



VGP NV

**public limited liability company (“naamloze vennootschap” / “société anonyme”)
under Belgian law**

private offer in Belgium
3.35 per cent. fixed rate bonds due 30 March 2025

Issue Price: 100 per cent.
Yield (gross actuarial return): 3.35 per cent. (on an annual basis)
Net yield: 2.345 per cent. (on an annual basis)

The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the Interest Rate of 3.35 per annum and is based on the assumption that the Bonds will be held until 30 March 2025 when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until their Maturity Date. The net yield reflects a deduction of Belgian WHT at the rate of 30 per cent. (Investors should consult Part VI: Taxation of this Information Memorandum for further information about Belgian taxation).

ISIN Code: BE6294349194
Common Code: 159049558 (the “Bonds”)
for an expected amount of EUR 80 million
Issue Date: 30 March 2017

This Information Memorandum does not constitute a prospectus within the meaning of the Prospectus Directive. This Information Memorandum is a document drawn up for information purposes for potential investors in the Bonds.

Lead Manager and Bookrunner

KBC Bank NV

The date of this Information Memorandum is 28 March 2017

These Bonds constitute debt instruments. An investment in the Bonds involves risks. Before making any investment decision the investors must read the Information Memorandum and more particularly the section Risk Factors (please see page 8 and following (Part I: Risk Factors)). By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on an annual basis and to reimburse the principal on the Maturity Date. In case of bankruptcy or default by the Issuer, however, investors may not recover the amounts they are entitled to and risk losing all or a part of their investment. These Bonds are intended for investors who are capable of evaluating the interest rates in light of their knowledge and financial experience. Each decision to invest in these Bonds must be based solely on the information contained in this Information Memorandum (including the section Risk Factors) and more generally Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds and Factors which are material for the purpose of assessing the market risks associated with the Bonds.

VGP NV, a public limited liability company ("*naamloze vennootschap*" / "*société anonyme*") incorporated under Belgian law, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, commercial court of Ghent, division Dendermonde (the "**Issuer**" or the "**Company**") intends to issue the Bonds for an expected amount of EUR 80 million. The Bonds will bear interest at the rate of 3.35 per cent. per annum, subject to Condition 5 (*Interest*). Interest on the Bonds is payable annually in arrears on the Interest Payment Dates falling on, or nearest to 30 March in each year. The first payment on the Bonds will occur on 30 March 2018, and the last payment on 30 March 2025. The Bonds will mature on 30 March 2025.

KBC Bank NV (having its registered office at Havenlaan 2, 1080 Brussels, Belgium) ("**KBC**") is acting as exclusive lead manager and bookrunner and as domiciliary, calculation and paying agent (the "**Lead Manager**", "**Manager**", or "**Agent**") for the purpose of the private placement of the Bonds with Qualified Investors in Belgium (the "**Private Placement**").

The denomination of the Bonds shall be EUR 100,000.

This information memorandum dated 28 March 2017 (the "**Information Memorandum**") has not been approved by the Financial Services and Markets Authority ("*Autoriteit voor Financiële Diensten en Markten*" / "*Autorité des services et marchés financiers*") (the "**FSMA**") in its capacity as competent authority under article 23 of the Belgian Law dated 16 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market (the "**Prospectus Law**"). The Bonds will not be listed on a regulated market or any other stock market. Hence, there will be no public market for the Bonds. The Information Memorandum has been drawn up in English and no translation of the Information Memorandum in any other language will be provided by the Issuer. The Information Memorandum will be made available on the website of the Issuer in the section addressed to investors as "Bonds" (www.vgpparks.eu).

The Information Memorandum is not a prospectus for the purposes of article 5(3) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the "**Prospectus Directive**"), the Prospectus Law or the Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended (the "**Prospectus Regulation**"). It intends to give information with regard to the Issuer and the Bonds, which according to the particular nature of the Issuer and the Bonds, is useful to enable investors to make an informed assessment of the rights attaching to the Bonds and of the Issuer.

The Bonds will be issued in dematerialised form ("*gedematerialiseerd*" / "*dématérialisé*") under the Belgian Company Code ("*Wetboek van Vennootschappen*" / "*Code des Sociétés*") (the "**Belgian Company Code**") and cannot be exchanged for bonds in bearer form. The Bonds will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**Clearing System**"). Access to the Clearing System is available through those of its Clearing System Participants whose membership extends to securities such as the Bonds. Clearing System Participants include certain banks, stockbrokers ("*beursvennootschappen*" / "*sociétés de bourse*"), Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Unless otherwise stated, capitalised terms used in this Information Memorandum have the meanings set forth in this Information Memorandum. Where reference is made to the Conditions of the Bonds or to the Conditions, reference is made to the Terms and Conditions of the Bonds (see Part II: *Terms and Conditions of the Bonds*).

In this Information Memorandum, references to **we**, **VGP** or the **Group** shall be construed as reference to the Issuer and its Subsidiaries.

An investment in the Bonds involves certain risks. Prospective investors should refer to the section entitled Risk Factors on page 8 and following for an explanation of certain risks of investing in the Bonds.

