

---

**BIRCHLAND B.V.**  
**€ 550,000,000 Senior Secured 4.75% Series A Bonds due 2028-03-15**  
**ISIN: CH1149139730**

---

Application has been made for the Birchland B.V. (the "**Issuer**") EUR 550,000,000 Senior Secured 4.75% Series A Bonds due 2028-03-15 (the "**Series A Bonds**") to be admitted to trading on the Vienna Stock Exchange ("**Stock Exchange**"). This document comprises the private placement memorandum (the "**Private Placement Memorandum**") for the purposes of this application and has been approved for listing on the Vienna Stock Exchange. The Series A Bonds will be issued on 24 November 2022 (the "**Closing Date**") or such later date as may be agreed by the Issuer and Stichting Patroness (the "**Trustee**", which expression shall include its successors and assignees). The primary source of funds for the payment of principal and Yield on the Series A Bonds will be the right of the Issuer to receive interest and principal repayments (in respect of the Interest Payment Date) under the intercompany loan (the "**Senior Loan Agreement**") made by the Issuer to Larmag Real Estate 7 B.V. (the "**Borrower**"). The Borrower's primary source of funds to pay interest will be its rights to receive income from the portfolio of real estate it holds and will acquire (the "**Investment Portfolio**") and ultimately from the tenants which have lease agreements in the properties (the "**Occupational Tenants**") or any other associated business performed by the Borrower as per the terms of these Private Placement Memorandum.

The Series A Bonds will be issued in dematerialised bearer form in the denomination of EUR 1000 each. Title to the Series A Bonds will be evidenced by book entries (the "**Book-Entry Interests**"). No physical document of title will be issued in respect of the Series A Bonds, save for certain circumstances.

The Series A Bonds will, upon issue, be inscribed in the books of SIX SIS AG (the "**Common Depository**") which shall credit the accounts of the Account Holders. "Account Holder" shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

Yield on the Series A Bonds is payable by reference to successive Yield periods (each a "**Bond Interest Period**"). Yield will be payable semi-annually in arrears on 15 March and 15 September of each year commencing on the Bond Interest Payment Date occurring on 15 September 2023 provided that (i) the first Bond Interest Period will commence on (and include) the Closing Date and end on (but exclude) the Bond Interest Payment Date occurring on 15 March 2023 (ii); the final Bond Interest Payment Date will occur on 15 March 2028 (the "**Final Maturity Date**"); and (iii) the final Bond Interest Period will commence on (and include) the Bond Interest Payment Date falling on 15 March 2028 and end on (but exclude) the Final Maturity Date. Interest on the Series A Bonds will accrue at an annual rate of 4.75 per cent. Payments of Yield in respect of the Series A Bonds are further described herein and, in particular, in Condition 4 (Yield) of the terms and conditions of the Series A Bonds reproduced herein in the section entitled "*Terms and Conditions of the Series A Bonds*" (the "**Conditions**").

The Series A Bonds will mature on the Final Maturity Date unless previously redeemed in accordance with the Conditions. The Series A Bonds shall be repaid in full on Final Maturity Date at a rate of 105% of the principal amount outstanding and no principal instalments shall be paid beforehand. In addition to repayment of the Series A Bonds on the Final Maturity Date, the Series A Bonds will be subject to optional redemption in whole or in part before the Final Maturity Date in certain circumstances, and subject to the conditions, described in the Conditions.

If any withholding or deduction for or on account of tax is applicable to the Series A Bonds, payments of Yield on, and principal and premium (if any) of, the Series A Bonds will be made subject to any such withholding or deduction, without the Issuer or the Borrower being obliged to pay any additional or further amounts as a consequence thereof.

The Series A Bonds will be limited recourse obligations of the Issuer only and will not be guaranteed by, or be the responsibility of, any other person or entity. It should be noted, in particular, that the Series A Bonds will not be obligations of, and will not be guaranteed by, Issuer Holdco, the Trustee, the Borrower (except for the securities provided under the Senior Loan Agreement), the Asset Manager, the Paying Agent, the Account Bank (each as defined under the section entitled "*The Parties*"). The proceeds of the issue of the Series A Bonds will be, *inter alia*, on-lent to the Borrower. The resulting indebtedness of the Borrower will be secured over all of the assets and undertaking of the Borrower as more particularly described below. The Series A Bonds will be secured over all of the assets and undertaking of the Issuer.

The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Borrower and other Parties accepts responsibility for the information concerning itself. To the best of each such party's knowledge and belief (having taken all reasonable care to ensure that such is the case) the information concerning itself in the relevant section is in accordance with the facts and does not omit anything likely to affect the import of such information. No person is or has been authorised in connection with the issue and sale of the Series A Bonds to give any information or to make any representation not contained in this document and, if given or made, such information or

representation must not be relied upon as having been authorised by or on behalf of the Issuer or the other Parties. Neither the delivery of this document nor any sale or allotment made in connection with the offering of any of the Series A Bonds shall under any circumstances constitute a representation or create any implication that there has been no change in the affairs of the Parties or in the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof.

The Series A Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws, and are subject to U.S. tax law requirements. The Series A Bonds may not be offered, sold or delivered, directly or indirectly, in the United States or to any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Series A Bonds are being offered for sale outside the United States in accordance with Regulation S under the Securities Act. See "Subscription and Sale". Other than the approval of this document as a Private Placement Memorandum by the Vienna Stock Exchange, no action has been or will be taken to permit a public offering of the Series A Bonds or the distribution of this document in any jurisdiction where action for that purpose is required. The distribution of this document and the offering of the Series A Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document (or any part hereof) comes are required by the Issuer to inform themselves about, and to observe, any such restrictions. For a further description of certain restrictions on offers and sales of Series A Bonds and distribution of this document, see "Subscription and Sale". Neither this document nor any part hereof constitutes an offer of, or an invitation by, or on behalf of, the Issuer to subscribe for or purchase any of the Series A Bonds. Neither this document, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Accordingly, the Series A Bonds may not be offered or sold, directly or indirectly, and neither this document nor any part hereof nor any other offering circular, prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published in any country or jurisdiction, except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

References in this document to "€", "Euro" or "EUR" are to the lawful currency for the time being of the European Monetary Union.

Capitalised terms used in this document, unless otherwise indicated, have the meanings set out in this document or in the applicable Transaction Document.

## Contents

<b>A.</b>	<b>TRANSACTION OVERVIEW</b>	<b>1</b>
1.	INDEBTEDNESS	1
2.	SOURCE OF FUNDS FOR PAYMENTS ON THE SERIES A BONDS	1
3.	SECURITY	1
4.	TRANSACTION DOCUMENTS	2
5.	DIAGRAMMATIC OVERVIEW OF PARTIES AND TRANSACTION	3
<b>B.</b>	<b>KEY CHARACTERISTICS OF THE BONDS</b>	<b>5</b>
<b>C.</b>	<b>THE PARTIES</b>	<b>6</b>
<b>D.</b>	<b>THE BONDS</b>	<b>8</b>
<b>E.</b>	<b>RISK FACTORS</b>	<b>11</b>
1.	RISKS RELATED TO THE SERIES A BONDS	11
2.	RISKS RELATING TO THE OCCUPATIONAL LEASES	13
3.	RISKS RELATING TO THE INVESTMENT PROPERTIES	13
4.	OTHER RISKS	16
<b>F.</b>	<b>THE INVESTMENT PORTFOLIO</b>	<b>17</b>
1.	OVERVIEW	17
2.	OCCUPATIONAL LEASES	18
3.	SECURITY	18
<b>G.</b>	<b>SUMMARY OF TRANSACTION DOCUMENTS</b>	<b>18</b>
1.	THE SENIOR LOAN AGREEMENT	18
2.	THE ACCOUNT BANK AGREEMENT & CUSTODIAN AGREEMENT	22
3.	THE CASH MANAGEMENT AGREEMENT	23
4.	THE BORROWER SECURITY DOCUMENTS	23
5.	THE ISSUER SECURITY DOCUMENTS	24
6.	THE ASSET MANAGEMENT AGREEMENT	24
<b>H.</b>	<b>SUBSTITUTION, ALTERATION AND DISPOSAL OF INVESTMENT PROPERTIES</b>	<b>26</b>
1.	PROPERTY ADVISOR	26
2.	DISPOSAL OF INVESTMENT PROPERTIES	26
3.	ALTERATIONS OF THE INVESTMENT PROPERTIES	27
4.	THE SUBSTITUTION AGREEMENT	27
<b>I.</b>	<b>RESOURCES AVAILABLE TO THE BORROWER AND THE ISSUER</b>	<b>28</b>
1.	BANK ACCOUNTS	28
2.	THE BORROWER INCOME ACCOUNT	28
3.	THE BORROWER TRANSACTION ACCOUNT	28
4.	THE INTEREST RESERVE	29
5.	THE ISSUER TRANSACTION ACCOUNT	29
6.	ELIGIBLE INVESTMENTS	29
7.	APPLICATION OF BORROWER AVAILABLE FUNDS	30
8.	APPLICATION OF FUNDS FOLLOWING BORROWER ENFORCEMENT NOTICE	32
9.	APPLICATION OF ISSUER AVAILABLE FUNDS	32
10.	APPLICATION OF FUNDS FOLLOWING BOND ACCELERATION NOTICE	33
<b>J.</b>	<b>USE OF PROCEEDS</b>	<b>34</b>
<b>K.</b>	<b>BIRCHLAND B.V. (THE ISSUER)</b>	<b>35</b>
<b>L.</b>	<b>LARMAG HOLDING B.V. (THE ISSUER HOLDCO)</b>	<b>36</b>
<b>M.</b>	<b>LARMAG REAL ESTATE 7 B.V. (THE BORROWER)</b>	<b>37</b>
<b>N.</b>	<b>LARMAG REALTY GROUP B.V. (THE BORROWER HOLDCO)</b>	<b>38</b>
<b>O.</b>	<b>LARMAG PROPERTY MANAGEMENT B.V. (THE ASSET MANAGER)</b>	<b>39</b>
<b>P.</b>	<b>STICHTING PATRONESS (THE TRUSTEE)</b>	<b>40</b>

<b>Q.</b>	<b>INVESTMENT PORTFOLIO</b>	<b>41</b>
1.	KEY PROPERTY FACTS	41
2.	INVESTMENT RATIONALE	41
3.	ASSUMPTIONS FOR FINANCIAL PROJECTIONS	41
4.	ESG	43
<b>R.</b>	<b>PROVISIONS RELATING TO BONDS WHILST IN BOOK-ENTRY FORM</b>	<b>44</b>
1.	GENERAL	44
2.	PAYMENTS ON BOND	45
3.	INFORMATION REGARDING EUROCLEAR AND CLEARSTREAM, LUXEMBOURG	45
4.	REDEMPTION	46
5.	TRANSFERS AND TRANSFER RESTRICTIONS	46
6.	ACTION IN RESPECT OF THE BOND AND BOOK-ENTRY INTERESTS	46
<b>S.</b>	<b>TERMS AND CONDITIONS OF THE BONDS</b>	<b>47</b>
1.	FORM, DENOMINATION AND TITLE	47
2.	STATUS, SECURITY AND PRIORITY	48
3.	COVENANTS	49
4.	YIELD	51
5.	REDEMPTION, PURCHASE AND CANCELLATION	52
6.	PAYMENTS	53
7.	TAXATION	54
8.	PRESCRIPTION	54
9.	BOND EVENTS OF DEFAULT	54
10.	ENFORCEMENT	55
11.	LIMITED RECOURSE	56
12.	MEETINGS OF BONDHOLDERS, MODIFICATIONS AND WAIVERS	56
13.	INDEMNIFICATION AND EXONERATION OF THE BOND TRUSTEE	57
14.	NOTICES TO THE BONDHOLDERS	58
15.	GOVERNING LAW	58
16.	FURTHER ISSUANCES	58
17.	DEFINITIONS	58
<b>T.</b>	<b>SUBSCRIPTION AND SALE</b>	<b>60</b>
<b>U.</b>	<b>GENERAL INFORMATION</b>	<b>62</b>

## A. TRANSACTION OVERVIEW

### 1. Indebtedness

Upon receipt of proceeds from the issue of the Series A Bonds the Issuer will make an advance to the Borrower in the sum of all the proceeds, maximum EURO 550,000,000, received from the issue of the Series A Bonds (the "**Loan**") pursuant to a loan agreement to be entered into by, *inter alios*, the Issuer as lender and Larmag Real Estate 7 B.V. as borrower (the "**Senior Loan Agreement**"). The Loan will be secured against the Investment Portfolio which will be contributed by the Issuer Holdco (or any of its Subsidiaries) to the Borrower and acquired by the borrower as applicable.

The Investment Portfolio has been assigned an Expected Value (as defined in the in the section of this document entitled "Investment Portfolio Summary"). For further details as to the use of proceeds, see the section of this document entitled "*Use of Proceeds*".

### 2. Source of funds for payments on the Series A Bonds

The Issuer's sources of funds for the payment of principal and Yield on the Series A Bonds will be the interest and principal repayments under the Senior Loan Agreement. The Loan from the Issuer to the Borrower will bear interest at a rate of 4.80 per cent per annum and interest will be payable semi-annually in arrears on 10 March and 10 September (each a "Loan Interest Payment Date"). There will only be re-payment of the principal in respect to the Loan on the Loan Maturity Date.

The Borrower's sources of funds for the interest payment of the Loan will be lease payments payable by the Occupational Tenants and other revenue generated by the Investment Portfolio. The source of repayment of the Loan will be the re-financing or the sale of parts or whole of the Investment Portfolio on or before the maturity date of the Loan.

All amounts payable to the Borrower directly (including but not limited to (i) sums payable under the Occupational Tenants' covenants, such as outgoings, default interest and service charges; (ii) sums in respect of value added tax ("VAT"); (iii) any other revenue generated by the Investment Portfolio and (iiii) amounts by way of indemnity by each Occupational Tenants pursuant to each lease (amounts being the "Income") will be paid into the Borrowers Accounts, pledged to the Trustee.

On each Loan Interest Payment Date amounts will be paid into the Borrower Transaction Account following a Senior Loan Agreement waterfall:

- (a) amounts standing to the credit of the Borrower Transaction Account (other than sums credited to the Borrowers Interest Reserve Ledger) will be applied in or towards satisfaction of the payment obligations of the Borrower, including obligations to make payments of principal, interest and any other amounts due in respect of the Loan into the Issuer Transaction Account; and
- (b) On each Bond Interest Payment Date amounts standing to the credit of the Issuer Transaction Account and available to the Issuer will be applied to satisfy the Issuer's payment obligations, including in respect of the principal & Yield due on the Series A Bonds and amounts due to any other Issuer Secured Creditors.

For further details, see "Resources Available to the Borrower and the Issuer".

### 3. Security

The obligations of the Borrower under the Senior Loan Agreement and the other Transaction Documents to which the Borrower is a party (the "**Borrower Transaction Documents**") will be secured in favour of the Trustee for the benefit of the Issuer (the "**Borrower Secured Creditors**") by fixed and floating security created by, and pursuant to, the Security Documents (as to which, see further "*Summary of Transaction Documents – The Security Documents*").

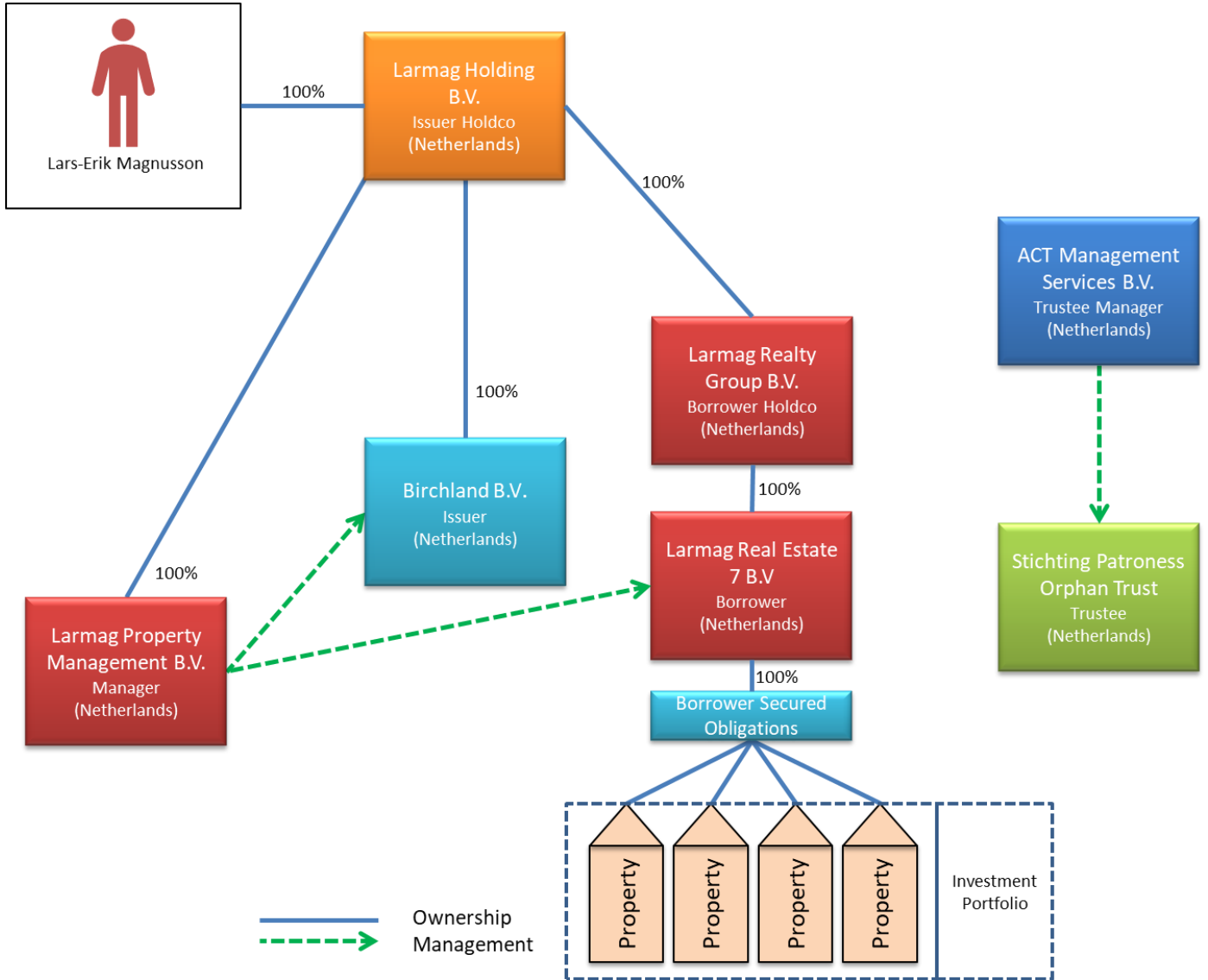
The Issuer will assign, by way of first fixed and floating security, all of its right, title, interest and benefit in, to and under the Borrower Security Documents (as defined below), the Senior Loan Agreement and the other Transaction Documents to which the Issuer is a party (the "**Issuer Transaction Documents**"), charge its rights to the Issuer Transaction Account and create fixed and floating security over all of its other assets in favour of the Trustee for the benefit of the Bondholders pursuant to the Trust Deed.

