dismissed from this position, and has a right to veto any important resolutions adopted by the General Meeting.

The management company is appointed by an Extraordinary General Meeting with due regard for the requirements for amendment of the Articles of Association. The management company is free to resign at any time. However, its mandate can only be withdrawn by the decision of a court called upon for this purpose by the General Meeting of Shareholders, based on valid reasons. The management company is not authorised to vote on this resolution of the General Meeting.

The General Meeting can only deliberate and pass resolutions if the management company is in attendance. The management company must approve any amendment of the Articles of Association as well the resolutions passed by the General Meeting regarding actions affecting the company's third-party interests, such as dividend distribution and any resolution that has an impact on the company's capital.

For information regarding the Board of Directors of the management company, please refer to '1.2. The Board of Directors of the management company De Pauw NV' on page 27.

The company is represented for each act of disposition of its property in the sense of the legislation applicable to cepics by its management company, De Pauw NV, acting through two natural persons who are required to be members of its management body, with the proviso that these two natural persons, who must be members of the company's management body, in order to perform an exact and clearly described act of disposition on a clearly defined property and based on clearly defined transaction conditions, can jointly grant a written power of attorney to one or several natural persons who must not be members of the management body of the management company, provided that such individuals possess knowledge of and experience in property.

The management company's Board of Directors intends to propose to the General Meeting of 27 April 2011 that the Articles of Association be amended such that the company will be represented for any act of disposition involving property within the meaning of the applicable regulations for cepics by its statutory management company of Association, De Pauw NV. On the same date, the Articles of Association of De Pauw NV will be amended such that De Pauw will be represented for any act of disposition involving property within the meaning of the applicable regulations for cepics by its permanent representative and

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at least one director, acting collectively. The management company's Board of Directors further intends to propose to the General Meeting of 27 April 2011 that the Articles of Association be changed such that this rule does not apply if a transaction relates to a property the value of which is less than the lowest amount of 1% of the cepic's consolidated assets and EUR 2,500,000.

The management company De Pauw BV was appointed for an indefinite period. On 1 September 2002, Tony De Pauw was appointed as permanent representative of De Pauw NV as part of its mandate as statutory management company, without, however, infringing on Article 9, paragraph 2 of the Royal Decree on Cepics.

WDP's management company, De Pauw NV, complies with Section 40 of the Act of 20 July 2004 concerning specific forms of group management of investment portfolios (i.e. appropriate policy structure, appropriate administrative, accounting, financial and technical organisation, appropriate internal control and an appropriate integrity policy and risk management method).

5.2 Amendments to the Articles of Association

The Extraordinary General Meeting can only adopt a resolution on an amendment of the Articles of Association in a legally valid manner if the proposed amendments are clearly stated in the notice and if those in attendance at the meeting represent at least half of the company's authorised capital, and provided that the management company is in attendance. If this quorum for attendance is not met or if the management company is not present, then a new meeting must be convened.

The second meeting deliberates and passes resolutions in a legally valid manner, irrespective of the portion of the capital that is absent or represented and irrespective of the absence of the management company.

Amendments to the Articles of Association will only be adopted with the prior approval of the Finance, Banking and Insurance Commission and if three-quarters of the votes associated with the shares absent or shares represented were in favour of the amendment. The amendment is also subject to the consent of the management company in attendance at the meeting or represented at the meeting.

6. Movements in capital

The Board of Directors of the management company intends to propose to the General Meeting of 27 April 2011 that the Articles of Association should be amended in order to provide that a) the statutory limitations of the Royal Decree on Cepics regarding increases in capital in kind and in cash (as well as regarding mergers, demergers and similar transactions), which must be included in a company's articles of association, are included in the Articles of Association, and that b) the company should take advantage of the flexibility in terms of movements in capital (e.g. regarding the cancellation of the preferential right when transferring funds if the current shareholders are granted an irreducible allocation right in the allocation of new securities, and the optional dividend).

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7. The statutory auditor

On 25 April 2007, Deloitte Bedrijfsrevisoren, a professional partnership in the form of a CVBA, member of the Institute of Company Auditors, represented by Mr Rik Neckebroeck, with offices at Berkenlaan 8b, B-1831 Diegem, was appointed as statutory auditor of WDP Comm. VA. On 28 April 2010, the statutory auditor will be reappointed until the Annual Meeting of 2013.