#### **4. Transaction Documents**

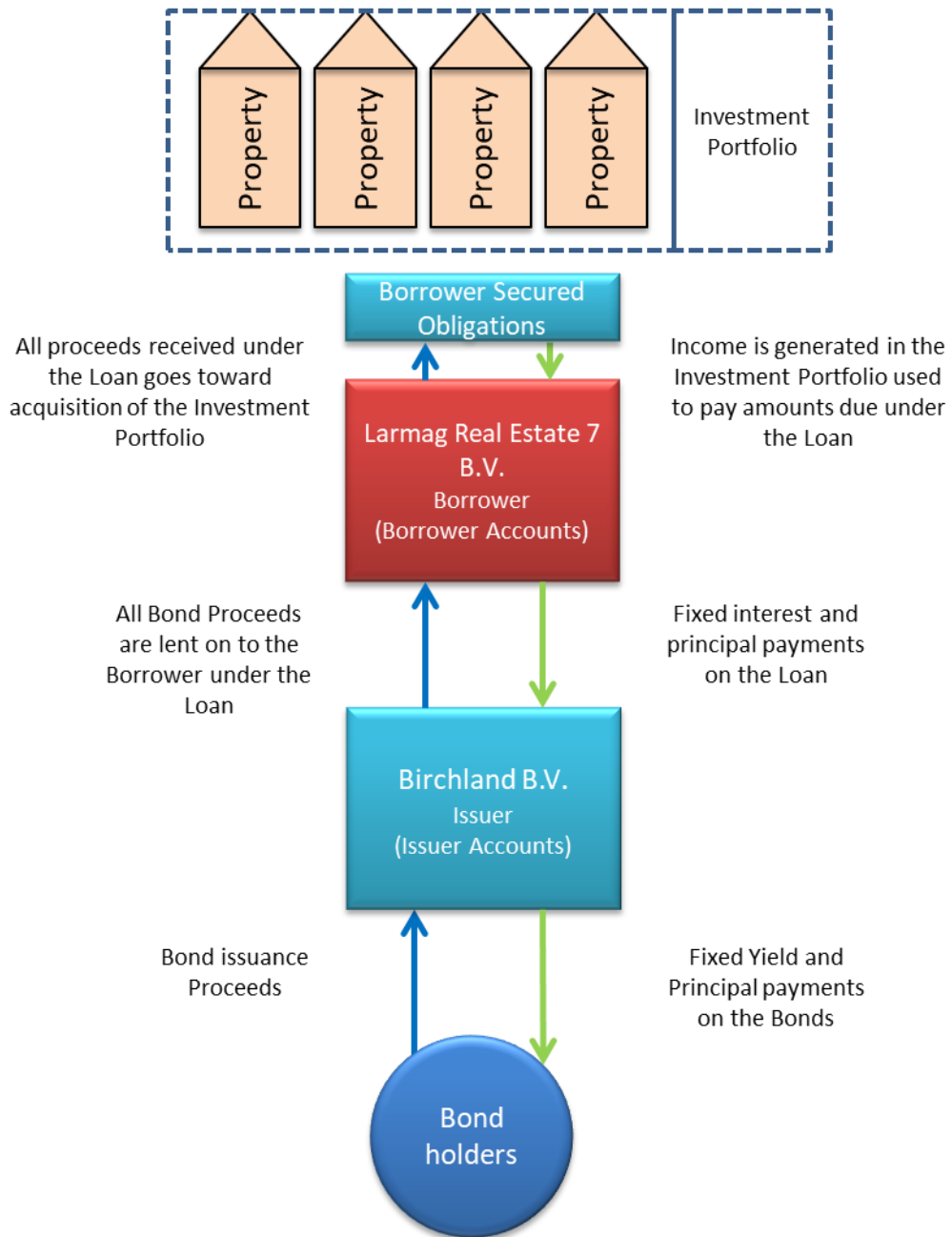
The following documents, inter alia, shall constitute "Transaction Documents" for the purposes of these Private Placement Memorandum: the Trust Deed; Asset Management Agreement; Cash Management Agreement; Senior Loan Agreement; Paying Agency Agreement; Account Bank agreement; Custodian agreement; Issuer Security Documents; Borrower Security Documents; Deed of pledge over the receivables of the Issuer and any other document designated as such by the Trustee.

## 5. Diagrammatic overview of parties and transaction

### 5.1 Ownership structure



## 5.2 Transaction structure



## B. KEY CHARACTERISTICS OF THE BONDS

The following information is a description of the principal features of the issue of the Series A Bonds. This description should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in the Private Placement Memorandum.

	<b>The Series A Bonds</b>
<b>Issuer:</b>	Birchland B.V.
<b>Principal amount:</b>	EURO 550,000,000
<b>Denomination:</b>	EURO 1000 per Bond
<b>Redemption price:</b>	105%
<b>Type:</b>	Senior Secured
<b>Interest rate:</b>	4.75% p.a.
<b>Interest accrual method:</b>	Actual/Actual (ISDA)
<b>Bond Interest Payment Dates:</b>	15 March and 15 September every year until maturity except the First Interest Payment Date
<b>Issue Date:</b>	24 November 2022
<b>Amortisation:</b>	Full principal repayment on Maturity Date, no scheduled amortization before maturity.
<b>First Bond Interest Payment Date:</b>	15 September 2023
<b>Final Maturity Date:</b>	15 March 2028
<b>Application for listing:</b>	Vienna Stock Exchange
<b>ISIN:</b>	CH1149139730

## C. THE PARTIES

<b>Issuer</b>	Birchland B.V. (the "Issuer") is a private company incorporated in the Netherlands with limited liability under registration number 84754087. The Issuer was incorporated as a private limited company on 09 December 2021 operating under the laws of the Netherlands. The Issuer has never engaged in any significant business and is a special purpose vehicle for the principal purpose of issuing the Series A Bonds and entering into the transactions and matters contemplated by these Private Placement Memorandum. All of the shares in the Issuer are held by Issuer Holdco.
<b>Issuer Holdco</b>	Larmag Holding B.V. ("Issuer Holdco") is a private company incorporated in the Netherlands with limited liability under registration number 855168262. The Issuer Holdco was incorporated as a private limited company on 08 May 2015. The Issuer Holdco was established for the purpose of financial holdings. All of the shares in the Issuer Holdco are held by Lars-Erik Magnusson, a resident of the Netherlands.
<b>Borrower Holdco</b>	Larmag Realty Group B.V. ("Borrower Holdco") is private company incorporated in the Netherlands with limited liability under registration number 63284553. The Borrower Holdco was incorporated as a private limited company on 11 May 2015. The Borrower Holdco was established for the purpose of financial holdings, management of real estate and financial investments. All of the shares in the Borrower Holdco are held by Issuer Holdco.
<b>Borrower</b>	<p>Larmag Real Estate 7 B.V. ("Borrower") incorporated in the Netherlands, under registration number 73408867. The Borrower was established on 21 December 2018 as a special purpose vehicle for the purpose of investment in and management of immovable and movable property and other assets, including securities, and renting of immovable property and other assets, either for its own account or on behalf of third parties. All of the shares in the Borrower are held by Borrower Holdco.</p> <p>The Borrower will upon receipt of the loan proceeds from the Issuer acquire the Investment Properties and as such hold the title to those assets, either directly or through Subsidiaries. The Borrower will grant a charge over, inter alia, such beneficial interests in favour of the Trustee as security for the aggregate of all present and future monies, obligations and liabilities (actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) which from time to time are or may become due, owing or payable by the Borrower to each, some or any of the Borrower Secured Creditors under the Borrower Transaction Documents (the "Borrower Secured Obligations").</p>
<b>Bond Trustee</b>	Stichting Patroness (in such capacity, the "Trustee") will be appointed pursuant to a trust deed which will be entered into on the Closing Date between the Issuer and the Bond Trustee and in relation to which the Series A Bonds will be constituted (the "Trust Deed", which expression shall include such trust deed as modified from time to time in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto). The Bond Trustee, in its capacity as trustee under the Trust Deed, will act as trustee for the Bondholders.
<b>Security Trustee</b>	Stichting Patroness (in such capacity, the "Security Trustee") will be granted security by the Issuer and Borrower under or pursuant to deeds of charge (Issuer Security Documents and Borrower Security Documents) in favour of the Security Trustee (on behalf of the Issuer Secured Creditors) (the "Deeds of Charge", which expression shall include such deed as modified from time to time in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto). The Security Trustee will hold the securities created by and pursuant to the Security Documents on behalf of itself and the other Secured Creditors.
<b>Common Depositary</b>	SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland acting as common depositary under the Paying Agency Agreement.

<b>Paying Agent</b>	ISP Securities Ltd., Bellerivestrasse 45, 8034 Zürich, Switzerland acting as paying agent under the Paying Agency Agreement.
<b>Custodian</b>	ISP Securities Ltd., Bellerivestrasse 45, 8034 Zürich, Switzerland acting as Custodian under the Custodian Agreement will maintain certain accounts on behalf of the Issuer.
<b>Account Bank</b>	Ebury Partners Belgium N.V. will maintain certain accounts on behalf of the Borrower.
<b>Registrar</b>	SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland (the "Registrar"), will be appointed to act as registrar in respect of the Series A Bonds under the Paying Agency Agreement.
<b>Cash Manager</b>	Larmag Property Management B.V. will provide cash management services for the Issuer and Borrower pursuant to the terms of an agreement to be entered into on or before the Closing Date (the "Cash Management Agreement").
<b>Trustee Corporate Service Provider</b>	ACT Management Services B.V. (the "Trustee Manager"), a professional trust and corporate manager regulated by the Dutch central bank, is providing corporate and management services for the Trustee pursuant to the terms of an agreement to be entered into on or before the Closing Date between the Trustee Manager, Issuer and Borrower (the "Trustee Corporate Services Agreement").
<b>Asset Manager</b>	Larmag Property Management B.V. (the "Asset Manager"), is a private company incorporated in the Netherlands with under registration number 855169084. The Borrower Holdco was incorporated as a private limited company on 08 May 2015. The address of the Asset Manager is De Corridor 5, 3621 ZA Breukelen, The Netherlands. The Asset Manager provides corporate, asset and other services to the Borrower under various agreements as set out in this Private Placement Memorandum.

## **D. THE BONDS**

### **General**

The Series A Bonds will be issued in accordance with the terms of the Trust Deed and will be direct, secured and limited recourse obligations of the Issuer and may be issued and delivered in tranches.

### **Status, Form and Denomination**

The Series A Bonds will, in all cases, rank pari passu amongst themselves as to payment of Yield and will, in all cases, rank pari passu amongst themselves as to the payment of principal.

The holders of the Series A Bonds will be entitled to receive payments of Yield and principal on their Series A Bonds on each Bond Interest Payment Date (or as otherwise provided for in the Conditions) but the entitlement to receive Yield and principal is subordinated to any liabilities ranking in priority to the Series A Bonds, including, inter alia, all amounts payable on the relevant Bond Interest Payment Date (or the Final Maturity Date, as the case may be) to the Bond Trustee, the Security Trustee, the Paying Agent, the Account Bank, the Custodian, the Asset Manager, and the Trustee Manager.

For a more detailed description of the priority of payments both prior and subsequent to the enforcement of security thereunder, see the section of this document entitled "Resources Available to the Borrower and the Issuer".

For further details as to Bondholder meetings, modifications, waivers and consents by the Security Trustee and the Bond Trustee, see the sections entitled "Terms and Conditions of the Series A Bonds", "Summary of Transaction Documents" and "Risk Factors".

The Bondholders may replace the Bond Trustee by resolution of the Bondholders passed as an extraordinary resolution under the terms of the Trust Deed (an "Extraordinary Resolution") (as long as there is a bond trustee in relation to the Series A Bonds after such removal).

The Series A Bonds are and will be obligations of the Issuer only. The Series A Bonds are not and will not be obligations or responsibilities of any person or entity other than the Issuer. Furthermore, the Series A Bonds are not and will not be obligations or responsibilities of, or guaranteed by, Issuer Holdco, Borrower Holdco, Borrower, any of the Obligors, the Bond Trustee, the Security Trustee, the Asset Manager, the Asset Manager, the Paying Agent, the Account Bank, the Custodian or the Trustee Corporate Services Provider.

The Series A Bonds will be in the denomination of EUR 1000 and will be represented by the Book-Entry Interests. The Book-Entry Interests will not be exchangeable for definitive Series A Bonds, save in certain limited circumstances (as to which see further "Provisions Relating to Series A Bonds whilst in Book-Entry Form").

### **Yield and principal**

Yield and principal on the Series A Bonds is payable by reference to successive Bond Interest Periods. Yield will be payable semi-annually in arrears on each Bond Interest Payment Date. The first Bond Interest Period will commence on (and include) the Closing Date and end on (but exclude) the Bond Interest Payment Date falling on 15 March 2023. Each successive Bond Interest Period will commence on (and include) a Bond Interest Payment Date and end on (but exclude) the immediately succeeding Bond Interest Payment Date.

Yield on the Series A Bonds will accrue at the rate of 4.75 per cent. Per annum.

Principal will be paid in accordance with Condition 5.2 (Redemption, Purchase and Cancellation – Scheduled mandatory redemption in part).

A failure by the Issuer to make timely payments of amounts of declared Yield and principal due under the Series A Bonds will constitute a Bond Event of Default.

The Bondholders will be entitled to receive payment of declared Yield on their respective Series A Bonds on any Bond Interest Payment Date as provided in the Conditions and provided that such entitlement is subordinated to any liabilities ranking in priority thereto in accordance with the Issuer Pre-Enforcement Priority of Payments or the Issuer Post-Enforcement Priority of Payments (see further the section of this document entitled "Resources Available to the Borrower and the Issuer").

#### **Withholding tax**

All payments of principal and Yield in respect of the Series A Bonds will be made without withholding or deduction for or on account of tax unless such withholding or deduction is required by law (whether in the Netherlands, Switzerland or elsewhere). If any such withholding or deduction is required to be made from payments due in respect of the Series A Bonds, neither the Issuer nor any Paying Agent nor any other person will be obliged to pay any additional amounts to Bondholders or, if Definitive Series A Bonds are issued, to otherwise compensate Bondholders for the reduction in the amounts they will receive as a result of such withholding or deduction. In such circumstances, the Issuer will have the option (but not the obligation) to redeem all of the Series A Bonds at their Principal Amount Outstanding, as more particularly set out in Condition 5.4 (Redemption, Purchase and Cancellation – Optional redemption due to change of tax law and illegality).

#### **Final redemption**

Unless previously redeemed in full or purchased and cancelled, the Series A Bonds will mature at their then Principal Amount Outstanding, together with declared accrued Yield (if any) thereon 15 March 2028 (the "Final Maturity Date").

#### **Optional redemption**

The Issuer may, at its option, redeem all of the Series A Bonds on any Bond Interest Payment Date at their Principal Amount Outstanding if certain circumstances arise on or after the Closing Date relating to certain changes of tax law (or the application or official interpretation thereof), as more particularly set out in Condition 5.4 (Redemption, Purchase and Cancellation – Optional redemption due to change of tax law and illegality).

#### **Security**

The Series A Bonds will be secured pursuant to the Issuer Security Documents (see "Summary of Transaction Documents – The Issuer Security Documents" for a further description of the Issuer Security). The Security Trustee and any appointee thereof (and any receiver appointed by the Security Trustee), the Bond Trustee and any appointee thereof, the Bondholders, the Account Bank, the Borrower, the Paying Agent, the Issuer/Issuer Holdco, Asset Manager and any other person acceding to the Issuer Security Documents as a secured creditor of the Issuer from time to time (the "Issuer Secured Creditors") will also have the benefit of the Issuer Security created pursuant to the Issuer Security Documents. The obligations of the Issuer in respect of the Series A Bonds and the other Issuer Secured Creditors pursuant to the Issuer Transaction

Documents will rank, and in point of security, according to the relevant Issuer Priority of Payments (as to which, see the section of this document entitled "Resources Available to the Borrower and Issuer").

Following the service of a Bond Acceleration Notice by the Bond Trustee, the Series A Bonds will become immediately due and repayable in accordance with Condition 9.2 (Bond Events of Default – Consequences of Bond Acceleration Notice).

### **Bond Events of Default**

The Bond Trustee may, and if so directed by the Bondholders in accordance with the Conditions shall, (but, in the case of the events in paragraph (b) below, only if the Bond Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interest of the Bondholders) give a Bond Acceleration Notice to the Issuer:

- a) if default is made in the payment of principal or declared Yield due in respect of the Series A Bonds and the default continues for ten Business Days; or
- b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or any Issuer Transaction Documents and generally where such failure continues for 30 days; or
- c) if the Issuer suffers certain specified insolvency events or ceases or threatens to cease its business or a substantial part thereof (as more particularly described in Condition 9.1 (Bond Events of Default – Bond Acceleration Notice)); or
- d) if a Borrower Enforcement Notice is served pursuant to the Senior Loan Agreement as further described in Condition 9.1.

### **Ratings**

The Series A Bonds may be assigned one or several credit ratings prior to or after the Issue date.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

### **Listing**

Application has been made to the Vienna Stock Exchange for the Series A Bonds to be admitted to trading.

### **Application for listing:**

Vienna Stock Exchange

### **ISIN:**

CH1149139730

### **Market Making & Liquidity**

The Issuer will retain the services of a market maker for the Series A Bonds on the stock exchanges which the Series A Bonds will be listed. The market maker will facilitate liquidity, on best effort, for trading of the bonds in the secondary market. The market maker will ensure a daily price quotation of the Series A Bonds.

## **E. RISK FACTORS**

*The following is a summary of certain aspects of the Series A Bonds about which prospective Bondholders should be aware. This summary is not intended to be exhaustive and prospective Bondholders should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### **1. Risks related to the Series A Bonds**

#### ***Limited resources***

The Series A Bonds will be limited recourse obligations of the Issuer. Further, the assets of the Issuer will themselves be limited. The Issuer is a special purpose company with no business operations other than the issue of the Series A Bonds or Further Issuances and the transactions ancillary thereto. The ability of the Issuer to meet its obligations under the Series A Bonds will be principally dependent on the receipt by it of funds from the Borrower under the Senior Loan Agreement. Other than the foregoing, prior to the enforcement of the security created pursuant to the Borrower Security Documents, the Issuer will not have any other significant funds available to it to meet its obligations under the Series A Bonds and in respect of any payment ranking in priority to, or pari passu with, the Series A Bonds.

#### ***Liability under the Series A Bonds***

The Series A Bonds will be obligations solely of the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. In particular, the Series A Bonds will not be obligations or responsibilities of, and will not be guaranteed by, Issuer Holdco, the Borrower, the Borrower Holdco, the Trustee, the Security Trustee, the Paying Agent, the Asset Manager, the Account Bank, the Trustee Manager and the Custodian. Furthermore, no person other than the Issuer will accept any liability whatsoever to Bondholders in respect of any failure by the Issuer to pay any amount due under the Series A Bonds.

#### ***Definitive Series A Bonds and denominations***

The Series A Bonds have a denomination consisting of a minimum authorised denomination of EUR 1000. If definitive Series A Bonds are issued, Bondholders should be aware that definitive Series A Bonds which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

#### ***No liquidity facility***

The Issuer does not have the benefit of a liquidity facility. Therefore, in the event that the Borrower fails to pay under the Senior Loan Agreement the Issuer may be unable to meet its payment obligations under the Series A Bonds as they fall due.

#### ***Borrower Secured Obligations enforcement***

In the event of acceleration of the Loan, recourse will be available only to the Borrower Secured Obligations. Enforcement under the Borrower Security Documents may not result in immediate realisation of the Borrower Secured Obligations and a significant delay could be experienced in recovery by the Security Trustee of, inter alia, amounts owed under the Loan. There can be no assurance that the Security Trustee would recover all amounts secured upon enforcement of the Borrower Secured Obligations and, accordingly, sufficient funds may not be realised or available to make all required payments to the Issuer under the Loan and, accordingly, the Issuer may not have sufficient funds available to make all required payments to Bondholders and other Issuer Secured Creditors.

#### ***Monitoring of compliance with representations, warranties and covenants and occurrence of Borrower Loan Event of Default or Borrower Loan Potential Event of Default***

The Senior Loan Agreement will provide that the Security Trustee will be entitled to assume, unless the Security Trustee is expressly informed otherwise by the Borrower, that no Loan Event of Default or Loan Potential Event of Default has occurred which is continuing. The Security Trustee will not itself monitor whether any such event has occurred but will (unless expressly informed to the contrary by the Borrower) rely on any certificates and information delivered under the Senior Loan Agreement to determine whether a Loan Event of Default or Loan Potential Event of Default has occurred. For further details concerning Loan Events of Default or Loan Potential Events of Default, see the section of this document entitled "Summary of Transaction Documents – The Senior Loan Agreement". None of the Bond Trustee or the Security Trustee is obliged to monitor whether a Loan Event of Default or Loan Potential Event of Default has occurred. Moreover, as the Issuer is a special purpose company, it will not, nor does it possess the resources to, actively monitor whether a Loan Event of Default or a Loan Potential Event of Default has occurred, including, for this purpose, the continued import of the representations and warranties made by the

Borrower and compliance by the Borrower with their covenants and undertakings under the Senior Loan Agreement. The Senior Loan Agreement will require the Borrower to inform the Issuer and the Security Trustee of the occurrence of any Loan Event of Default and Loan Potential Event of Default promptly upon becoming aware of the same. The occurrence of a Loan Event of Default under the Senior Loan Agreement will entitle the Security Trustee to pursue any of the courses of action available to it, as set out under the section of this document entitled "Summary of Transaction Documents – The Senior Loan Agreement".

***Absence of market and limited liquidity***

There can be no assurance that a secondary market in the Series A Bonds will develop or, if one does develop, that it will provide Bondholders with liquidity of investment or that it will continue for the life of the Series A Bonds. In addition, the market value of the Series A Bonds and thus the price at which Series A Bonds can be bought or sold in the market may fluctuate with changes in prevailing rates of interest, market perceptions of the risks associated with the Series A Bonds, supply and demand and other market conditions.

***Ratings of the Series A Bonds***

The ratings assigned to the Series A Bonds by a reputable rating agency address the likelihood of full and timely payment to the Bondholders of all payments of Yield and scheduled principal due on each Bond Interest Payment Date. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the Rating Agencies' judgement, circumstances so warrant. Rating organisations other than the Rating Agencies could seek to rate the Series A Bonds and, if such "unsolicited ratings" are lower than the comparable rating assigned to the Series A Bonds by the Rating Agencies, such "shadow ratings" could have an adverse effect on the value of the Series A Bonds. For the avoidance of doubt and unless the context otherwise requires, any references to "ratings" or "rating" in this document are to ratings assigned by the Rating Agencies only. Future events, including events affecting the Occupational Tenants and/or circumstances relating to the Investment Properties and/or the property market generally, could have an adverse impact on the ratings of the Series A Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency.

***Conflicts of interest***

The Trust Deed will require the Bond Trustee to have regard to the interests of all the Bondholders as a class (so long as any of the Series A Bonds remains outstanding) as regards all powers, trusts, authorities, duties and discretions (as to which, see "The Series A Bonds" and the Conditions). So long as any of the Series A Bonds are outstanding, the Bond Trustee shall not be bound to direct the Security Trustee to take any steps, proceedings or other actions to enforce the Security, or to direct the Security Trustee to take steps, proceedings or other actions to enforce the Borrower Secured Obligations, unless:

(a) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by them in connection therewith; and

(b) it shall have been directed or requested to do so by an Extraordinary Resolution of the holders of the Series A Bonds then outstanding or in writing by the holders of at least 51 per cent. Of the aggregate principal amount of the Series A Bonds then outstanding.

***Modification, waivers and consents***

The Bond Trustee may (in its sole discretion), without the consent of the Bondholders (other than in respect of a Basic Terms Modification), give its consent to (or direct the Security Trustee to give its consent to or direct the Security Trustee to give its consent to) any amendment to any term of any Transaction Document to which it is a party or give its consent to any event, matter or thing or authorise or waive any breach of the Conditions or the Trust Deed or the other Transaction Documents in the circumstances described in Condition 12 (Meetings of Bondholders, Modifications and Waivers).

***Interest rates***

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Series A Bonds. Fluctuations in interest rates of the currency in which the Series A Bonds are denominated and/or fluctuations in interest rates of the currency or currencies in which the underlying assets are denominated may affect the value of the Series A Bonds.

## **2. Risks relating to the Occupational Leases**

### ***Dependence on the Asset Manager***

The ability of the Borrower to make payments of interest and principal under the Loan is dependent on Principal Rent received from the Occupational Tenants. The ability of the Issuer to make payments of interest and principal under the Series A Bonds. The ability of the Borrower to make payments on the Loan is dependent on the Asset Manager and the Asset Manager to collect the lease payments and rent from the Occupational Tenants and to negotiate new leases and re-negotiate current leases when they are up for expiry.

### ***Market risks on enforcement***

In the event of enforcement of the Borrower Security Documents, it may be necessary to offer to re-let or, as appropriate, sell the relevant Investment Properties. Amounts received in respect of the Investment Properties by way of rent or sale price following a re-letting or sale could be insufficient to pay accrued interest on, and to repay principal of, the Borrower Loan in full, in which case Bondholders may ultimately suffer a loss. The rent at which any Investment Property could be re-let or the liquidation value of the Investment Properties may be adversely affected by risks generally incidental to interests in commercial property, including changes in political and economic conditions or in specific industry segments, declines in property lease or capital values, variations in supply of and demand for retail space, prevailing gilt yields and interest rates, credit spreads, declines in lease or occupancy rates, changes in governmental rules, regulations and fiscal policies, terrorism, acts of God and other factors which are beyond the control of any party to the transaction.

### ***Terms of Occupational Leases***

The obligation to make payments under an Occupational Lease in respect of a Investment Property will be an unconditional obligation on the part of the relevant Occupational Tenant. In addition, the economic liabilities arising in relation to the upkeep and operation of the relevant leased premises are borne by the Borrower, including the costs of repairing, maintaining and (subject as mentioned below) insuring the relevant premises.

## **3. Risks relating to the Investment Properties**

### ***Title***

Title to the properties within the Investment Portfolio will be investigated by the Notary at the closing of any acquisition. The Notary will then verify that the properties to be acquired are free and clear from any liens before title of any property is transferred to the Borrower.

### ***Substitutions of Investment Properties***

Under the terms of the Substitution Agreement, the Borrower will be entitled to substitute Investment Properties in certain circumstances. The risks associated with the effect of a substitution of Investment Properties on the value and Income generative capacity of all the Investment Properties are mitigated by the Substitution Criteria and conditions under the Substitution Agreement (as to which, see the section of this Prospectus entitled "Summary of Transaction Documents" and "Substitution, Alteration and Disposal of Investment Properties").

### ***Reliance on Valuation Report***

There can be no assurance that the valuations given in a valuation report for each of the properties within the Investment Portfolio will continue at a level equal to or in excess of such valuations. To the extent that the value of each of the properties within the Investment Portfolio fluctuates, there is no assurance that the aggregate of the value of the properties within the Investment Portfolio will remain at least equal to or greater than the sum of the unpaid principal and accrued interest and any other amounts due from the Borrower under the Senior Loan Agreement and the other Borrower Transaction Documents. If any Investment Property is sold following a Borrower Loan Event of Default, there is no assurance that the net proceeds of such sale will be sufficient to pay in full all or any amounts due under the Senior Loan Agreement and the other Borrower Transaction Documents.

### ***Environmental risks***

Under the Senior Loan Agreement the Borrower will represent that it is in compliance in all material respects with environmental laws and regulations applicable to it as at the upon acquisition of the Investment Portfolio and covenant to comply (or procure that the relevant Occupational Tenant complies) in all material respects with environmental laws and regulations currently applicable to it. However, a breach of environmental laws and/or regulations may occur in the future. Sanctions for alleged or actual non-

compliance with environmental laws and/or regulations and the costs of remedying any such breach and the effect of any unremedied breach could have a material adverse effect on the value of Investment Properties or their Income generating capacity.

Various environmental laws may require a current or previous owner, occupier or operator of property to remediate substances or releases at or from such property that cause or are likely to cause harm to the environment or water pollution. These owners, occupiers or operators may also be obliged to pay damages in legal proceedings for property damage, investigation and clean-up costs and liabilities to third parties in connection with such substances.

If an environmental liability arises in relation to the Investment Properties and it is not remedied, or is not capable of being remedied, this may result in the Investment Properties either being sold at a reduced sale price or becoming unsaleable.

The Borrower will warrant in the Senior Loan Agreement on the Closing Date, that it has investigated the environmental risks in respect of each of the properties within the Investment Portfolio. A breach of the environmental representation and warranty contained in the Senior Loan Agreement will constitute a Loan Event of Default, unless the underlying circumstances are remedied within any relevant rectification period and save where the breach is immaterial.

### ***Property management***

Larmag Property Management B.V., as the Asset Manager to be appointed on the Closing Date, is experienced in managing commercial property, there can be no assurance that it will continue to act as Asset Manager. Although any successor manager of a Investment Property appointed by the Borrower is required to be experienced in managing commercial premises, there may be a delay in the appointment of a successor or variation in the terms of any appointment of a successor or the appointment of any successor manager of a Investment Property may have an adverse effect on the Issuer's ability to make payments on the Series A Bonds.

### ***Dependence on the Asset Manager***

The success of the Issuer and Borrower depends in substantial part on the skill and expertise of the Asset Manager. There can be no assurance that the members of the Investment Team will continue to be available to manage the Issuer and Borrower throughout the life of the Bond. The core of the Investment Team with the Asset Manager has however more than 20 years of experience working together and a combined experience in the commercial real estate sector of over 150 years. The unavailability of members of the Investment Team could have a material adverse effect on the Borrower and the Issuer.

### ***The value of any properties that the Borrower acquired or may acquire and the Income those properties yield is subject to fluctuations in its individual property market***

The Issuer's performance is subject to, among other things, the conditions of the commercial property market in which the Borrower acquires properties, which affect both the value of any properties that the Borrower acquired or may acquire and the Income those properties yield. The value of real estate in many European countries declined sharply starting in 2007 as a result of economic recession, the credit crisis, increased unemployment rates, an overhang of excess supply, overleveraged local real estate companies and developers and the absence mainly of bank debt financing. European property values could decline further and those declines could be substantial, particularly if the economy were to suffer a further recession or the recent increase in demand for European real estate were to fade. Further declines in the performance of the European economy or the European property market could have a negative impact on consumer spending, levels of employment, lease revenues and vacancy rates and, as a result, have a material adverse effect on the Borrower's business, financial condition, results of operations and prospects. In addition to the general economic climate, the European commercial property market and prevailing lease rates and asset values may also be affected by factors such as an excess supply of properties, the availability of credit, the level of interest rates and changes in laws and governmental regulations (both domestic and international), including those governing real estate usage, zoning and taxes. In addition, lease rates may also be affected by a fall in the general demand for lease property and reductions in tenants' and potential tenants' space requirements. All of these factors are outside of the Issuer's control and may reduce the attractiveness of holding property as an asset class.

These factors could also have a material effect on the Borrower's ability to maintain the occupancy levels of the properties it acquired or may acquire through the execution of leases with new tenants and the renewal of leases with existing tenants, as well as its ability to maintain or increase rents over the longer term. In particular, non-renewal of leases or early termination by significant tenants in the Investment Portfolio (once acquired) could materially adversely affect the Borrower's net Income. If the Borrower's net Income declines, it would have less cash available to service and repay its indebtedness and the value of its properties could further decline. In addition, significant expenditures associated with a property, such

as taxes, service charges and maintenance costs, are generally not reduced in proportion to any decline in lease revenue from that property. If lease revenue from a property declines while the related costs do not decline, the Borrower's income and cash receipts could be materially adversely affected. Declines in rent and demand for space might render refurbishment and redevelopment investments unattractive. Any deterioration in the European commercial property market, for whatever reason, could result in declines in market rents received by the Borrower, in occupancy rates for the Borrower's properties, in the carrying values of the Borrower's property assets and the value at which it could dispose of such assets. Any of the above may have a material adverse effect on the Borrower's business, financial condition, results of operations and prospects.

***Competition may affect the ability of the Borrower to make appropriate investments and to secure tenants at satisfactory lease rates***

The Borrower faces competition from other property investors for the purchase of desirable properties and in seeking creditworthy tenants for acquired properties. Competitors include not only regional European investors and real estate developers with in-depth knowledge of the local markets, but also other Investment Portfolio companies, including funds that invest nationally and internationally, institutional investors and foreign investors. Competitors may have greater financial resources than the Borrower and a greater ability to borrow funds to acquire properties, and may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those the Borrower may be prepared to accept. Competition in the commercial property market may also lead to an over-supply of commercial properties through over-development or prices for existing properties being driven up through competing bids by potential purchasers. Furthermore, the number of entities and the amount of funds competing for suitable properties may increase. There can be no assurance that the Borrower has been and will be successful in identifying or acquiring suitable investment opportunities. The existence and extent of competition in the commercial property market may also have a material adverse effect on the Borrower's ability to secure tenants for properties it acquired or may acquire at satisfactory lease rates and on a timely basis and to subsequently retain such tenants. Competition may cause difficulty in achieving rents in line with the Borrower's expectations and may result in increased pressure to offer new and renewing tenants financial and other incentives. Any inability by the Borrower to compete effectively against other property investors or to effectively manage the risk related to competition may have a material adverse effect on the Borrower's business, financial condition, results of operations and prospects.

***The Borrower may be dependent on the performance of third party contractors when undertaking development, refurbishment or redevelopment of its property assets***

In circumstances where the Borrower seeks to create value by undertaking development, refurbishment or redevelopment of its property assets, it will typically be dependent on the performance of third party contractors who undertake the management or execution of such development, refurbishment or redevelopment on behalf of the Borrower. The risks of development, refurbishment or redevelopment include, but are not limited to: – failure by such third party contractors in performing their contractual obligations; – insolvency of such third party contractors; – the inability of the third party contractors to retain key members of staff; – cost overruns in relation to the services provided by the third party contractors; – delays in properties being available for occupancy; – fraud or misconduct by an officer, employee or agent of a third party contractor, which may result in losses to the Borrower and damage to the Borrower's reputation; – disputes between the Borrower and third party contractors, which may increase the Borrower's expenses and distract the Asset Manager and the Investment Team; – liability of the Borrower for the actions of the third party contractors; – inability to identify and acquire a property asset suitable for development, refurbishment or redevelopment; – inability to obtain governmental and regulatory permits on a timely basis or at all; – inability to sell the developed, redeveloped or refurbished units at prices that are favourable to the Borrower or at all; and – inability to rent the units to tenants at lease rates that are favourable to the Borrower or at all. If the Borrower's third party contractors fail to successfully perform the services for which they have been engaged, either as a result of their own fault or negligence, or due to the Borrower's failure to properly supervise any such contractors, this could have a material adverse effect on the Borrower's business, financial condition, results of operations and prospects. In addition, development, refurbishment or redevelopment projects are based on business plans devised by the Investment Manager and actual results might differ. Speculative developments may have a material adverse effect on the Borrower's business, financial condition, results of operations and prospects. There is no assurance that the Borrower will realise anticipated returns on an investment in property development, refurbishment or redevelopment. Failure to generate anticipated returns may have a material adverse effect on the Borrower's business, financial condition, results of operations and prospects.

## 4. Other risks

### ***No right to control the Issuer's operations***

The Issuer is managed exclusively by its board of directors. Holders do not make decisions with respect to the management, disposition or other realization of any investment, or any other decisions regarding the Issuer's business and affairs. Specifically, Holders do not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding investments by the Issuer. Holders should expect to rely solely on the ability of the Board, the Trustee and the Asset Manager, as applicable, with respect to the operations of the Issuer and the Borrower.

### ***Exchange rates and exchange controls***

The Issuer will pay principal and Yield on the Series A Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (1) the Investor's Currency-equivalent yield on the Series A Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Series A Bonds and (3) the Investor's Currency-equivalent market value of the Series A Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate and/or restrict the convertibility or transferability of currencies within and/or outside of a particular jurisdiction. As a result, investors may receive less Yield or principal than expected, or receive it later than expected or not at all.

### ***Legality of purchase***

The Issuer assumes no responsibility for the lawfulness of the acquisition of the Series A Bonds by a prospective purchaser of the Series A Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

### ***Independent review and advice***

Each prospective purchaser of Series A Bonds must determine, based on its own independent review and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, that its acquisition and holding of the Series A Bonds (i) is fully consistent with its (or if it is acquiring the Series A Bonds in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Series A Bonds as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Series A Bonds in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Series A Bonds. The Issuer is not acting as an investment adviser or assumes any fiduciary obligation, to any purchaser of Series A Bonds.

### ***Forward looking statements***

This Memorandum may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

### ***Impact of Covid-19***

The uncertainty of Covid-19 and its effect on the global economy has impacted the potential tenants and the customers of the tenants envisaged for the Investment Portfolio and performance and the future effects of the pandemic or other pandemics are uncertain. Covid-19 has necessitated unprecedented levels of government response to protect public health, local economies and livelihoods. The Covid-19 outbreak has impacted countries and territories at different times and magnitudes as it has developed. The varying government measures in response to the outbreak have added challenges, given the rapid pace of change and significant operational demands. The speed at which countries and territories will be able to unwind

their lockdown measures and return to pre-Covid-19 economic levels will vary based on the levels of infection and local political decisions. The risk of subsequent waves of infection remain.

Restrictions implemented by governments the world over to limit the spread of Covid-19 resulted in a sharp contraction in global economic activity in the first half of 2020. Economic activity is expected to gradually recover in the second half of 2020 and further recovered in 2021, but there is significant uncertainty associated with the pace and scale of further resumption.

The risk of renewed drops in economic activity is material, and the economic fallout from Covid-19 risks exacerbating inequality across markets that had already suffered from social unrest. This will leave the burden on governments and central banks to keep up or increase fiscal and monetary stimulus. After a sharp fall in the early phases of the spread of Covid-19, financial markets have rebounded, although they remain volatile. Depending on the degree to which global economic growth suffers permanent losses, financial asset prices may suffer a further sharp fall.

The Covid-19 outbreak has resulted in very significant movement in economic and market drivers, changes in retail and wholesale behaviours and a significant increase in government support programmes for businesses and consumers. All of these factors significantly impact the performance of financial models including retail, wholesale, IFRS 9 and capital models. This has required more on-going monitoring and more frequent testing of models used by the Asset Manager, particularly for real estate models. It has also resulted in the use of compensating controls in a consistent and explainable manner for some models, such as overlays and overrides on top of model outputs, to help protect the Issuer from unwanted risks. By their nature, such compensating controls require a significant degree of management judgement and assumptions to be applied, and there is a risk that future actual results/performance may differ from such judgements and assumptions. The performance and usage of models in the short term will continue to be impacted significantly by the consequences of Covid-19.

The Asset Manager has seen the performance of its real estate under management to remain strong throughout the whole Covid-19 pandemic period. The letting market has slowed down in some sectors and has remained strong in other. The investment market, however, has been quite active and yields on commercial real estate in Europe has remained or even been reduced below pre-pandemic levels likely driven by the low interest rates and functioning capital markets. The long-term impact on the behaviours of the tenants is not yet certain but could have an impact on the letting and re-letting assumptions made by the Asset Manager which could have impact on the Borrower's ability to meet its obligations to the Issuer. Further variants of Covid-19 could develop into being more virulent and contagious which could potentially lead to further lock-down measures in the countries where the Borrower intends to acquire real estate which in turn could have impact on the rent collected under the Occupational Leases and in turn the Borrower's ability to meet its Obligations to the Issuer which in turn could impact the Issuer's ability to meet its obligations to the Bondholders.

## **F. THE INVESTMENT PORTFOLIO**

### **1. Overview**

The Investment Portfolio will comprise only of investments located in Europe, following the Closing Date and receipt of the Loan proceeds, to be acquired by the Borrower or its Subsidiaries or contributed by the Issuer Holdco (or any of its Subsidiaries). The geographic distribution of the Investment Portfolio will be focused on densely populated areas. The Borrower will hold security in all collateral which has legal title to the properties within the Investment Portfolio. Certain part of the Investment Portfolio has been identified by the Asset Manager and is under negotiation to be acquired by the Borrower subject to finalization of the bond issue and some parts are already within ownership of the Issuer Holdco. The Investment Portfolio acquisitions are subject to final contract and some buildings or land may be substituted but will in such case be substituted by properties which follow the Acquisition Criteria.

The properties within the Investment Portfolio, together with any properties substituted pursuant to the Substitution Agreement, are referred to herein together as the "Investment Properties" and each as an

"Investment Property" except for the parts of the Investment Portfolio which are property held for development purposes which are the "Development Properties".

In this document, the term Investment Portfolio refers to any property within the Investment Portfolio following the Closing Date and any reference to Investment Property, Investment Properties or Development Properties means any property within the Investment Portfolio following the Closing Date and any other property which is substituted for such property and/or held by the Borrower from time to time as appropriate.

Please refer to the Investment Portfolio Summary in the section of this document entitled "Investment Portfolio Summary" for a description of the properties within the Investment Portfolio, its Expected Value, Market Value and projected income.

"RICS" means the Royal Institution of Chartered Surveyors.

## **2. Occupational Leases**

Some property within the Investment Portfolio will, following the Closing Date, benefit from one or several Occupational Lease (s). The Occupational Leases for each property within the Investment Portfolio will be for a term expiring on the Occupational Lease Maturity Date.

Occupational Lease means any lease, agreement for lease, license or other occupational interest subject to which the Borrower's interest in the Property is held now or in the future including any guarantee and rent deposit arrangements entered into under the terms of them.

A typical Occupational lease is for 5 years with option periods. The Occupational leases are unconditional payment obligations of the Occupational Tenants and are generally inflation secured by yearly indexations linked to general price indexation. Payments of rent are usually on a quarterly basis, any and lease agreements within the properties will be legally reviewed and checked for red flags prior to closing of the Investment Portfolio.

## **3. Security**

The Investment Portfolio will form part of the security held by the Security Trustee in respect of the Borrower Secured Obligations pursuant to the Borrower Security Documents.

For more information with respect to the values and the title to the properties within the Investment Portfolio, see the sections of this document entitled "Investment Portfolio Summary" and "Risk Factors".

## **G. Summary of transaction documents**

This paragraph is only intended to be a summary of certain provisions of the principal Transaction Documents.

### **1. The Senior Loan Agreement**

The Issuer will advance the Loan in an aggregate principal amount of up to EURO 550,000,000 to the Borrower on the Closing Date pursuant to the Senior Loan Agreement. The Loan shall be repaid by the Borrower to the Issuer in full on or before the Loan Maturity Date pursuant to the Senior Loan Agreement.