The statutory auditor's mandate consists of auditing the consolidated financial statements of the WDP group and of the separate financial statements of WDP Comm. VA.

In France, Deloitte & Associés, represented by Jean-Yves Morisset, with offices at 67, rue de Luxembourg, 59777 Euralille, was appointed the auditor of the subsidiary WDP France SARL.

In the Czech Republic, Deloitte Audit sro, represented by Diana Rogerová, with offices at Karolinská 654/2, 186 00 Prague 8, was appointed auditor of the subsidiary WDP CZ sro.

The total remuneration for the mandate of the statutory auditor of WDP Comm. VA and its subsidiaries for the 2010 financial year amounted to EUR 77,920 (ex. VAT). During the 2010 financial year, no remuneration was paid for any statutory audits and other consultancy work (including due diligence work).

8. Other information pursuant to Article 34 of the Royal Decree of 14 November 2007 regarding the obligations of issuers of financial instruments that are authorised to trade in a Belgian regulation market

8.1 Capital structure

As of the date of this annual financial report, the authorised capital of WDP Comm. VA amounts to EUR 100,521,811.63, divided into 12,533,938 ordinary shares, each representing 1/12.533.938 of the capital. None of these shares entitles the holder to any special voting right or other right.

8.2 Share plan for employees

WDP currently has a share plan in place for employees – please refer to point 8.4 below.

8.3 Shareholders' agreements that could lead to transfer limitations or limitations of the exercise of voting rights

Pursuant to Section 74, paragraph 6 of the Act of 1 April 2007 relating to public takeover bids, the Jos De Pauw family group has confirmed in writing that a verbal agreement exists between them so that they can act by mutual agreement at the General Meetings and exercise their vote as a single entity. In their declaration, they also confirm the terms of this mutual agreement.

8.4 Authorisations of the management body to issue or purchase shares

The management company is authorised, for the duration of three years as from the publication of the minutes of the Extraordinary General Meeting of 31 March 2009

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(published in the Belgian Official Gazette of 23 April 2009), to account, dispose of or accept as security its own shares on behalf of the company, without any prior resolution by the General Meeting, if such acquisition or disposal is necessary in order to protect the company from any serious or imminent loss.

The management company is also authorised, for the duration of five years after the Extraordinary General Meeting of 31 March 2009, to acquire for the company's account, accept as security and resell (even outside the stock exchange) the company's own shares at a share price that may not be lower than EUR 0.01 per share (acquisition and accept as security) or 75% of the closing price on the trading day preceding the date of the transaction (reselling) and that may not exceed EUR 70.00 per share (acquisition and accept as security), or 125% of the closing price on the trading day preceding the date of the transaction (reselling) without the company being authorised to hold over 20% of the total amount of shares issued.

On 3 July 2009, WDP's management company, de Pauw NV, took advantage of this statutory authorisation and purchased 1,490 own shares on Euronext Brussels. These shares were transferred on 6 July 2009 to employees of WDP as part of an incentive programme. These shares were purchased at EUR 28.106 per share.

On 31 December 2010, WDP Comm. VA did not own any shares. The management company of De Pauw NV possessed 1,438 shares. The book value of these shares is EUR 49,098.65. These 1,438 shares are not part of the incentive programme.

9. Insurance cover

WDP and its subsidiaries are required to take out appropriate insurance for all their immovable properties. This insurance must comply with the usual market conditions. WDP has currently insured 100% of its buildings at their new value.

The premiums paid in 2010 totalled EUR 633,000 (EUR 390,000 for Belgium, EUR 24,000 for the Czech Republic, EUR 72,000 for France, EUR 123,000 for the Netherlands and EUR 54,000 for the solar panels in Belgium).

The insured value of the property portfolio (including solar panels) is EUR 693 million (EUR 417 million for Belgium, EUR 28 million for the Czech Republic, EUR 61 million for France, EUR 154 million for the Netherlands and EUR 33 million for the solar panels). The total new value of the property portfolio (including the solar panels) is therefore covered by the insurance.