The Borrower will apply the proceeds of the Loan to (i) acquire Investment Properties and or repay any encumbrances existing over any contributed Investment Properties; (ii); make a deposit equivalent to two years of interest on any funds forwarded for the development of the Development Properties credited to the Interest Reserve Ledger; and (iii); meet certain fees and expenses associated with the transactions described in this Memorandum.

The loan is based on the Loan Market Associations agreement for Single Currency Term Facility Agreement for Real Estate Finance Multiproperty Investment Transactions.

### **1.1 Interest on the Loan**

The rate of interest on the Loan from the Issuer to the Borrower will be 4.80 per cent. per annum. Interest will be paid by the Borrower to the Issuer semi-annually in arrears on each Loan Interest Payment Date.

### **1.2 Amortization and prepayment of the Loan**

The loan shall not be amortized prior to the Loan Maturity Date and may not be prepaid, either in part or whole.

### **1.3 Borrower Facility Fees**

In consideration of the Issuer making the Loan available to the Borrower, the Borrower will pay to the Issuer on the Closing Date, an initial fee in an amount equal to all the fees, costs and expenses properly and reasonably incurred by the Issuer in connection with the making of the Loan, the issue of the Series A Bonds, preparation and execution of each Issuer Transaction Document.

### **1.4 Withholding tax on the Borrower Loan**

All payments of interest made to the Issuer on the Loan will be made free and clear of, and without withholding or deduction for, any tax unless such withholding or deduction is required by law.

### **1.5 Representations and warranties**

No independent investigation with respect to the matters warranted in the Senior Loan Agreement will be made by the Issuer, the Bond Trustee, the Security Trustee, other than searches made on the Closing Date against the Borrower, the Asset Manager, in the relevant file held by the Chamber of Commerce in respect of winding-up petitions and searches against the properties within the Investment Portfolio at the Land Registry (as applicable). Apart from such searches, in relation to such matters, the Issuer, the Bond Trustee, the Security Trustee will rely entirely on the representations and warranties to be given by the Borrower pursuant to the terms of the Senior Loan Agreement.

### **1.6 Covenants – General**

Pursuant to the terms of the Senior Loan Agreement, the Borrower will give certain covenants (which may be limited in certain circumstances by certain materiality qualifications) in favour of the Issuer and the Security Trustee, including, without limitation:

- to only engage into business as permitted under the Senior Loan Agreement;
- to comply with the terms of the landlord's obligations under the obligations under the Occupational Leases;
- to take such steps as a prudent owner would take, with a view to ensuring to keep and maintain the relevant Investment Properties in good and substantial repair and condition;
- to take such steps as a prudent owner would take, with a view to ensuring compliance in all material respects with laws and regulations relating to or affecting the Investment Properties (including in relation to environmental and planning laws and regulations);
- to maintain insurance in respect of the Investment Properties;
- to supply to the Issuer and the Security Trustee ongoing updated financial statements and certain other information it so requires;
- to notify the Issuer and the Security Trustee of any occurrence of a Loan Event of Default or a Loan Potential Event of Default;

- not to acquire any assets or businesses unless in accordance with and pursuant to the terms of the Transaction Documents or enter into any merger;
- not to assume any liability for any financial indebtedness unless such indebtedness is in accordance with the terms of the Transaction Documents and any subordinated Junior Loan Agreement; and
- not to pay any dividends to its shareholder during the time which the Bond is still outstanding

The effect of the breach of certain of the covenants described above may be subject to a rectification period and/or subject to whether the relevant breach would have or would reasonably be expected to have a Borrower Adverse Effect (as defined below).

### **1.7 Covenants – Financial**

The Borrower will maintain the following financials covenants under the Loan:

- Consolidated Indebtedness to Total Assets Adjusted not higher than 65%;
- Consolidated Coverage Ratio at least 1,6 times the Adjusted Consolidated EBITDA;

### **1.8 Covenants – Disposals**

In addition to the general covenants described above, the Borrower shall not be entitled to dispose of any assets (including any interest in an Investment Property), unless permitted to do so pursuant to the terms of the Senior Loan Agreement and the other Transaction Documents (including, in particular, the Substitution Agreement). For further details as to the circumstances where substitutions and disposals are permitted pursuant to the terms of the Borrower Transaction Documents, see the section of this document entitled "Substitution, Alteration and Disposal of Investment Properties".

### **1.9 Relationship between the Senior Loan Agreement and the Series A Bonds**

The service of a Borrower Enforcement Notice will constitute a Bond Event of Default. However, this will not necessarily result in the Series A Bonds becoming immediately due and repayable unless the Bond Trustee delivers a Bond Acceleration Notice. The service of a Bond Acceleration Notice shall be at the discretion of the Bond Trustee, or when requested or directed by the Bondholders, subject to and in accordance with Condition 9.1 (Bond Events of Default - Bond Acceleration Notice). A Borrower Loan Event of Default will also occur upon the occurrence of any Bond Event of Default which is continuing.

### **1.10 Security for providing the Senior Loan Agreement**

The obligations of the Borrower under the Senior Loan Agreement will be secured in favour of the Trustee, pursuant to the terms of the Borrower Security Documents, over the assets, property and undertakings of the Borrower (including, inter alia, the Investment Portfolio, the Borrower Accounts as further described in the section of this document entitled "The Borrower Security Documents").

### **1.11 Loan Events of Default**

The Senior Loan Agreement will contain a list of the events (the "Loan Events of Default" and each, a "Loan Event of Default") that may lead to a default and acceleration of any amounts outstanding in respect of the Loan, including:

- failure to meet the payment obligations under the Senior Loan Agreement;
- breach of the Borrowers' representations and warranties given pursuant to the Senior Loan Agreement;
- breach of the Borrowers' covenants under the Senior Loan Agreement;
- the occurrence of a Loan Event of Default which is continuing;
- the occurrence of a Borrower Insolvency Event; and
- if the Borrower fails to comply with any or all of its other obligations under any other Borrower Transaction Document.

Certain of these events are subject to a rectification period. Also, certain of these events contain a materiality test where the occurrence of an event will not necessarily lead to a Loan Event of Default unless the occurrence of such an event also would have or would reasonably be expected to have a Borrower Adverse Effect (for example, a breach of any repeating representation or warranty, the occurrence of any litigation or termination of the Management Agreement) whereas the occurrence of other events will automatically constitute a Loan Event of Default without such materiality (for example, failure to pay (subject to a grace period), occurrence of a Bond Event of Default which is continuing, a Borrower Insolvency Event).

**"Borrower Insolvency Event"** means that the Borrower:

- a) is or is deemed to be unable or admits its inability to pay its debts as they fall due or suspends making payments on any of its debts; or
- b) the commencement of negotiations with one or more creditors of the Borrower with a view to rescheduling any indebtedness of the Borrower; or
- c) any corporate action, legal proceedings or other formal procedure or step is taken in relation to:
  - i. the appointment of an Insolvency Official in relation to the Borrower or in relation to the whole or any part of the undertaking or assets of the Borrower; or
  - ii. an encumbrancer (excluding the Security Trustee) taking possession of the whole or any material part of the undertaking or assets of the Obligor and such possession not being discharged or ceasing to apply within 30 days; or
  - iii. the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of the Obligor, an insolvent reorganisation or winding-up of the Obligor, a conveyance to or assignment for the creditors of the Obligor generally or the making of an application to a court of competent jurisdiction for protection from the creditors of the Obligor generally; or
  - iv. any distress, execution, diligence, attachment or other process being levied or enforced or imposed upon or against the whole or any material part of the undertaking or assets of the Obligor (excluding by the Security Trustee or any receiver of the Obligor appointed by the Security Trustee) and the same is not discharged or does not otherwise cease to apply within 30 days; or
  - v. any procedure or step is taken, or any event occurs, analogous to those set out in – (iv) above, in any jurisdiction,

provided that a Borrower Insolvency Event shall not be considered to have occurred in relation to the Borrower where the value of the assets the Borrower is less than the amount of its liabilities, solely due to the fact that the value of the assets of the Borrower has been materially and adversely affected by a diminution in the value of the Investment Properties which is attributable to Market Conditions.

For this purpose:

**"Market Conditions"** means, in relation to one or more Investment Properties, conditions applicable generally in the market for similar properties in the same market; and

**"Insolvency Official"** means a liquidator, provisional liquidator, administrator, administrative receiver, receiver or manager or other similar officer or analogous officer.

Upon and at any time after the occurrence of a Loan Event of Default which is continuing unremedied and unwaived, the Security Trustee may serve an enforcement notice in respect of the Senior Loan Agreement (a "Borrower Enforcement Notice") on the Borrower (with a copy to the Issuer), and upon such service:

- a) all amounts outstanding under the Loan shall either become immediately due and payable or shall become payable on demand; and
- b) the security granted by the Borrower pursuant to the terms of the Security Documents shall become enforceable.

**"Junior Loan Agreement"** means any loan agreement agreed between the Issuer and Borrower which is subordinated to the Senior Loan Agreement and construed only for the purpose of securing any Further Bonds.

## 1.12 Borrower Adverse Effect

For the purposes of the Senior Loan Agreement, "Borrower Adverse Effect" means:

- a) a material and adverse effect on the ability of the Borrower to perform its payment obligations under the Borrower Transaction Documents; or
- b) a material and adverse effect on the legality, binding nature, validity or enforceability of the Security Interest under the Security Documents; or
- c) a material and adverse effect on the aggregate Vacant Possession Value of the Investment Properties at any time, taking into account the outstanding amount of the Loan; or
- d) a material and adverse effect on the legality, binding nature, validity or enforceability of the Borrower's entitlement to Income (taken as a whole),

provided that, in determining whether or not a Borrower Adverse Effect has occurred, there shall be disregarded:

- i) in respect of sub-paragraphs (b) and (d) above, the consequences of any matters of law (but not matters of fact) to the extent qualifications have been made as to such matters of law in legal opinions delivered under the Senior Loan Agreement on the Closing Date and certain other legal reservations;
- ii) in respect of all the foregoing sub-paragraphs, any consequences of an actual or a perceived diminution in the financial ability of the Occupational Tenants to pay the Income in full and on time; and
- iii) in respect of sub-paragraphs (a) and (c) above, any diminution in the aggregate Market Value of the Investment Properties which is attributable to Market Conditions.

### **1.13 Governing Law**

The Senior Loan Agreement (and any non-contractual obligations arising out of or in connection therewith) will be governed by, and will be construed in accordance with, Dutch law.

## **2. The Account Bank Agreement & Custodian Agreement**

The Issuer and the Borrower will enter into agreements (the "Account Bank Agreement" and the "Custodian Agreement") with Banks, on or about the Closing Date, pursuant to which the Issuer will open and maintain the Issuer Transaction Account with the Custodian, the Borrower will open and maintain the Borrower Accounts with the Account Bank (Including but not limited to the Borrower Income account and Borrower Transaction account). Each of the Issuer and the Borrower will pay respectively to the Account Bank and Custodian an agreed fee (inclusive of any applicable VAT). Payment of the fees due to the Account Bank by the Borrower will rank senior to payments due to the Issuer in respect of the Loan and payment of the fees due to the Custodian by the Issuer will rank senior to payments due to the Bondholders.

The Issuer may not withdraw any monies from the Issuer Transaction Account otherwise than in accordance with the provisions of, as applicable, the Issuer Security Documents, the Cash Management Agreement and the Custodian Agreement.

The Borrower may not withdraw any monies from the Borrower Accounts otherwise than in accordance with the provisions of, as applicable, the Borrower Security Documents, the Cash Management Agreement and the Account Bank Agreement.

The Borrower Accounts is subject to a first priority Security Interest created in favour of the Security Trustee pursuant to the Borrower Security Documents (as described in "The Borrower Security Documents").

The Issuer Transaction Account is subject to Security Interest created in favour of the Security Trustee pursuant to the Issuer Security Documents (as described in "The Issuer Security Documents").

The appointment of the Account Bank & Custodian may also be terminated by the Issuer (with the consent of the Security Trustee) or by the Borrower (in each case, with the consent of the Security Trustee) and by the Security Trustee following certain events including a failure by the Account Bank to perform its duties under the Account Bank Agreement and an insolvency-related event in relation to the Account Bank or Custodian (as the case may be).

The Issuer and the Borrower with the approval of the Security Trustee shall appoint a replacement Account Bank or Custodian in the event that the appointment of the Account Bank or Custodian is terminated. The termination of the appointment of the Account Bank shall not be effective until a replacement has been appointed. The Account Bank Agreement and Custodian (and any non-contractual obligations arising out of or in connection therewith) will be governed by, and will be construed in accordance with, Dutch law and Swiss Law respectively.

### **3. The Cash Management Agreement**

The Issuer and the Borrower will enter into an agreement (the "Cash Management Agreement") with the Cash Manager, on or about the Closing Date, pursuant to which the Cash Manager will be appointed, as agent of the Issuer, the Borrower and, in certain circumstances, the Security Trustee to (i) act as cash manager in respect of amounts standing to the credit of the Issuer Transaction Account from time to time; (ii) act as cash manager in respect of amounts standing to the credit of the Borrower Accounts from time to time; (iii) act as cash manager in respect of amounts standing to the credit of the Borrower Income Account from time to time; and (iv) invest monies standing to the credit from time to time of the Issuer Transaction Account, the Borrower Accounts in Eligible Investments in accordance with the directions of the relevant account holder.

Each of the Issuer and the Borrower will pay the Cash Manager an agreed fee (inclusive of any applicable VAT). Payment of the fees due to the Cash Manager by the Borrower will rank senior to payments due to the Issuer in respect of the Loan and payment of the fees due to the Cash Manager by the Issuer will rank senior to payments due to the Bondholders. The Cash Management Agreement will contain provisions, inter alia, for the transfer of amounts between, and withdrawal of funds from, the Borrower Accounts, the Borrower Income Account and the Issuer Transaction Account. Details concerning the Borrower Pre-Enforcement Priority of Payments, the Borrower Post-Enforcement Priority of Payments, the Issuer Pre-Enforcement Priority of Payments and the Issuer Post-Enforcement Priority of Payments are described further in the section entitled "Resources Available to the Borrower and the Issuer".

The appointment of the Cash Manager may be terminated by the Issuer (with the consent of the Security Trustee) or by the Borrower or by the Security Trustee following certain events including a failure by the Asset Manager to perform its duties under the Cash Management Agreement and an insolvency-related event in relation to the Cash Manager (as the case may be).

The Issuer and the Borrower with the approval of the Security Trustee shall appoint a replacement Manager in the event that the appointment of the Asset Manager is terminated. The termination of the appointment of the Cash Manager shall not be effective until a replacement has been appointed.

The Cash Management Agreement (and any non-contractual obligations arising out of or in connection therewith) will be governed by, and will be construed in accordance with, Dutch law.

### **4. The Borrower Security Documents**

The Borrower Secured Obligations will be secured, inter alia, by the assets and undertaking of the Borrower especially the Investment Properties which means any properties acquired by the Borrower.

#### **4.1 The Borrower Security Documents**

Under or pursuant to one or several deeds of pledge (*pandrecht*) or mortgage (*hypotheek*) to be entered into on or following the Closing Date (the "Borrower Security Documents"), the Borrower will create the following disclosed or undisclosed security rights (the "Borrower Security") in favour of the Security Trustee on behalf of for the Borrower Secured Creditors, over all of its present and future property, assets and undertakings, in each case to the extent legally possible (the "Borrower Charged Property"):

- i) its share capital (to be granted by the Borrower HoldCo as the Borrower's sole shareholder);
- ii) its interest in all Income;
- iii) any insurances, licences, consents and authorisations (statutory or otherwise) held by the Borrower in connection with the Investment Properties or the use of such Investment

- Properties and the right to recover and receive all compensation which may be payable in respect thereof;
- iv) its interest in the Borrower Accounts;
- v) its interest in any Eligible Investments made from time to time by or on behalf of the Borrower;
- vi) its interest in the Investment Portfolio; and
- vii) the benefit of any rights it has in any of the Borrower Transaction Documents.

The Borrower Security Documents (and any non-contractual obligations arising out of or in connection therewith) will be governed by and will be construed in accordance with the laws of the Netherlands.

## 5. The Issuer Security Documents

The Issuer Secured Obligations will be secured, inter alia, by the assets and undertaking of the Issuer.

### 5.1 The Issuer Security Documents

The Issuer and, inter alios, the Security Trustee will enter into one or more deeds of pledge (*pandrecht*) (the "Issuer Security Documents") on the Closing Date as security for the obligations of the Issuer to the Issuer Secured Creditors under the Issuer Transaction Documents to which it is a party (the "Issuer Secured Obligations").

Under or pursuant to the Issuer Security Documents, the Issuer will grant, inter alia, the following disclosed or undisclosed first priority security rights in favour of the Security Trustee on behalf of the Issuer Secured Creditors over all of its present and future property, assets and undertakings, in each case to the extent legally possible (the "Issuer Charged Property"):

- i) its share capital (to be granted by the Issuer HoldCo as the Issuers' sole shareholder)
- ii) the Issuer's rights under the Senior Loan Agreement;
- iii) the Issuer's rights under any Junior Loan Agreement;
- iv) the Issuer's rights in respect of the Issuer Transaction Account;
- v) any Eligible Investments made from time to time by or on behalf of the Issuer; and
- vi) the benefit of any rights it has in any of the Issuer Transaction Documents (other than the Trust Deed and the Issuer Security Documents).

The proceeds of enforcement of the Issuer Security will be applied in accordance with the order of application of payments specified in the Issuer Post-Enforcement Priority of Payments. The Issuer Security Documents (and any non-contractual obligations arising out of or in connection therewith) will be governed by, and will be construed in accordance with, Dutch law.

## 6. The Asset Management Agreement

On or before the Closing Date the Borrower and the Asset Manager (the "Asset Manager") will enter into the Asset Management Agreement pursuant to which the Asset Manager will be appointed in relation to the Investment Properties on the Closing Date.

Pursuant to the terms of the Asset Management Agreement, the Asset Manager will be responsible for, inter alia:

- a) the collection of Income in respect of the Investment Properties on behalf of the Borrower which will be paid directly into the Borrower Accounts;
- b) monitoring the Occupational Tenants' compliance with the covenants in the Occupational Leases;
- c) monitoring the maintenance of insurance by the Borrower;
- d) assisting in relation to alterations, substitutions and disposals of in respect of, the Investment Properties in compliance with the Substitution Agreement and the Senior Loan Agreement; and
- e) taking steps with a view to procuring that the reporting obligations of the Borrower are complied with in accordance with the Senior Loan Agreement.
- f) The appointment of the Asset Manager may be terminated by the Borrower (with the prior written consent of the Security Trustee) following a material breach of certain obligations or certain insolvency-related events concerning the Asset Manager or a Borrower Enforcement Notice being

served. However, the termination of the appointment of the Asset Manager will not be effective until a replacement has been appointed by the Borrower in accordance with the Asset Management Agreement.

The Asset Management Agreement (and any non-contractual obligations arising out of or in connection therewith) will be governed by, and will be construed in accordance with, Dutch law.

## **H. SUBSTITUTION, ALTERATION AND DISPOSAL OF INVESTMENT PROPERTIES**

As at the Closing Date the Borrower will covenant in the Senior Loan Agreement that they will not dispose of, or make Alterations to, the Investment Properties, and the Investment Properties may not be released from the Borrower Secured Obligations, other than pursuant to the Borrower Transaction Documents and, in particular, the Senior Loan Agreement and the Substitution Agreement. The principal terms of the Substitution Agreement are described below.

### **1. Property Advisor**

The Property Advisor, pursuant to the Asset Management Agreement, will carry out certain functions, including the delivery of reports and certificates regarding the value of the Investment Properties and, in particular, the delivery of reports and Expected Value regarding Alterations to and substitutions and disposals of, the Investment Properties. Larmag Property Management B.V. is expected to be appointed on or before the Closing Date as the initial Property Advisor.

Insofar as the Security Trustee is required to consent to or approve any matter relating to the substitution, disposal or Alteration of an Investment Property, it will do so, if applicable, upon receipt of one or more certificates from the Property Advisor and/or their advisors certifying that any applicable criteria or tests have been satisfied, without the Security Trustee itself making any independent enquiry or investigation into the relevant matter.

The appointment of the Property Advisor may be terminated by the Issuer (with the consent of the Security Trustee) and by the Security Trustee following a material failure by the Property Advisor to perform its duties under the Asset Management Agreement.

The Issuer with the approval of the Security Trustee shall appoint a replacement Property Advisor in the event that the appointment of the Property Advisor is terminated. The termination of the appointment of the Property Advisor shall not be effective until a replacement has been appointed.

### **2. Disposal of Investment Properties**

- A) Subject to paragraph B below and pursuant to the terms of the Senior Loan Agreement, the Borrower will covenant that they will not dispose of any Investment Property or part of any Investment Property without the consent of the Security Trustee, which consent shall be provided if the relevant Investment Property is to be substituted by another property in accordance with and pursuant to the Substitution Agreement (as to which, see the description of the principal terms of the Substitution Agreement) or a disposal due to especially favourable local market conditions for a smaller part of the Investment Portfolio (a Minor Disposal) and the proceeds to be used for Eligible Investments;

provided that:

- i) in the case of any proposed disposal of a Investment Property, two directors of the Borrower (as applicable) have certified in writing to the Issuer and the Security Trustee that such disposal is a Permitted Disposal;
- ii) in the case of any disposal that no Loan Event of Default or Loan Potential Event of Default has occurred and is continuing (and has not been waived) at the time of the relevant disposal or will occur as a result of such disposal unless the disposal will cure the Loan Potential Event of Default or, until such time as a Borrower Enforcement Notice is served, the Loan Event of Default)
- iii) in the case of a Minor Disposal, the Property Advisor has certified to the Security Trustee that the transfer or sale will not cause a reduction in the Income of more than 7,5%
- iv) the proposed disposal, in the case of a Voluntary Disposal, is, or is part of, a transaction which is on arm's length commercial terms (and, for the avoidance of doubt, a disposal to a member of the Larmag Group would not for the sole reason that it is to a member of the Larmag Group be determined not to be on such terms)
- v) in the case of any disposal the Borrower shall have procured in its own favour from the purchaser a covenant to indemnify the Borrower against any future breach of any obligation to which they will remain bound in respect of that Investment Property;

- B) No consent is needed for a disposal of a Investment Property which is by way of a permitted Security Interest.

A "Permitted Disposal" means the sale of Development Properties as per the approved business plan.

### **3. Alterations of the Investment Properties**

Pursuant to the terms of the Senior Loan Agreement the Borrower will covenant that they shall take appropriate steps with a view to ensuring that:

- a) it shall not carry out any major (as defined below) alterations, additions, improvements, extensions in or to and demolition of and the rebuilding and creation of any new buildings or structure on any Investment Property or any part of it ("Alterations"), other than in accordance what is prudent to an owner of property similar to the Investment Property in question;
- b) any Alterations which are to be considered major (such as changing the permitted use of a property or any other alterations which requires local regulatory/zoning/planning approval) to be done with the consent of the Security Trustee to ensure that any major Alteration is for the benefit of the Bondholders.
- c) conditions a & b above shall not apply to Development Properties.

### **4. The Substitution Agreement**

On or around the Closing Date the Borrower and the Security Trustee will enter into an agreement (the "Substitution Agreement") under which the conditions for substituting a Investment Property will be defined.

#### **4.1 Substitutions**

The Asset Manager may, for the purpose of improving the overall quality, of the Investment Portfolio request to substitute a Investment Property in favour of one or several identified suitable replacements. The identified properties and the certification that these identified properties (together "Incoming Property") meets the criteria for portfolio improvement (as defined below) shall be delivered to the Issuer and the Security Trustee by the Property Advisor. The Cash Manager shall also certify to the Issuer and the Security Trustee that the Borrower shall have enough cash available after the sale of the relevant Investment Property in the Borrower Transaction account to acquire the Incoming Property and that this substitution shall not affect the Borrowers obligations under the Borrower Transaction Documents in a negative way. The Issuer and the Security Trustee shall, subject to these requirements being fulfilled, accept such a substitution.

The following criteria must be satisfied for any substitution, as certified to the Issuer and the Security Trustee:

- a) Value criteria

The Market Value of the Incoming Property subject to and with the benefit of the Occupational Lease of the Incoming Property is at least within 15% of the Market Value of the properties to be substituted (the "Outgoing Property").

All valuations are to be undertaken by the Property Advisor on the basis that it owes a duty of care to the Borrower and the Security Trustee.

- b) Legal/technical and qualitative criteria

- i) The Incoming Property is a property with adequate parking and is located within the European Union.
- ii) The Issuer and the Security Trustee receive in respect of the Incoming Property (1) a certificate of title from (as applicable) the Asset Manager's solicitors disclosing no materially adverse matters, (2) a structural report disclosing no materially adverse matters, (3) an environmental report disclosing that the environmental risk is considered to be low and (4) a valuation report as to the Market Value.

c) Commercial criteria

The commercial criteria for substitution are the same as described in Section I. RESOURCES AVAILABLE TO THE BORROWER AND THE ISSUER part 6. Eligible Investments.

(Such criteria in (a) through (c) above are the "Substitution Criteria".)

If the relevant substitution would result in the aggregate principal rents of all Incoming Properties accounting for more than 20% of the aggregate initial principal rents of all of the Investment Properties or if the Substitution Criteria are not met, then the relevant substitution will require the prior written consent of the Security Trustee.

The Borrower will be responsible for all stamp duty land tax, registration and other taxes and duties which are payable in connection with a substitution. All reasonable legal and other costs and expenses incurred by the parties in connection with a substitution are also the Borrowers responsibility. A total purchase costs of up to 15% are allowed.

## **I. RESOURCES AVAILABLE TO THE BORROWER AND THE ISSUER**

The following is intended only to be a summary of certain provisions of the documents relating to the Series A Bonds and the Loan.

### **1. Bank Accounts**

The description of the operation of the Borrower Income Account and Borrower Transaction Account in this section will only apply prior to the enforcement of the Borrower Secured Obligations. Following the enforcement of the Borrower Secured Obligations, the Borrower Income Account and Borrower Transaction Account will operate in accordance with the instructions of the Security Trustee or, as the case may be, any receiver appointed under the relevant Borrower Security Document.

The description of the operation of the Issuer Transaction Account in this section will only apply prior to the enforcement of the Issuer Security. Following the enforcement of the Issuer Security, the Issuer Transaction Account will operate in accordance with the instructions of the Security Trustee or, as the case may be any receiver appointed under the Issuer Security Documents.

### **2. The Borrower Income Account**

Following the Closing Date, the Borrower will have directed the Occupational Tenants or any other source of Income (in respect of the Investment Portfolio) to be paid into the Borrower Income Account. Pursuant to the terms of the Senior Loan Agreement and the Cash Management Agreement, the Borrower will covenant that they will ensure that, for so long as the Loan remains outstanding, that all Income payable in respect of the Investment Properties into the Borrower Income Account. Pursuant to the Cash Management Agreement all monies standing to the credit of the Borrower Income Account on each Calculation Date will be transferred to the Borrower Transaction Account on the immediately following Loan Interest Payment Date.

### **3. The Borrower Transaction Account**

On or before the Closing Date, pursuant to the Account Bank Agreement the Borrower shall establish and maintain an account with the Account Bank into which any part of the proceeds of the Loan will be paid on and to which amounts will be transferred from the Borrower Income Account on each Loan Interest Payment Date (the "Borrower Transaction Account"). Pursuant to the Cash management Agreement, monies standing to the credit of the Borrower Transaction Account (other than sums credited to the Interest Reserve Ledger) may not be used for any purpose other than:

- a) paying certain expenses of the Borrower relating to the placement of the Series A Bonds (including any Initial Borrower Facility Fee);

- b) acquire the Investment Portfolio and or repay any encumbrances existing over any contributed Investment Portfolio;
- c) making Eligible Investments; and
- d) making payments due (or to be provided for) on each Loan Interest Payment Date in accordance with the Cash Management Agreement and the Borrower Security Documents (as applicable).

#### **4. The Interest Reserve**

Pursuant to the Cash Management Agreement, on the Closing Date, the Cash Manager shall create a ledger (the "Interest Reserve Ledger") on which it will record amounts held as a reserve in the Borrower Transaction Account in order to enable it to meet interest payments on any debt forwarded for the purpose of the Development Properties. The Borrower will credit at least two years' worth of interest for any Loan balances, as an amount held back, from the any loan proceeds applied toward the Development Properties.

#### **5. The Issuer Transaction Account**

Pursuant to the Custody Agreement, the Issuer shall establish an account in its name with the issuers Custodian (the "Issuer Transaction Account"). Pursuant to the Cash Management Agreement, monies standing to the credit of the Issuer Transaction Account may not be used for any purpose other than:

- a) making payments to the Borrower under the Senior Loan agreement and any Junior Loan agreement;
- b) making Issuer Eligible Investments; and
- c) making payments due following Bond Interest Payment Date and Final Maturity Date in accordance with the Cash Management Agreement and the Issuer Security Documents (as applicable).

#### **6. Eligible Investments**

Pursuant to the Cash Management Agreement, amounts held in the Issuer Transaction Account may be invested from time to time in Issuer Eligible Investments by the Cash Manager on a non-discretionary basis (without any liability on the Cash Manager's part) at the direction of the Asset Manager (in the case of the Issuer Transaction Account).

"Issuer Eligible Investments" mean (a) Euro gilt edged securities; and (b) Euro deposits, provided that in all cases (i) such investments mature on or before the next Calculation Date;

Pursuant to the Cash Management Agreement and the Asset Management Agreement amounts held in the Borrower Transaction Account may be invested from time to time in Eligible Investments by the Cash Manager by instruction of the Asset Manager on a non-discretionary basis (without any liability on the Cash Manager's part) of behalf of the Borrower.

"Eligible Investments" mean (a) Euro gilt edged securities; and (b) Euro deposits (c) Additional Property (d) Other Financial Investments, provided that in case a-b such investments mature on or before the next Calculation Date;

"Additional Property" mean a property that meets the Acquisition Criteria (as defined below) and a certificate shall be delivered to the Issuer and the Security Trustee by the Property Advisor that the Additional Property meet these criteria. The Cash Manager shall also certify to the Issuer and the Security Trustee that the Borrower shall have enough cash available after the acquisition of the Additional Property in the Borrower Transaction account to acquire the Additional Property and that this acquisition shall not affect the Borrowers obligations under the Borrower Transaction Documents in a negative way. The Issuer and the Security Trustee shall, subject to these requirements being fulfilled, accept the investment in Additional Property.

The following criteria must be satisfied for any acquisition of Additional Property, as certified to the Issuer and the Security Trustee:

- a) Commercial Criteria

Location	Within the European union	Type	Commercial, residential and hospitality properties and development properties of the same type
Tenancy	Multi-tenant properties or single tenant properties	WALT (commercial)	Approx. 3 years or greater
Type of tenants (commercial)	Private companies, public companies and government organizations.		

An exception from the Commercial Criteria may be granted for an Additional Property which at the time of acquisition is without a tenant but shows very good probability of being let to a new tenant within the near future post acquisition. Should the Additional Property fall under this exception this has to be certified by the Property Advisor and the Asset Manager in writing to the Security Trustee, the Borrower and the Issuer.

"WALT" means the product sum between the remaining lease term until the earlier of a break option date or a lease expiry date multiplied with the Income divided by the total Income.

b) Legal/technical and qualitative criteria

- i) The Incoming Property is a property located within the European union.
- ii) The Issuer and the Security Trustee receive in respect of the Incoming Property (1) a certificate of title from (as applicable) the Asset Manager's solicitors disclosing no materially adverse matters, (2) a structural report disclosing no materially adverse matters, (3) an environmental report disclosing that the environmental risk is considered to be low and (4) a report as to the Market Value.

(Such criteria in (a) and (b) above are the "Acquisition Criteria".)

Total purchase costs (this includes transfer tax, notary fees, broker fees etc.) of up to 15% are allowed additional to the purchase price for the acquisition of Additional Property.

"Other Financial Investments" means a real estate related financial investment (such as loans, shares or preferred shares) with an annual yield of at least 7%. The Borrower may not at any time have more than 20% of the Total Assets Adjusted invested into Other Financial Investments. A certificate shall be delivered to the Issuer and the Security Trustee by the Asset Manager that the Other Financial Investments meet these criteria. The Cash Manager shall also certify to the Issuer and the Security Trustee that the Borrower shall have enough cash available after the acquisition of the Other Financial Investments in the Borrower Transaction account to acquire the Other Financial Investments and that this acquisition shall not affect the Borrowers obligations under the Borrower Transaction Documents in a negative way. The Issuer and the Security Trustee shall, subject to these requirements being fulfilled, accept the investment in Other Financial Investments.

## 7. Application of Borrower Available Funds

Borrower Available Funds together with any amount debited to the Interest Reserve Ledger, shall be applied in the following order of priority (the "Borrower Pre-Enforcement Priority of Payments"), in each case, only if and to the extent that the payments and provisions of a higher priority have been made in full:

- a) first, in or towards satisfaction of any fees and other remuneration, costs, expenses and any other amounts payable by the Borrower to the Security Trustee and its appointees (if any) under the provisions of the Security Documents on that Loan Interest Payment Date;
- b) second in or towards satisfaction of any amount payable by the Borrower to the Issuer by way of Ongoing Borrower Facility Fee under the Senior Loan Agreement in respect of the amount payable by the Issuer pursuant to items (a) and (b) of the Issuer Pre-Enforcement Priority of Payments or, as the case may be, item (a) of the Issuer Post-Enforcement Priority of Payments on the immediately following Bond Interest Payment Date;
- c) third, in or towards satisfaction of any operating expenses incurred by the Borrower due by the Borrower on such Loan Interest Payment Date or certified by the Asset Manager to the Cash Manager to fall payable by the Borrower during the following Loan Interest Period (other than as provided elsewhere in this priority of payments);

- d) fourth, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of:
  - i) the fees and other amounts payable by the Borrower to the Asset Manager and Trustee Manager pursuant to the relevant agreements on that Loan Interest Payment Date;
  - ii) any amount payable by the Borrower to the Property Advisor in respect of the fees and other amounts payable to the Property Advisor pursuant to the Property Advisor Agreement on that Loan Interest Payment Date;
  - iii) any amount payable by the Borrower in respect of the fees and other amounts payable to the Account Bank pursuant to the Account Bank Agreement on that Loan Interest Payment Date; and
  - iv) any amount payable by the Borrower in respect of the fees and other amounts payable to the Cash Manager pursuant to the Cash Management Agreement on that Loan Interest Payment Date;
- i) in or towards satisfaction, pro rata and pari passu according to the respective amounts due to the Issuer in respect of the Senior Loan Agreement on that Loan Interest Payment Date;
- ii) in or towards satisfaction of amounts due in respect of any principal payable to the Issuer in respect of the Senior Loan Agreement on that Loan Interest Payment Date;
- iii) in or towards satisfaction, pro rata and pari passu according to the respective amounts due to the Issuer in respect of the Junior Loan Agreement on that Loan Interest Payment Date;
- iv) in or towards satisfaction of amounts due in respect of any principal payable to the Issuer in respect of the Junior Loan Agreement on that Loan Interest Payment Date;
- e) fifth, in or towards satisfaction of any Substitution;
- f) sixth, in or towards satisfaction of any Eligible Investment; and
- g) seventh, to be credited to the General Ledger, as defined in the Senior Loan Agreement, of the Borrower Income Account;

"Borrower Available Funds" means, in respect of any Loan Interest Payment Date, the aggregate of:

- a) the Income received by the Borrower during the immediately preceding Calculation Period which is to be transferred from the Borrower Income Account to the Borrower Transaction Account on such Loan Interest Payment Date;
- b) any net proceeds in respect of a disposal of an Investment Property not required to be credited to the Borrower Transaction Account during the immediately preceding Calculation Period;
- c) any insurance proceeds available on such Loan Interest Payment Date;
- d) any interest received by the Borrower on the Borrower Accounts and the Borrower Income Account and credited or transferred to the Borrower Transaction Account during the immediately preceding Calculation Period;
- e) any earnings and proceeds from the Borrower making Eligible Investments and credited or transferred to the Borrower Transaction Account during the immediately preceding Calculation Period; and
- f) any other sums standing to the credit of the Borrower Transaction Account (other than sums credited to the Interest Reserve Ledger) on the Business Day immediately preceding the immediately preceding Calculation Date.

"Calculation Period" means each period from (and including) a Calculation Date (or, in the case of the first Calculation Period, the Closing Date) to (but excluding) the immediately following Calculation Date (or, in the case of the first Calculation Period, the first Calculation Date).

"Calculation Date" means the day ending 5 days before any Loan Interest Payment Date.

"Loan Interest Period" means the period from (and including) the Closing Date to (but excluding) the first Loan Interest Payment Date and each successive period from (and including) a Loan Interest Payment Date to (but excluding) the next succeeding Loan Interest Payment Date.

All moneys standing to the credit of the Borrower Accounts and the Borrower Income Account or received by the Security Trustee upon enforcement of the Borrower Secured Obligations following a Borrower Enforcement Notice will be applied in accordance with the Borrower Post-Enforcement Priority of Payments.

## **8. Application of funds following Borrower Enforcement Notice**

Following service of a Borrower Enforcement Notice, all moneys standing to the credit of the Borrower Accounts and the Borrower Income Account or received by the Security Trustee upon enforcement of the Borrower Secured Obligations will be applied in the following order of priority (the "Borrower Post-Enforcement Priority of Payments" and, together with the Borrower Pre-Enforcement Priority of Payments the "Borrower Priorities of Payments" and each, a "Borrower Priority of Payments"), in each case, only if and to the extent that payments and provisions of a higher priority have been made in full:

- a) first, in or towards satisfaction of any fees and other remuneration, costs, expenses and any other amounts payable by the Borrower to the Borrower Security Trustee and any receiver appointed by the Borrower Security Trustee and the appointees (if any) of the Borrower Security Trustee under the provisions of the Borrower Security Documents;
- b) second, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of:
  - (i) any amount payable by the Borrower in respect of the fees and other amounts payable to the Account Bank pursuant to the Account Bank Agreement;
  - (ii) any amount payable by the Borrower in respect of the fees and other amounts payable to the Cash Manager pursuant to the Cash Management Agreement;
  - (iii) any amount payable by the Borrower to the Trustee Manager pursuant to the relevant agreements;
  - (iv) any amounts due in respect of any ground rent of any Investment Property; and
  - (v) any amounts payable by the Borrower in respect of operating expenses incurred by the Borrower (other than as provided elsewhere in this priority of payments);
- c) third, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of all interest payable to the Issuer in respect of the Loan;
- d) fourth, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of all principal payable to the Issuer in respect of the Loan;
- e) fifth, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of all interest payable to the Issuer in respect of any Junior Loan;
- f) sixth, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of all principal payable to the Issuer in respect of any Junior Loan; and
- g) seventh, in or towards satisfaction of any amounts payable by the Borrower to the Asset Manager in respect of the fees and other amounts due to the Asset Manager pursuant to the Asset Management Agreement;

## **9. Application of Issuer Available Funds**

Prior to service of a Bond Acceleration Notice, (A) on each Loan Interest Payment Date, all Issuer Available Funds (as defined below) will be applied for the remaining items payable on the immediately following Bond Interest Payment Date in the following order of priority (the "Issuer Pre-Enforcement Priority of Payments"), in each case, only if and to the extent that the payments and provisions of a higher priority have been made in full and (B) on the immediately following Bond Interest Payment Date, in satisfaction of such items provided for on that Loan Interest Payment Date in the same order of priority, in each case, only if and to the extent that the payments of a higher priority have been made in full:

- a) first, in or towards satisfaction of amounts due in respect of the fees and other remuneration, costs, expenses and any other amounts payable by the Issuer to the Bond Trustee, the Security Trustee and their appointees (if any) under the provisions of the Trust Deed and the Issuer Security Documents (respectively) on that Bond Interest Payment Date;
- b) second, in or towards satisfaction of any amounts payable by the Issuer in the following Bond Interest Period in respect of operating expenses incurred by the Issuer (other than as provided elsewhere in this priority of payments) on or following the Closing Date, including any amounts payable by the Issuer in respect of the establishment, maintenance and good standing of the Issuer;
- c) third, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of:

- (i) any amount payable by the Issuer in respect of the fees and other amounts payable to the Corporate Services Provider pursuant to the Corporate Services Agreement on that Bond Interest Payment Date;
  - (ii) any amount payable by the Issuer in respect of the fees and other amounts payable to the Paying Agent under the Paying Agency Agreement on that Bond Interest Payment Date;
  - (iii) any amount payable by the Issuer in respect of the Issuer's share of the fees and other amounts payable to the Custodian pursuant to the Custodian Agreement on that Bond Interest Payment Date; and
  - (iv) any amount payable by the Issuer in respect of the Issuer's share of the fees and other amounts payable to the Cash Manager pursuant to the Cash Management Agreement on that Bond Interest Payment Date; and
- d) fourth, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of all interest, all principal and any premium payable in respect of the Series A Bonds on that Bond Interest Payment Date;
  - e) fifth, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of all interest, all principal and any premium payable in respect of any Further Bonds that Bond Interest Payment Date;

"Issuer Available Funds" means, in respect of any Loan Interest Payment Date and the immediately following Bond Interest Payment Date, the aggregate of:

- a) all interest, principal and other amounts payable to the Issuer in respect of the Senior Loan Agreement and any Junior Loan Agreement on such Loan Interest Payment Date;
- b) interest received by the Issuer on the Issuer Transaction Account during the immediately preceding Calculation Period;
- c) the earnings and proceeds from the Issuer making any Eligible Investments during the immediately preceding Calculation Period; and
- d) any other amount standing to the credit of the Issuer Transaction Account;

## **10. Application of funds following Bond Acceleration Notice**

Following service of a Bond Acceleration Notice, all moneys standing to the credit of the Issuer Transaction Account or received by the Security Trustee upon enforcement of the Issuer Security will be applied in the following order of priority (the "Issuer Post-Enforcement Priority of Payments" and, together with the Issuer Pre-Enforcement Priority of Payments, the "Issuer Priorities of Payments" and each, an "Issuer Priority of Payments"), in each case, only if and to the extent that payments and provisions of a higher priority have been made:

- a) first, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of the fees and other remuneration, costs, expenses and any other amounts payable by the Issuer to the Bond Trustee, the Security Trustee, any receiver appointed by the Bond Trustee and the appointees (if any) of the Trustee and the Security Trustee (respectively) under the provisions of the Trust Deed and the Issuer Security Documents;
- b) second, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of:
  - (i) any amount payable by the Issuer in respect of the fees and other amounts payable to the Trustee Corporate Services Provider pursuant to the Trustee Corporate Services Agreement;
  - (ii) any amount payable by the Issuer in respect of the fees and other amounts payable to the Paying Agent under the Paying Agency Agreement;
  - (iii) any amount payable by the Issuer in respect of the Issuer's share of the fees and other amounts payable to the Custodian pursuant to the Custodian Agreement; and
  - (iv) any amount payable by the Issuer in respect of the Issuer's share of the fees and other amounts payable to the Cash Manager pursuant to the Cash Management Agreement;
- c) third, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of all Yield, all principal and any premium payable in respect of the Series A Bonds;
- d) fourth, in or towards satisfaction, pro rata and pari passu according to the respective amounts due in respect of all Yield, all principal and any premium payable in respect of any Further Bonds;
- e) fifth, the surplus (if any) to the Issuer or any other persons entitled thereto (out of which the Issuer will discharge any liability to Dutch corporation tax).

## **J. USE OF PROCEEDS**

On the Closing Date or any subsequent Closing Date, the Issuer will, subject to and in accordance with the Senior Loan Agreement, as described in the section entitled "Summary of Transaction Documents – The Borrower Senior Loan Agreement, apply all the proceeds from the issue of the Series A Bonds in the manner described in "Transaction Overview".

## **K. BIRCHLAND B.V. (The Issuer)**

### ***Introduction***

Birchland B.V. (the "Issuer") is a private company incorporated in the Netherlands with limited liability under registration number 84754087. The Issuer was incorporated on 09 December 2021 operating under the laws of the Netherlands. The address of the Issuer is De Corridor 5, 3621 ZA Breukelen, The Netherlands. The telephone number of the Issuer's registered office is + 31 203 547 324. The website of the issuer is: <http://www.birchland.nl>. The authorized share capital of the Issuer is €100 divided into 100 ordinary shares of €1 each of which €100 are issued and paid up of which all are held by the Issuer Holdco. The Issuer has no subsidiaries.

### ***Principal Activities***

The principal business of the Issuer is to raise or borrow money and to grant security over its assets for such purposes and to lend money with or without security. Since its incorporation, the Issuer has not engaged in any significant activities other than those incidental to its incorporation and registration and the authorisation of the issue of the Series A Bonds and of the other documents and matters referred to or contemplated in this document and matters which are incidental or ancillary to the foregoing.

The Issuer will covenant to observe certain restrictions on its activities which are detailed in Condition 3 (Covenants). The issuers financial year end date will be on the 31<sup>st</sup> of December of each year.

### ***Directors***

<b>Name</b>	<b>Role</b>	<b>Business Address</b>	<b>Other principal activities</b>
Lars-Erik Magnusson	Director	De Corridor 5, 3621 ZA Breukelen, The Netherlands	100% shareholder of the Issuer Holdco and CEO and Chairman of the Larmag Group.

The Issuer has no employees.

## **L. LARMAG HOLDING B.V. (The Issuer Holdco)**

### ***Introduction***

Larmag Holding B.V. ("Issuer Holdco") is a private company incorporated in the Netherlands with limited liability under registration number 855168262. The Issuer Holdco was incorporated as a private limited company on 08 May 2015. The address of the Issuer Holdco is De Corridor 5, 3621 ZA Breukelen, The Netherlands. The Issuer Holdco was established for the purpose of financial holdings.

### ***Principal Activities***

The business of Issuer Holdco is to hold the share capital of the Issuer and other financial holding activities.

### ***Ownership***

100% of the shares in the Issuer Holdco are held by Lars-Erik Magnusson.

### ***Directors***

<b>Name</b>	<b>Role</b>	<b>Business Address</b>	<b>Other principal activities</b>
Lars-Erik Magnusson	Director	De Corridor 5, 3621 ZA Breukelen, The Netherlands	CEO and Chairman of the Larmag Group.

The Issuer Holdco has no employees.

## **M. LARMAG REAL ESTATE 7 B.V. (The Borrower)**

### ***Introduction***

Larmag Real Estate 7 B.V. ("Borrower") is a private company incorporated in the Netherlands with limited liability under registration number 73408867. The Borrower was incorporated as a private limited company incorporated 2 July 2015 and operating under the laws of the Netherlands. The address of the Borrower is De Corridor 5, 3621 ZA Breukelen, The Netherlands. The share capital of the Borrower is €1 divided into 1 ordinary shares of €1 each of which all are issued and paid up of which all are held by the Borrower Holdco. The Borrower has no subsidiaries.

### ***Principal Activities***

The business of the Borrower is to acquire and hold the Investment Portfolio as an investment pursuant to the Senior Loan Agreement. The Borrower will hold legal title to the Investment Portfolio which will be secured to the Bondholders according to this Private Placement Memorandum.

### ***Management***

The Borrower has appointed Larmag Property Management B.V. as the Asset Manager to operate the Borrower and its assets, in accordance with the terms of the Asset Management Agreement and as described below. The Asset Manager will not be entitled to any share in the profits, nor be liable for any losses, of the Borrower.

The Asset Manager has the power and authority to monitor and enforce performance of all rights and obligations of the Borrower pursuant to the Borrower Transaction Documents. In addition, the Corporate Operator has all customary powers, where appropriate, to execute documents, pay fees, maintain bank accounts and delegate powers where appropriate, as specified in more detail in the Asset Management Agreement.

On or before the Closing Date, the Borrower has appointed Larmag Property Management B.V. as the Asset Manager, to provide advice in relation to the management of the Investment Properties. The Asset Manager will not be entitled to any share in the profits, nor be liable for any losses, of the Borrower. The Borrower will on the Closing Date also Larmag Property Management B.V. as Property Advisor. The Property Advisor will not be entitled to any share in the profits, nor be liable for any losses, of the Borrower.

The Borrower will on the Closing Date also appoint Larmag Property Management B.V. as the Cash Manager to provide cash management services in respect of the Borrower Accounts and the determinations and payments to be made on each Calculation Date and the related Loan Interest Payment Date.

The operation of the Borrower's day-to-day business is delegated to the Asset Manager, the Cash Manager and the Asset Manager. The consent of the Borrower and the Security Trustee will be required for the removal of the existing Asset Manager and the appointment of a new Asset Manager, the appointment or removal of the Asset Manager or the Property Advisor, the Asset Manager's proposed appointment of any professional advisors and the approval of any additional funding commitments which the Borrower is to undertake.

### ***Directors***

<b>Name</b>	<b>Role</b>	<b>Business Address</b>	<b>Other principal activities</b>
Lars-Erik Magnusson	Director	De Corridor 5, 3621 ZA Breukelen, The Netherlands	CEO and Chairman of the Larmag Group.

The Borrower has no employees.

## **N. LARMAG REALTY GROUP B.V. (The Borrower Holdco)**

### ***Introduction***

Larmag Realty Group B.V. ("Borrower sub Holdco") is a private company incorporated in the Netherlands with registration number 63284553. The Borrower sub Holdco was incorporated as a private limited company on 11 May 2015. The address of the Borrower sub Holdco is De Corridor 5, 3621 ZA Breukelen, The Netherlands.

### ***Principal Activities***

The business of Borrower Holdco is to hold the share capital of the Borrower, the share capital of other real estate companies within the Larmag Group and other financial holding activities.

### ***Ownership***

100% of the shares in the Borrower Holdco are held by the Holdco.

### ***Directors***

<b>Name</b>	<b>Role</b>	<b>Business Address</b>	<b>Other principal activities</b>
Lars-Erik Magnusson	Director	De Corridor 5, 3621 ZA Breukelen, The Netherlands	CEO and Chairman of the Larmag Group.

The Borrower Holdco has no employees.

## **O. LARMAG PROPERTY MANAGEMENT B.V. (The Asset Manager)**

### **Introduction**

Larmag Property Management B.V. ("Asset Manager") is a private company incorporated in the Netherlands with under registration number 855169084. The Borrower Holdco was incorporated as a private limited company on 08 May 2015. The address of the Asset Manager is De Corridor 5, 3621 ZA Breukelen, The Netherlands. The telephone number of the Asset Manager's registered office is + 31 203 547 324.

### **Principal Activities**

The business of the Asset Manager is to manage the real estate investments within the Larmag Group (the trademark of the corporate group in The Netherlands owned by Lars-Erik Magnusson). The Larmag Group was established in 1985 in Amsterdam by Lars-Erik Magnusson and has owned commercial properties with a combined value of more than €5 billion, all under its own management. Larmag Group has owned commercial properties in the Netherlands, Germany, Switzerland, U.K., France, Spain and the U.S.A.

The Dutch market activities started in 1985 when a portfolio of commercial properties was bought for €82.7 million together with a Swedish institutional investor. Larmag Group continued to be active on the Dutch market throughout the 1980s and 1990s and has owned properties with a combined value of more than €2 billion located in the Netherlands to date. A notable project was the acquisition of the Amsterdam head post office, located next to the Royal Palace in Amsterdam, which was completely re-developed for approx. €30 million into the Magna Plaza shopping center.

Other notable transactions were the acquisition of prime real estate in Chicago and New York in 1989 for a total consideration of €630m.

During the 2000s Larmag Group focused on Germany and built up a portfolio of 131 commercial properties spread over Germany valued in total at \$1 billion.

Larmag Group shifted its focus back to the Dutch market in 2013 and has since then commenced building another commercial Investment Portfolio within that market. More information about the Larmag Group can be found on the website: <http://www.larmag.com>.

### **Ownership**

100% of the shares in the Asset Manager are held by the Borrower Holdco.

### **Management**

The Asset Manager is managed by its director and its senior management team which have a combined experience of over 150 years in managing commercial properties in the Netherlands and other countries. The management team has experience in managing both private and public entities.

### **Directors**

<b>Name</b>	<b>Role</b>	<b>Business Address</b>	<b>Other principal activities</b>
Lars-Erik Magnusson	Director	De Corridor 5, 3621 ZA Breukelen, The Netherlands	CEO and Chairman of the Larmag Group.

The Asset Manager has 14 employees.

## **P. STICHTING PATRONESS (The Trustee)**

### **Introduction**

Stichting Patroness, a foundation (stichting) incorporated under the laws of the Netherlands, having its corporate seat (statutaire zetel) at Amsterdam, the Netherlands, its registered office at Westerdoksdijk 423, 1013 BX Amsterdam, the Netherlands, and registered with the trade register of the Chamber of Commerce (handelsregister van de Kamer van Koophandel) under number 66814618.

### **Principal Activities**

The business of the Trustee is to hold security granted by the Issuer and the Borrower in favour of the bond holders pursuant to the Security Documents and the Trust Deed.

### **Ownership**

The Trustee is an orphan Dutch foundation.

### **Management**

The Trustee is managed by the professional management and trust company ACT Management Services B.V. pursuant to the Trustee Corporate Services Agreement.

### **Directors**

<b>Name</b>	<b>Role</b>	<b>Business Address</b>	<b>Other principal activities</b>
ACT Management Services B.V.	Sole managing director	Westerdoksdijk 423, 1013 BX Amsterdam, the Netherlands	Management, corporate and financial administration services provider for private and listed entities.

The Trustee has no employees.

## Q. INVESTMENT PORTFOLIO

The Investment Portfolio is either already owned by a Subsidiary of the Issuer Holdco (and will be transferred to be owned by the Borrower) or has been identified and negotiated to be acquired by the Asset Manager on behalf of the Borrower. The Asset Manager has a long experience in negotiating and managing commercial properties and developments projects in the European Union and the U.S.A. The targeted properties are in densely populated areas within the European Union.

### 1. Key property facts

The figures quoted below are based on the status of the targeted Investment Portfolio before Closing Date and may change based on the success rate and timing of placement of Series A Bonds and other factors. Should the Investment Portfolio change the final properties would have equivalent characteristics in terms of tenancy, quality and locations.

Location	100% within the European Union
Type	Commercial, Residential and Hospitality and development projects within these types.
Weighted lease term to break options	Approx. 3 years (excluding any Development Properties)
Occupancy	Approx. 80% (excluding any Development Properties)
Projected annual gross income (€)	60,000,000
Expected Value (€)	850,000,000
Energy certificate level	C or better

“Expected Value” means the value of the Investment Portfolio based on the assessment of the Asset Manager with the assistance of the Property Advisor. The Expected Value is derived on the basis of the Appraisal Manual issued by the RICS current at the time of the valuation (or, failing that, the nearest equivalent document defining generally accepted valuation terms, requirements and practices), the experience of the Asset Manager and third-party valuation reports and assumes the Borrower has received loans from the Issuer in a total amount of €720 000 000 (which includes expected proceeds from Further Bonds).

### 2. Investment Rationale

The Investment Rationale is based on the opinion of the Asset Manager with advice from the Property Advisor. The Asset Manager has a long track record of acquiring and managing Investment Properties. The Asset Manager intends to focus on acquiring cash flow producing commercial real estate with a granular tenant mix in several geographical locations for risk mitigation purposes as well as development projects with a focus on residential properties. The Asset Manager has experience in reducing vacancies in properties and therefore some properties in the Investment Portfolio will be partly or fully vacant with the view to be let to new tenants. The Asset Manager has successfully added value to its previous investments by way of active management. The overall strategy and the identified targets intended to form the Investment Portfolio present the below opportunities:

- a) Lease income is predictable, ongoing, and relatively secure which is a good match to semi-annual Yield payments
- b) Potential future capital gains possibilities which make for a good refinancing outlook
- c) Some of the properties have excellent rezoning possibilities should tenants leave or market assumptions change
- d) The leases are generally increased annually based on inflation and as such its values are inflation secured
- e) Residential demand is expected to continue to grow, especially for sustainable and environmentally friendly properties

### 3. Assumptions for financial projections

The projections for income are made with assumptions which have been supplied by the Asset Manager on behalf of the Borrower for the targeted Investment Portfolio. The assumptions may change if the general economic outlook changes or the real estate market changes significantly, for further information see the section entitled "Risk Factors". The financial projections are based on the actual current leases, their expiry, actual incentives, actual maintenance costs and other sundries with assumptions for letting, re-letting and future potential spendings on maintenance, capex, incentives, development costs and other costs.

#### 4. ESG

Larmag Group has a strategy to help accelerate the shift to a more sustainable, low-carbon emissions future. We have to date invested more than €15 million into renewable/carbon neutral energy related businesses outside of our main real estate business. We are also investing into our real estate with the goals of the Paris Agreement in mind. This focuses mainly on reducing the overall energy consumption of the properties we own and securing the electricity delivery from carbon neutral sources. Our goal is to have a certified energy rating of A or better on all our buildings prior to 2031. This allows us to do our part for the community by offering real estate to the market with our future in mind. We are also redoubling our efforts to build a more equitable and representative workforce within our own company.

As an investment company in the western Europe there are tangible possibilities for Larmag Group to reduce its environmental impact by investing in energy saving measures and photovoltaics. Larmag Group is committed to do its part by reducing the carbon footprint and promote carbon neutral businesses via its investments.

In relation to the Investment Portfolio the Asset Manager analyses the ESG impact on the Investment Properties as a part of its due diligence process. The main focus of this analysis is to measure the annual energy efficiency of the Investment Properties with the help of third-party certified suppliers. The result then goes into our analysis along with the technical state of the buildings to assess the ultimate environmental impact and required measures. All properties that the Asset Manager already manages or proposes the Borrower to acquire must have an official energy certificate which determines its energy efficiency. In many countries, following the Paris Agreement, there are legal requirements on Investment Properties to have Energy performance certificates (EPCs). This usually rates a property's efficiency on a scale from A-G. In the Netherlands, as an example, all offices need to have a rating of at least C before 2023 and A before 2030. The Asset Manager thinks this is a sound approach and will apply this to all its investments into Investment Properties irrespectively of the local legal conditions.

The Investment Portfolio will contain properties that have at least an EPC rating of at least C (or are in the process of investments to imminently achieve a C rating) upon acquisition and then the Borrower will invest into the properties to achieve an EPC rating of at least A before 2030. With the use of smart technology, LED lights, more efficient installations, better insulation, three glass windows and photovoltaics this undertaking is possible. Investing into energy efficiency also directly decreases the running costs in the Investment Portfolio and secures its long-term attractiveness on the market.

## **R. PROVISIONS RELATING TO BONDS WHILST IN BOOK-ENTRY FORM**

### **1. General**

At the Closing Date, or at the date of any subsequent tranche, the Series A Bonds will be issued in dematerialised bearer form ("Book-entry Form"). The Series A Bonds will, upon issue, be inscribed in the books of the Common Depository which shall credit the accounts of Euroclear or Clearstream, Luxembourg, as the case may be, and will record the beneficial interest in the Series A Bonds ("Book-Entry Interests"), attributable thereto. Book-Entry Interests in respect of Series A Bonds are recorded in denominations of EUR 1000.

Ownership of Book-Entry Interests will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("Participants") or persons that hold interests in the Book-Entry Interests through Participants ("Indirect Participants"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants will also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

Each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Series A Bonds under the Trust Deed. See " — Action in Respect of the Book-Entry Interests", below.

Unlike legal owners or holders of the Series A Bonds, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Bondholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Series A Bonds, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Series A Bonds in definitive registered form are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Purchasers of Book-Entry Interests in a Bond will hold Book-Entry Interests in the Series A Bonds relating thereto. Investors may hold their Book-Entry Interests in respect of a Bond directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set forth under "Transfers and Transfer Restrictions", below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in each Bond on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems. Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Asset Managers, the Bond Trustee, the Security Trustee or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

## **2. Payments on Bond**

Payment of principal and Yield on, and any other amount due in respect of, the Bond while in Book-Entry Form will be made in Euros by or to the order of the Paying Agent on behalf of the Issuer to (i) the Common Depositary or its nominee as the registered holder thereof with respect to the Series A Bonds. Each holder of Book-Entry Interests must look solely to the Common Depositary for its share of any amounts paid by or on behalf of the Issuer to the Common Depositary or its nominee in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agent nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Paying Agent to the Common Depositary, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Lead structuring Agent, The Asset Manager, the Bond Trustee or the Security Trustee will not have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

## **3. Information Regarding Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other. Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Bond Trustee or the Security Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Issuer Security Documents, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

#### **4. Redemption**

In the event that the Bond (or portion thereof) is redeemed, the Paying Agent will deliver all amounts received by it in respect of the redemption of the Bond to the Common Depositary and, upon final payment, will surrender the Bond (or portion thereof) to or to the order of the Issuer for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Paying Agent in connection with the redemption of the Bond (or portion thereof) relating thereto. For any redemptions of a Bond in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a pro rata basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Cancellation of any Bond required by the Conditions to be cancelled following its redemption will be effected by endorsement by or on behalf of the Paying Agent of the reduction in the principal amount of the Bond on the relevant Book-Entry Interest.

#### **5. Transfers and Transfer Restrictions**

Transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See " — General", above.

#### **6. Action in respect of the Bond and Book-Entry Interests**

Not later than 15 days after receipt by the Issuer of any notices in respect of the Series A Bonds or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Series A Bonds, the Issuer will deliver to the Common Depositary a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Series A Bonds and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Series A Bonds in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under "General" above, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Series A Bonds.

## **S. TERMS AND CONDITIONS OF THE BONDS**

*The following are the Terms and Conditions (the "Conditions" and any reference to a "Condition" shall be construed accordingly) of the Series A Bonds in the form (subject to amendment) in which they will be set out in the Trust Deed. The Conditions will apply to the Series A Bonds whether they are in definitive or in Book-Entry form.*

The EUR 550,000,000 Senior Secured 4.75 per cent Series A Bonds due 15 March 2028 (the "Series A Bonds") of Birchland B.V. (the "Issuer"), issued on or about 24 November 2022 (the "Closing Date") are constituted in accordance with the trust deed (the "Trust Deed", which expression includes such trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) dated the Closing Date and made between the Issuer and the Bond Trustee, which expression includes its successor or any further or other trustee under the Trust Deed as trustee for the holders for the time being of the Series A Bonds (the "Bondholders"). Any reference to Series A Bonds in these Conditions shall include the Book-Entry Interests and the Definitive Series A Bonds (each as defined below). In addition, any reference in these Conditions to "Bondholder" shall be a reference to the holders of the Series A Bonds.

The security for the Series A Bonds is created pursuant to, and on terms set out in, the deed of charge (the "Issuer Security Documents", which expression includes such deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) dated the Closing Date and made between, inter alios, the Issuer and Stichting Patroness (the "Security Trustee", which expression includes any successor appointed under the Issuer Security Documents).

By an agency agreement to be dated on or before the Closing Date (the "Paying Agency Agreement", which expression includes such paying agency agreement as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) and made between the Issuer and ISP Securities as paying agent (the "Paying Agent", which expression includes any successor paying agent appointed in respect of the Series A Bonds) pursuant to the Paying Agency Agreement and SIX SIS AG as registrar (the "Registrar"), provision is made for, inter alia, the payment of principal and interest in respect of the Series A Bonds.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Paying Agency Agreement, the Issuer Security Documents signed by, inter alios, the Issuer, the Paying Agent, the Bond Trustee and the Security Trustee on or about the Closing Date.

Copies of the Trust Deed, the Paying Agency Agreement, the Cash Management Agreement, the Issuer Security Documents are available for inspection by the Bondholders at the specified offices of the Issuer. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement and the Issuer Security Documents.

Capitalised terms not otherwise defined in these Conditions shall have the meanings given to them in the relevant Transaction Documents.

Any credit ratings assigned to the Series A Bonds are not recommendations to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency. By acquiring the Series A Bonds, investors will be deemed to acknowledge and agree that a credit rating is an assessment of credit and does not address other matters that may be of relevance to Bondholders, including, without limitation, whether any action proposed to be taken by the Issuer, the Borrower, the Asset Manager, the Property Manager, the Cash Manager, the Bond Trustee, the Security Trustee or any other party to a Transaction Document is either (i) permitted by the terms of the relevant Transaction Document or (ii) in the best interests of, or not materially prejudicial to the interests of, some or all of the Bondholders.

### **1. Form, Denomination and Title**

The Series A Bonds are issued in dematerialised bearer form (au porteur) in the denomination of EUR 1000 each. Title to the Series A Bonds will be evidenced by book entries ("Book-Entry Interests") in the aggregate principal amount issued. The Series A Bonds will, upon issue, be inscribed in book entry form in the books of SIX SIS AG (the "Common Depository") which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "Account Holders" shall mean any intermediary institution

entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes depository banks for Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear").

Upon issue of the Book-Entry Interests, Clearstream, Luxembourg or Euroclear (as the case may be) will credit each subscriber of the Series A Bonds with the principal amount of Series A Bonds equal to the aggregate principal amount thereof for which it had subscribed and paid. Title to the Book-Entry Interests shall pass by and upon registration in the register (the "Register") which the Issuer shall procure to be kept by the Registrar.

The registered holder of any Book-Entry Interests may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Book-Entry Interests regardless of any notice of ownership, theft or loss of any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Book-Entry Interests will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System. For so long as the Series A Bonds are represented by the Book-Entry Interests and the Clearing Systems so permit, the Series A Bonds will be tradeable only in the minimum authorised denomination of EUR 1000.

1.1. If, while the Series A Bonds are represented by the Book-Entry Interests, (i) either of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Bond Trustee is then in existence or (ii) by reason of a change in Tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will on the next Bond Interest Payment Date be required to make any withholding or deduction from any payment in respect of the Series A Bonds for or on account of any Taxes imposed, levied, collected, withheld or assessed by or on behalf of any Tax Authority in the Netherlands (other than by reason of the relevant holder having some connection with the Netherlands, other than the holding of the Series A Bonds) or the Issuer suffers or will suffer any other disadvantage as a result of such change, which withholding or deduction would not be required or other disadvantage would not be suffered (as the case may be) if the Series A Bonds were in definitive registered form ("Definitive Series A Bonds") and a certificate to such effect signed by two directors of the Issuer is given to the Bond Trustee, then the Issuer will issue Definitive Series A Bonds in exchange for the Book-Entry Interests (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. These Conditions and the Transaction Documents will be amended in such manner as the Bond Trustee and the Security Trustee may require taking account of the issue of Definitive Series A Bonds.

Definitive Series A Bonds, if issued, will only be printed and issued in denominations of EUR 1000. Such Series A Bonds will be serially numbered and will be issued in registered form.

Title to a Definitive Bond shall only pass by and upon registration in the Register. Such Definitive Series A Bonds may be transferred in whole (but not in part) upon the surrender of the relevant Definitive Bond, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Bond Trustee.

1.2. "Bondholders" means each person (other than the Clearing Systems themselves) who is for the time being shown in the records of the Clearing Systems as the holder of a particular Principal Amount Outstanding (as defined in Condition 5.5 (Redemption, Purchase and Cancellation- Principal Amount Outstanding)) of the Series A Bonds (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the Principal Amount Outstanding of the Series A Bonds standing to the account of any person shall be conclusive and binding for all purposes) and such person shall be treated by the Issuer, the Bond Trustee, the Security Trustee and all other persons as the holder of such Principal Amount Outstanding of such Series A Bonds for all purposes, other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, the Bond Trustee, the Security Trustee and all other persons, solely in the registered holder of the Book-Entry Interests in accordance with and subject to its terms and for which purpose "Bondholders" means the registered holder of the Book-Entry Interests and related expressions shall be construed accordingly.

## **2. Status, Security and Priority**

## **2.1 Status and relationship between the Series A Bonds**

- a) The Series A Bonds constitute direct, secured and limited recourse obligations of the Issuer. The Series A Bonds rank pari passu and pro rata without preference or priority amongst themselves but senior to any Further Bonds as agreed with the Trustee
- b) The Trust Deed contains provisions requiring the Bond Trustee to have regard to the interests of the Bondholders equally, as a single class, as regards all rights, powers, trusts, authorities, duties and discretions of the Bond Trustee.

## **2.2 Relationship between the Bond Trustee and Security Trustee**

Subject to the terms of the Issuer Security Documents and the Trust Deed, the Bond Trustee has the exclusive right, power and authority to direct, or refrain from directing, the Security Trustee in the exercise of the Security Trustee's rights to enforce the Issuer Security Documents or to direct the Security Trustee in the exercise of the Security Trustee's rights to enforce the Borrower Security Documents and in the exercise, or direction of the exercise, of certain other of its rights under the Transaction Documents, Senior Loan Agreement and Borrower Security Documents.

## **2.3 Security**

- a) The Security Interest constituted by or pursuant to the Issuer Security Documents (and as such the Borrower Security Documents) is granted to the Security Trustee, on trust for the Bondholders and certain other creditors of the Issuer, upon and subject to the terms and conditions thereof.
- b) The Bondholders will share in the benefit of the security constituted by or pursuant to the Issuer Security Documents (and as such the Borrower Security Documents), upon and subject to the terms and conditions thereof.

## **3. Covenants**

### **3.1 Limitations on Incurrence of Indebtedness**

The Issuer undertakes that it will not, and will procure that the Group will not, up to (and including) the Final Maturity Date, incur any Indebtedness if, immediately after giving effect to the incurrence of such additional Indebtedness and the application of the net proceeds of such incurrence the sum of the Consolidated Indebtedness at the Last Reporting Date would exceed 65% (except as a result of any Indebtedness incurred by any Further Bonds) of Total Assets Adjusted;

Notwithstanding the foregoing provisions of this Condition 3.1, this 3.1 will not prohibit any consensual encumbrances or restrictions existing under or by reason of:

(ii) any Subsidiary Project Financing;

(iii) any Project Financing Debt, or any subordination, pledge or security assignment of loans (or similar financing instruments) in respect thereof, granted by a Subsidiary, to another Subsidiary or a Related Company in the course of the acquisition, financing, refinancing or administration of assets of such Subsidiary or Related Company;

### **3.2 Maintenance of Consolidated Coverage Ratio**

The Issuer undertakes that, on each Reporting Date, the Consolidated Coverage Ratio will be at least 1,6.

### **3.3 Rating of the Series A Bonds**

The Issuer undertakes that it will use its reasonable endeavours to obtain a rating for the Series A Bonds from a rating agency within 90 days after the Closing Date.

### 3.4 General covenants

Save for with the prior written consent of the Bond Trustee or unless otherwise provided in or envisaged by these Conditions or any of the Issuer Transaction Documents, the Issuer shall not, so long as any Bond remains outstanding:

- a) **Negative pledge**  
create or permit to subsist any encumbrance or Security Interest whatsoever (unless arising by operation of law) over any of its assets or undertaking, present or future (including any uncalled capital);
- b) **Restrictions on activities**
  - (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage;
  - (ii) have any subsidiaries, any subsidiary undertaking or any employees or premises; or
  - (iii) acquire any lease, freehold or heritable property;
- c) **Disposal of assets**  
use, invest, transfer, convey, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire, any of its assets or undertaking (including any uncalled capital) or any interest, estate, right, title or benefit therein, present or future;
- d) **Dividends or distributions**  
pay any dividend or make any other distribution to its shareholders or issue any further shares;
- e) **Borrowings**  
incur or permit to subsist any indebtedness in respect of borrowed money whatsoever, except in respect of the Series A Bonds or any Further Bonds or as otherwise permitted under these Conditions, or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;
- f) **Merger**  
consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- g) **No variation or waiver**  
permit the validity or effectiveness of any of the Issuer Transaction Documents, or the priority of the Security Interest created or evidenced thereby or pursuant thereto, to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise, any powers of consent or waiver pursuant to the terms of, these Conditions, the Trust Deed or any of the other Issuer Transaction Documents, or permit any party to any of the Issuer Transaction Documents or the Issuer Security or any other person whose obligations form part of the Issuer Security to be released from such obligations, or dispose of any part of the Issuer Security;
- h) **Bank accounts**  
have an interest in any bank account other than the Issuer Transaction Account, unless such account or interest therein is charged to the Bond Trustee on terms acceptable to it;
- i) **Tax residence**  
do any act or thing, the effect of which would be to make the Issuer resident for Tax purposes in any jurisdiction other than the Netherlands; and
- j) **Group payment arrangements**  
enter into arrangements with any other company or companies and/or any Tax Authority providing for the discharge of any other company's Tax liability by it;

### 3.5 Separateness covenants

Save for with the prior written consent of the Bond Trustee, or unless otherwise permitted under any of the Transaction Documents, the Issuer shall, so long as any Bond remains outstanding:

- a) maintain its books and records, accounts and financial statements separate from any other person or entity and use separate stationery, invoices and cheques;
- b) hold itself out as a separate entity, conduct its business in its own name and maintain an arm's-length relationship with its affiliates (if any);
- c) pay its own liabilities out of its own funds;
- d) not commingle its assets with those of any other entity; and
- e) observe all formalities required by its Memorandum and Articles of Association.

## **4. Yield**

### **4.1 Period of accrual**

The Series A Bonds bear Yield (if declared by the Board) on their Principal Amount Outstanding from (and including) the Closing Date. Each Bond (or, in the case of the redemption of part only of a Bond, that part only of such Bond) shall cease to bear Yield from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, Yield will continue to accrue thereon (as well after as before any judgment or decree) at the rate applicable to such Bond up to (but excluding) the date on which, on presentation of such Bond, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given to the holder thereof (in accordance with Condition 14 (Notices to the Bondholders)) that, upon presentation thereof being duly made, such payment will be made, provided that upon presentation thereof being duly made, payment is in fact made.

### **4.2 Bond Interest Payment Dates and Bond Interest Periods**

The Series A Bonds Yield is calculated on the Principal Amount Outstanding from and including the Closing Date at the rate of 4.75 per cent. per annum, payable semi-annually in arrears on 15 March and 15 September (each a "Bond Interest Payment Date" for any declared Yield) in respect of the Bond Interest Period (as defined below) ended immediately prior thereto. The first Bond Interest Payment Date shall be due on 15 September 2023. The period from (and including) the Closing Date to (but excluding) the first Bond Interest Payment Date and each successive period from (and including) a Bond Interest Payment Date to (but excluding) the next succeeding Bond Interest Payment Date is called a "Bond Interest Period". Yield in arrears for prior Period of accrual, including any compounded Yield, as the case may be, may be declared by the Board and paid to the Bondholders on any date fixed by the Board, which shall be not more than ten (10) days after the record date.

### **4.3 Calculation of Yield Amounts**

Yield in respect of the Series A Bonds shall be calculated by applying the relevant rate of Yield to the actual day count fraction for the relevant Period of accrual, defined as Actual/Actual (ISDA) by the International Swaps and Derivatives Association, Inc.

That means applying the Yield rate on the aggregate Principal Amount Outstanding of the Series A Bonds and multiplied by the actual number of days in the period from and including the date from which Yield begins to accrue (the "Accrual Date") to but excluding the date on which it falls due divided by the actual number of days in the relevant calendar period.

The resulting figure shall be rounded downwards to the nearest Euro centime.

### **4.4 Declaration of Yield**

The Yield may be declared at the discretion of the Board. In the absence of any such declaration, any accrued but unpaid Yield shall be capitalised requiring that (i) the Yield be outstanding for at least one (1) year, and (ii) the Issuer and the Bondholders expressly agree through a separate agreement (to be

entered into on a yearly basis after the Yield has become outstanding for at least one year) that such Yield be compounded.

## **5. Redemption, Purchase and Cancellation**

### **5.1 Final redemption**

Unless previously redeemed in full as provided in this Condition 5 (Redemption, Purchase and Cancellation) the Issuer shall redeem the Series A Bonds at their Principal Amount Outstanding multiplied by the Redemption Rate on the Bond Interest Payment Date falling on 15 March 2028 (the "Final Maturity Date"), together (if applicable) with accrued but unpaid Yield on their Principal Amount Outstanding up to but excluding the Final Maturity Date. The Issuer may not redeem the Series A Bonds in whole or in part prior to the Final Maturity Date, except as provided in Condition 5.2 (Redemption, Purchase and Cancellation – Optional redemption due to change of tax law and illegality) but without prejudice to Condition 9 (Bond Events of Default).

### **5.2 Optional redemption due to change of tax law and illegality**

If:

- (i) by reason of a change in Tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, the Issuer would, on the next Bond Interest Payment Date, be required to withhold or deduct an amount for or on account of any Taxes imposed, levied, collected, withheld or assessed by any Tax Authority from any payment of principal or Yield in respect of any Bond; or
- (ii) by reason of a change in law which change becomes effective on or after the Closing Date, it would be unlawful for the Issuer to make, fund or allow to remain outstanding, advances made or to be made under the Senior Loan Agreement and such event is materially prejudicial to the interests of the Bondholders in the opinion of the Bond Trustee,

then the Issuer shall inform the Bond Trustee promptly upon becoming aware of the same and shall, where relevant to the Issuer, use its reasonable endeavours (but at no material cost) to mitigate the effects of the occurrence of the relevant event described in (i) and (ii) above, including, without limitation and where appropriate, by way of arranging for the substitution of another company (approved in writing by the Bond Trustee) as principal debtor under the Series A Bonds and as lender under the Senior Loan Agreement.

If the Issuer is unable to arrange a substitution as described above or otherwise to mitigate the effects of the occurrence of the relevant event in each case at a cost which is not material, or to do so would not avoid the relevant event described in (i) or (ii) above, then the Issuer may, on any Bond Interest Payment Date on which the relevant event described in (i) or (ii) above, is continuing, and having given not more than 40 days' nor less than 20 days' notice to the Bond Trustee and to the Bondholders in accordance with Condition 14 (Notices to the Bondholders), redeem all (but not some only) of the Series A Bonds on the immediately following Bond Interest Payment Date at their Principal Amount Outstanding, together with any accrued but unpaid Yield on their Principal Amount Outstanding up to (but excluding) such Bond Interest Payment Date, provided that, prior to the publication of each notice of redemption the Issuer has provided to the Bond Trustee:

- a) evidence satisfactory to the Bond Trustee that the optional redemption may be exercised under this Condition 5.4 (Redemption, Purchase and Cancellation – Optional redemption due to change of tax law and illegality) (including such legal opinions and certificates of the directors or other authorised persons of each relevant entity, if any, as the Bond Trustee may require); and
- b) a certificate signed by two directors of the Issuer to the effect that it has or will have the funds on the relevant Bond Interest Payment Date, not subject to the interest of any other person, required to redeem the Series A Bonds pursuant to this Condition 5.4 (Redemption, Purchase and Cancellation – Optional redemption due to change of tax law and illegality) and meet its payment obligations of a higher priority under the Issuer Pre-Enforcement Priority of Payments.

### **5.3 Principal Amount Outstanding**

The "Principal Amount Outstanding" of a Bond on any date shall be its original principal amount in respect of such Bond which have become due and payable since the Closing Date, except if and to the extent that any such payment has been improperly withheld or refused. The principal amount (if any) to be redeemed in respect of each Bond on any Bond Interest Payment Date under Condition 5 (Redemption, Purchase and Cancellation – Redemption, Purchase and Cancellation) shall, in relation to the Series A Bonds, be a pro rata share of the aggregate amount required to be applied in redemption of the Series A Bonds on such Bond Interest Payment Date under Condition 5 (Redemption, Purchase and Cancellation) (rounded down to the nearest cent), provided always that no such payment may exceed the Principal Amount Outstanding of the relevant Bond.

#### **5.4 Cancellation**

All Series A Bonds redeemed in full pursuant to the foregoing provisions will be cancelled upon redemption and may not be resold or re-issued.

### **6. Payments**

#### **6.1 Payments in respect of the Series A Bonds**

Payments in respect of principal, premium and Yield (if any) in respect of any Book-Entry Interests will be made only to the registered holder of the Book-Entry Interests at the Record Date as defined in Condition 6.5 (Record Date). A record of each payment of principal, premium or Yield made in respect of a Global Bond Interests will be made by the Common Depositary and such record shall be prima facie evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Bond shall have any claim directly against the Issuer in respect of payments due on such Bond whilst such Bond is represented by the Book-Entry Interests and the Issuer shall be discharged by payment of the relevant amount to the registered holder of the Book-Entry Interests.

#### **6.2 Method of payment**

Payments will be made by credit or transfer to an account in Euro maintained by the payee.

#### **6.3 Change of Paying Agent**

The Paying Agent and its initial specified offices are listed at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Bond Trustee, at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other Agents. The Issuer will maintain a Paying Agent in Switzerland, Great Britain or an EU member state that will not be obliged to withhold or deduct any amount for or on account of any Tax pursuant to the European Union Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, that Directive. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agent or their specified offices to be given in accordance with Condition 14 (Notices to the Bondholders).

#### **6.4 Payments subject to applicable laws**

Payments in respect of principal, premium and Yield (if any) on the Series A Bonds are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

#### **6.5 Record Date**

Each payment in respect of a Bond will be made to the persons shown as the holder by Clearstream or in the case of Definitive Bond in the Register on the due date for such payment (the "Record Date").

## **6.6 Non-Business Days**

Any payment in respect of the Series A Bonds which is due on a day which is not a Business Day, shall be made on the next Business Day in the calendar month (if there is one) or on the preceding Business Day (if there is not).

"Business Day" means a day which is both a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Switzerland and the Netherlands.

## **7. Taxation**

All payments in respect of the Series A Bonds will be made without withholding or deduction for or on account of any Tax, unless the Issuer or any Paying Agent is required by applicable law to make any payment in respect of the Series A Bonds subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person will be obliged to make any additional payments to the Bondholders in respect of any amounts so withheld or deducted.

## **8. Prescription**

Claims for principal shall become void unless the Series A Bonds are presented for payment within a period of five years from the relevant date in respect thereof. Claims for Yield shall become void unless the Series A Bonds are presented for payment within a period of three years from the relevant date in respect thereof. After the date on which a Bond becomes void in its entirety, no claim may be made in respect thereof. In this Condition 8 (Prescription), the "relevant date" is the date on which the payment in question first becomes due or (if the full amount of the monies payable has not been duly received by the Paying Agent or the Bond Trustee on or prior to such date) the date on which the full amount of such monies having been so received, notice to that effect is duly given to the Bondholders in accordance with Condition 14 (Notices to the Bondholders).

## **9. Bond Events of Default**

### **9.1 Bond Acceleration Notice**

The Bond Trustee at its absolute discretion may, and if so requested in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Series A Bonds or if so directed by a resolution of the Bondholders passed as an extraordinary resolution under the terms of the Trust Deed (an "Extraordinary Resolution") shall, (subject, in each case, to being indemnified and/or pre-funded and/or secured to its satisfaction), but, in the case of the happening of any of the events described in subparagraph (b), only if the Bond Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Bondholders, give notice (a "Bond Acceleration Notice") to the Issuer that the Series A Bonds are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued Yield as provided in the Trust Deed, in any of the following events (each, a "Bond Event of Default"):

- a) if default is made in the payment of any principal, premium or Yield due in respect of the Series A Bonds and the default continues for a period of five Business Days; or
- b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or any Transaction Document to which it is a party and (except in any case where the Bond Trustee or, in the case of the Issuer Security Documents, the Security Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Bond Trustee may permit) following the service by the Bond Trustee or, as the case may be, the Security Trustee on the Issuer of notice requiring the same to be remedied; or

- c) if any order is made by any competent court or any resolution is passed for the winding-up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Bond Trustee or by Extraordinary Resolution of the Bondholders; or
- d) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Bond Trustee or by Extraordinary Resolutions of the Bondholders, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or
- e) if (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application to the court for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) or an administration order is granted or the appointment of an administrator takes effect or an administrative or other receiver, manager or other similar official is appointed, in relation to the Issuer or in relation to the whole or any part of the undertaking or assets of the Issuer or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Issuer or a distress, execution, diligence, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the Issuer and (ii), in the case of any such possession or any such last-mentioned process, unless initiated by the Issuer, is not discharged or otherwise ceases to apply within 14 days; or
- f) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- g) if a Borrower Enforcement Notice is served pursuant to the Senior Loan Agreement.

## **9.2 Consequences of Bond Acceleration Notice**

Upon the giving of a Bond Acceleration Notice in accordance with Condition 9.1 (Bond Events of Default - Bond Acceleration Notice), the Series A Bonds then outstanding shall immediately become due and repayable at their Principal Amount Outstanding together with accrued Yield as provided in the Trust Deed and the Issuer Security shall become enforceable by the Security Trustee in accordance with the Issuer Security Documents.

## **10. Enforcement**

The Bond Trustee may, at any time, at its discretion and without notice, take such action under or in connection with the Transaction Documents as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the giving of a Bond Acceleration Notice, to take steps to enforce the security constituted by the Issuer Security Documents or directing the Security Trustee to direct the Borrower Security Trustee to take action under or in connection with any of the Transaction Documents or, after giving a Borrower Enforcement Notice, to take steps to enforce the security constituted by the Borrower Security Documents) provided that:

- a) the Bond Trustee shall not be bound to take any such action unless it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-fifth in aggregate Principal Amount Outstanding of the Series A Bonds;
- b) the Security Trustee shall not, and shall not be bound to, take any such action unless it shall have been so directed by (i) the Bond Trustee or (ii) if there are no Series A Bonds outstanding, all of the other Issuer Secured Creditors;
- c) neither the Bond Trustee nor the Security Trustee shall be bound to take any such action unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction; and
- d) neither the Bond Trustee nor the Security Trustee shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

Notwithstanding the foregoing, the Issuer Security Documents will provide that the Security Trustee shall enforce the security constituted by the Issuer Security Documents by appointing an administrative receiver

in respect of the Issuer if it has actual notice of (i) an application for the appointment of an administrator in respect of the Issuer or (ii) the giving of a notice of intention to appoint an administrator in respect of the Issuer, such appointment of an administrative receiver to take effect not later than the final day by which the appointment must be made in order to prevent an administration proceeding unless, in any such case, to do so would in the opinion of the Security Trustee be materially prejudicial to the interests of the Bondholders and the Rating Agencies have confirmed that not so appointing an administrative receiver of the Issuer would not have an adverse effect on their then current ratings of any of the Series A Bonds.

The Issuer Security Documents will further provide that (i) the Security Trustee will not be liable for any failure to appoint an administrative receiver in respect of the Issuer, save in the case of its own gross negligence, wilful default or fraud and (ii) in the event that the Security Trustee appoints an administrative receiver in respect of the Issuer under the Issuer Security Documents in the circumstances set out in the paragraph above, then the Issuer shall waive any claims against the Security Trustee in respect of the appointment of the administrative receiver.

## **11. Limited recourse**

No Bondholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Bond Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Bondholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

If:

- a) there is no Issuer Charged Property remaining which is capable of being realised or otherwise converted into cash;
- b) all amounts available from the Issuer Charged Property have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Issuer Security Documents; and
- c) there are insufficient amounts available from the Issuer Charged Property to pay in full, in accordance with the provisions of the Issuer Security Documents, the amounts outstanding under the Series A Bonds and any Further Bonds (including payments of principal, premium and Yield (if any)),

then the Bondholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium and/or Yield (if any) in respect of the Series A Bonds and any Further Bonds) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

## **12. Meetings of Bondholders, Modifications and Waivers**

- 12.1. The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests including the sanctioning by Extraordinary Resolution of a Basic Terms Modification or any breach of these Conditions or the provisions of any of the Transaction Documents.
- 12.2. The quorum at any meeting of the Bondholders for passing an Extraordinary Resolution shall be one or more persons holding or representing not less than 50 per cent. in principal amount of the Series A Bonds then outstanding or, at any adjourned meeting, one or more persons being or representing Bondholders more than 60 per cent of whatever the aggregate Principal Amount Outstanding of the Series A Bonds then outstanding so held or represented.
- 12.3. The quorum at any meeting of Bondholders for passing an Extraordinary Resolution to sanction a modification of the date of maturity of any Series A Bonds or which would have the effect of postponing any day for payment of Yield or principal thereon, reducing or cancelling the amount of principal or the rate of Yield payable in respect of the Series A Bonds, altering the currency of payment of the Series A Bonds or altering the quorum or majority required in relation to this exception or modifying this exception (each, a "Basic Terms Modification") shall be one or more

persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one-quarter of the aggregate Principal Amount Outstanding of the Series A Bonds.

- 12.4. The Bond Trustee may agree with, or direct the Security Trustee to agree with, or to direct the Security Trustee to direct the Borrower Security Trustee to agree with, the Issuer, an Obligor or any other person, without the consent of the Bondholders to any modification (except a Basic Terms Modification) or to any waiver or authorisation of any breach or proposed breach of these Conditions or any of the Transaction Documents:
- a) which in the opinion of the Bond Trustee, is not materially prejudicial to the interests of the Bondholders; or
  - b) which, in the opinion of the Bond Trustee, is to correct a manifest error or is of a formal, minor or technical nature.
- 12.5. The Bond Trustee may also, without the consent of the Bondholders, determine that a Bond Event of Default shall not or shall not subject to specified conditions, be treated as such. Any such modification, abrogation, waiver, authorisation or determination shall be binding on the Bondholders and, unless the Bond Trustee agrees otherwise, any such modification, abrogation, waiver, authorisation or determination shall be notified to the Bondholders as soon as practicable thereafter in accordance with Condition 14 (Notices to the Bondholders).
- 12.6. Where the Bond Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions, to have regard to the interests of the Bondholders, it shall have regard to the interests of the Bondholders as a class and, in particular but without prejudice to the generality of the foregoing, the Bond Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Bond Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.
- 12.7. The Trust Deed contains provisions under which any company may, without the consent of the Bondholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Series A Bonds provided that certain conditions specified in the Trust Deed are fulfilled. No Bondholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Bondholder.

### **13. Indemnification and exoneration of the Bond Trustee**

The Trust Deed, the Issuer Security Documents and certain of the Issuer Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of each of the Bond Trustee and the Security Trustee and for its indemnification in certain circumstances, including provisions relieving it from taking enforcement proceedings or enforcing (or, in the case of the Bond Trustee, directing the Security Trustee to enforce) to enforce the Borrower Secured Obligations unless indemnified and/or secured and/or pre-funded to its satisfaction. The Bond Trustee and the Security Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Issuer Security or Borrower Secured Obligations, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Transaction Documents, clearing organisations or their operators or by intermediaries such as banks, depositories, warehousemen or other similar persons on behalf of the Bond Trustee or the Security Trustee.

The Trust Deed and the Issuer Security Documents also contain provisions pursuant to which the Bond Trustee and the Issuer Security Trustee are entitled, inter alia, (i) to enter into business transactions with the Issuer and/or any other person who is party to the Issuer Transaction Documents or whose obligations are comprised in the Issuer Security and/or the Borrower Secured Obligations and/or any of their subsidiary or associated companies and to act as trustee for the holders of any other securities issued by or relating to the Issuer and/or any of their subsidiary or associated companies, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties, under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of the Bondholders and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

## 14. Notices to the Bondholders

Any notice shall be deemed to have been duly given to the relevant Bondholders if sent to the Clearing Systems for communication by them to the holders of the Series A Bonds and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Series A Bonds are admitted to the Vienna Stock Exchange) any notice shall also be published in accordance with the relevant rules and regulations. The Bond Trustee shall be at liberty to sanction some other method of giving notice to the Bondholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the relevant Series A Bonds are then admitted to trading and provided that notice of such other method is given to the Bondholders in such manner as the Bond Trustee shall require.

## 15. Governing law

The Trust Deed, the Issuer Security Documents, the other Issuer Transaction Documents, these Conditions and the Series A Bonds (and, in each case, any non-contractual obligations arising out of or in connection with the same) are governed by, and shall be construed in accordance with the laws of the Netherlands ("Dutch law").

## 16. Further Issuances

The Issuer may, without the consent of the Bondholders or where the Trustee is not acting as trustee in respect of such Further Series A Bonds, any trustee, raise further funds, from time to time, on any date by the creation and issue of further bonds ("Further Bonds") whether in registered or bearer form, and on such terms as the Issuer may decide including the granting of Security Interest separate to the Security. Any Further Bonds will be constituted by a separate trust deed on terms to be agreed by the Issuer and the trustee appointed in relation to the Further Bonds and will at all times be subordinated to the Series A Bonds.

## 17. Definitions

In these Conditions, unless otherwise provided:

"**Cash**" means cash in hand (or as otherwise defined in International Accounting Standards);

"**Cash Equivalents**" means short-term, liquid investments and traded securities that are readily convertible to known amounts of cash (or as otherwise defined in International Accounting Standards);

"**Consolidated Adjusted EBITDA**" means the aggregate of number set out under the heading "EBITDA" in the Financial Statements plus any Interest Reserve Ledger pay-outs for the relevant period;

"**Consolidated Coverage Ratio**" means the ratio of (A) the aggregate amount of Consolidated Adjusted EBITDA in the Relevant Period to (B) the aggregate amount of Net Cash Interest in the Relevant Period;

"**Consolidated Indebtedness**" means Indebtedness of the Group on a consolidated basis determined in accordance with general accounting principles;

"**€**" or "**Euro**" means the currency of the economic and monetary union established pursuant to the Treaty on the Functioning of the European Union, as amended;

"**Financial Statements**" means the consolidated financial report of the Group and/or the consolidated interim financial report (including the management report) of the Group, in each case as prepared by the Group as at the Last Reporting Date and prepared by the management based on general accounting principles adjusted to include the Portfolio Value covering the applicable Relevant Period;

"**Group**" means the Borrower and each Subsidiary taken as a whole and "**member of the Group**" shall be construed accordingly;

**"Indebtedness"** means (without duplication) any present or future indebtedness (whether being principal, interest or other amounts but excluding any indebtedness owed to another member of the Group) for or in respect of: (a) money borrowed; (b) liabilities under or in respect of any acceptance or acceptance credit; or (c) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

**"Last Reporting Date"** means the calendar quarter ending nearest prior to a Bond Interest Payment Date;

**"Market Value"**, in respect of an Investment Property, has the meaning given to the term gross market value (including purchase costs) in the Appraisal Manual issued by the RICS current at the time of the valuation (or, failing that, the nearest equivalent document defining generally accepted valuation terms, requirements and practices) or an estimation of value by a RICS registered valuer;

**"Net Cash Interest"** means all interest accrued to the Issuer as a result of the Series A Bonds (excluding any one-off financing charges without limitation, any one-off fees and/or break costs and/or early redemption costs and/or issuance costs);

**"Permitted Cross-Collateralisation"** means the creation or maintenance of a Security Interest, directly or indirectly, by a member of the Group over any of its present or future business, undertaking, property, assets or revenues (including any uncalled capital) and/or the giving, or entering into, of any guarantee, indemnity or other arrangement providing credit support by a member of the Group, in each case, for the purposes of securing a Project Financing Debt in respect of which two or more members of the Group are liable;

**"Portfolio Value"** means the Market Value of the total Investment Portfolio;

**"Total Assets"** means the value of the consolidated total assets of the Group and any Related Party, as such amount appears in the last Financial Statements of the Group prepared in accordance with general accounting principles, provided that "Total Assets" shall include the proceeds of the Indebtedness to be incurred;

**"Total Assets Adjusted"** mean the sum of (without duplication): (i) the Total Assets as at the Last Reporting Date; (ii) the purchase price of any Investment Property acquired or contracted for acquisition by the Group since the Last Reporting Date; and (iii) the proceeds of any Indebtedness incurred since the Last Reporting Date (but only to the extent that such proceeds were not used to acquire Investment Property or to reduce Indebtedness);

**"Redemption Rate"** means 105 per cent;

**"Related Company"** means any company in which the Borrower holds, directly or indirectly no more than 50% of the share capital or voting rights and **"Related Companies"** shall mean all of them;

**"Relevant Period"** means the respective most recent four consecutive quarters ending prior to the respective date of determination of the Consolidated Coverage Ratio and if less than four quarters of reporting exist then the existing reporting shall be annualised;

**"RICS"** means the Royal Institution of Chartered Surveyors;

**"Security Interest"** means any mortgage, pledge, lien, charge, assignment, or Security Interest or any other agreement or arrangement having a similar effect;

**"Subsidiary Project Financing"** means the provision of support for, or the financing or refinancing of, the ownership, acquisition, construction, development, sale, transfer, assignment and/or operation of Development Property by means of the incurrence of any Indebtedness of, or the incurrence of any liability contingent on the giving of any representation, warranty, guarantee, covenant or similar instrument by, a Subsidiary or a Related Company (which, for the purposes of this definition, shall not include any Indebtedness incurred by any member of the Group or the incurrence of any contingent liability by a Subsidiary or Related Company as a result of the raising of funds by the issue of any Bonds or Further Bonds (each a **"Project Financing Debt"**) in respect of which the person or persons to whom such Project Financing Debt is or may be owed by the relevant Subsidiary or Related Company have no

recourse whatsoever to any member of the Group for the repayment of or a payment of any sum relating to such Project Financing Debt other than:

(a) recourse to such Subsidiary or such Related Company generally and all of its assets; and/or

(b) recourse directly or indirectly to more than one member of the Group in the case of a Permitted Cross-Collateralisation, provided that, for each such Permitted Cross-Collateralisation, the total Indebtedness incurred by the Group in respect of the underlying Project Financing Debt shall not exceed 25% of the Portfolio Value;

## **T. SUBSCRIPTION AND SALE**

The Issuer and the Borrower agreed, jointly and severally, subject to certain conditions, to procure subscribers and pay for the Series A Bonds. The Issuer will only allow subscriptions of Series A Bonds in lots larger than or equal to €100,000. The Series A Bonds may only be distributed to qualified investors. Furthermore, the sale of the Series A Bonds to non-qualified investors by the Issuer is prohibited. The Series A Bonds shall be distributed by the Issuer only by way of private placement.

The Issuer has agreed to pay any brokers or intermediaries facilitating subscriptions a selling commission. On the Closing Date, pursuant to the terms of the Senior Loan Agreement, the Borrower will pay the Initial Borrower Facility Fee to the Issuer, which will be equal to all fees, costs and expenses properly and reasonably incurred by the Issuer on or before the Closing Date in connection with the issue of the Series A Bonds, including the selling commissions referred to above.

### ***United States***

The Series A Bonds have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from registration requirements. Accordingly, the Series A Bonds are being offered and sold in offshore transactions in reliance on Regulation S. The purchaser of the Series A Bonds will agree that it will not offer or sell the Series A Bonds as part of its distribution at any time or otherwise until 40 days after the later of the commencement of the offering and the closing date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each affiliate or other dealer (if any) to which it sells Series A Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Series A Bonds within the United States or to, or for the account or benefit of, U.S. persons. Each purchaser of the Series A Bonds (which term for the purposes of this section will be deemed to include any interests in the Series A Bonds, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

- a) the Series A Bonds have not been and will not be registered under the Securities Act and such Series A Bonds are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Series A Bonds, then it agrees that it will offer, resell, pledge or transfer such Series A Bonds only (i) to a purchaser who is not a U.S. person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Series A Bonds for the account or benefit of a U.S. person and who is acquiring the Series A Bonds in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States, provided that the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control; and
- b) unless the relevant legend set out below has been removed from the Series A Bonds such purchaser shall notify each transferee of Series A Bonds (as applicable) from it that (i) such Series A Bonds have not been registered under the Securities Act, (ii) the holder of such Series A Bonds is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Series A Bonds in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing.

The Issuer, the Paying Agent and their affiliates and others will rely upon the truth and import of the foregoing acknowledgments, representations and agreements.

The Series A Bonds will bear a legend to the following effect:

"THIS BOND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE BONDS AND THE CLOSING OF THE OFFERING OF THE BONDS, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES."

### **General**

Except for the approval of this document by the Vienna Stock Exchange, no action has been or is being taken by the Issuer in any jurisdiction which would or is intended to permit a public offering of the Series A Bonds, or the possession, circulation or distribution of this document or any other material relating to the Issuer in any country or jurisdiction where action for that purpose is required.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Series A Bonds may not be offered or sold, directly or indirectly, and neither this document nor any other circular, memorandum, form of application, advertisement or other material in connection with the Series A Bonds may be distributed in or from or published in any country or jurisdiction, except under circumstances which will result in compliance with applicable laws and regulations of any such country or jurisdiction.

Each broker or intermediary has undertaken to the Issuer that it will not, directly or indirectly, offer or sell any Series A Bonds, or distribute this document or any other material relating to the Series A Bonds, in or from any country or jurisdiction except in circumstances that will result in compliance with applicable law and regulation.

## U. GENERAL INFORMATION

1. The issue of the Series A Bonds will be authorised by resolution of the board of directors of the Issuer passed on or before Closing Date.
2. It is expected that the Series A Bonds will be admitted to trading on the Vienna Stock Exchange on or about the Closing Date.
3. It is expected that the Series A Bonds will be accepted for clearance through Euroclear and Clearstream with the following ISIN CH1149139730
4. So long as the Series A Bonds are admitted to trading on the Vienna Stock Exchange the most recently published annual accounts of the Issuer from time to time will be available at the specified office of the Issuer. The Issuer may at its discretion publish interim and annual accounts on its website.
5. None of the Issuer or the Borrower is nor has been involved in any governmental, legal or arbitration proceedings which may have, or have had since the date of its incorporation, a significant effect on its financial position, nor is the Issuer or the Borrower aware that any such proceedings are pending or threatened against it.
6. Since the date of their incorporation, each of the Issuer and the Borrower has not commenced operations and has not prepared any audited accounts.
7. Save as disclosed in this document, the Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages, standard securities, charges or given any guarantees.
8. Save as disclosed in this document, the Borrower has no Borrower contributions, borrowings or indebtedness or contingent liabilities, nor has the Borrower created any mortgages, standard securities, charges or given any guarantees.
9. Copies of the following documents may be inspected in physical form during usual business hours on any weekday (excluding Saturdays and public holidays) at the registered offices of the Issuer from the date of this Memorandum and for so long as the Series A Bonds are listed on the Vienna Stock Exchange:
  - a) the Memorandum and Articles of Association of the Issuer;
  - b) the Memorandum and Articles of Association of the Borrower;
  - c) copies of the execution versions of the following Transaction Documents:
    - (i) the Trust Deed;
    - (ii) the Paying Agency Agreement;
    - (iii) the Cash Management Agreement;
    - (iv) the Issuer Security Documents;
    - (v) the Senior Loan Agreement;
    - (vi) The Borrower Security Documents; and
    - (vii) The Financial Statements of the Group
10. The Issuer will provide post-issuance financial information on a semi-annual basis and on an annual basis in relation to value of the Investment Properties. Such information will be shared on the Issuers website, and made available to Bondholders on Bloomberg (or such other information service as is notified to Bondholders from time to time).