RESPONSIBLE PERSON

The Issuer (the “**Responsible Person**”), having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), this Information Memorandum contains all information with respect to the Issuer and the Bonds that is material in the context of the issue and offering of the Bonds.

Market data and other statistical information used in this Information Memorandum have been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an “**Independent Source**”). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant Independent Source, at the date on which such information is said to be stated, no facts have been omitted which would render the reproduced information inaccurate or misleading.

PRIVATE PLACEMENT IN BELGIUM

This Information Memorandum has been prepared in connection with the Private Placement. This Information Memorandum has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Information Memorandum, may only do so in circumstances in which no obligation arises for the Issuer or the Manager to publish a prospectus pursuant to article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Manager have authorised, nor do they authorise, the making of any offer of Bonds in circumstances in which an obligation arises for the Issuer or the Manager to publish a prospectus for such offer.

This Information Memorandum is to be read in conjunction with all the documents which are incorporated herein by reference (see paragraph *Documents Incorporated by Reference*). This Information Memorandum shall be read and construed on the basis that such documents are incorporated in and form part of the Information Memorandum.

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Manager do not represent that this Information Memorandum may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Manager which is intended to permit a public offering of the Bonds or the distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement or other offering

material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of Bonds.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum and any information or representation not so contained or inconsistent with this Information Memorandum or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Manager. Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in this Information Memorandum is true subsequent to the date hereof or, if different, the date on which such information is said to be stated, or otherwise that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or that the information contained in it or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Manager and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds.

Neither this Information Memorandum nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Manager that any recipient of this Information Memorandum or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Save for the Issuer, no other party has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Manager as to the accuracy or completeness of the information contained or incorporated in this Information Memorandum or any other information in connection with the Issuer or the offering of the Bonds. The Manager does not accept any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Information Memorandum or any other information in connection with the Issuer, the offering of the Bonds or the distribution of the Bonds.

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

All references in this document to **euro, EUR and €** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

This Information Memorandum contains various amounts and percentages which are rounded and, as a result, when these amounts and percentages are added up, the totals may not be an arithmetic aggregation of these amounts and percentages.

WARNING

The Information Memorandum has been prepared to provide information on the Private Placement. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the Private Placement itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds.

The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Information Memorandum may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

The Issuer will have no obligation to draw up or publish a supplement to the Information Memorandum in the event of important new developments, material errors or inaccuracies that could affect the assessment of the securities, and which occur or are identified between the date of this Information Memorandum and the final closure of the Private Placement.

FURTHER INFORMATION

For more information about the Issuer, please contact:

VGP NV
Spinnerijstraat 12
9240 Zele
Tel.: 0032 52 45 43 86

Documents Incorporated by Reference

This Information Memorandum shall be read and construed in conjunction with:

- (i) the prospectus published by the Issuer and dated 6 September 2016 with regard to the issuance of 3.90 per cent. fixed rate bonds due 21 September 2023 and all document incorporated therein by reference (the “**Prospectus**”);
- (ii) the press release dated 4 November 2016 “Notice of extraordinary shareholders’ meeting, December 8, 2016”;
- (iii) the press release dated 7 November 2016 “VGP develops a fulfilment centre for Amazon at VGP Park Frankenthal”;
- (iv) the press release dated 20 December 2016 “VGP acquires the logistics center and industrial land plots in Mango Logistics Park in Lliçà d’Amunt (Barcelona)”;
- (v) the press release dated 21 December 2016 “VGP acquires a large development land plot located in San Fernando de Henares (Madrid)”;
- (vi) the press release dated 24 February 2017 “Annual results 2016”;
- (vii) the press release dated 24 March 2017 “Disclosure in accordance with the Law of 2 May 2007: Transparency law. Transparency declaration by Mr Jan Van Geet”; and

(viii) the press release dated 24 March 2017 “Disclosure in accordance with the Law of 2 May 2007: Transparency law. Transparency declaration by Mr Jan Prochazka”.

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

Copies of documents incorporated by reference in this Information Memorandum may be obtained from the registered offices of the Issuer (Spinnerijstraat 12, 9240 Zele, Belgium), or the website of the Issuer (www.vgpparks.eu).

Table of Contents

I. RISK FACTORS.....	8
II. TERMS AND CONDITIONS.....	15
III. CLEARING.....	37
IV. DESCRIPTION OF THE ISSUER	38
V. USE OF PROCEEDS	59
VI. TAXATION	60
VII. GENERAL INFORMATION.....	66
VIII. DEFINITIONS	67

I. Risk Factors

1 Risks specific to the Issuer and the Group

The main risk factors in relation to the Issuer and the Group include:

1.1 Risks related to the Joint Venture

VGP entered into a 50:50 joint venture with Allianz during the first quarter of 2016 (the “**Joint Venture**”).

The Joint Venture has an exclusive right of first refusal (in accordance with the conditions as set forth in the agreement relating to the Joint Venture, the “**Joint Venture Agreement**”) in relation to acquiring the Czech, German, Hungarian and Slovak income generating assets of the Group. The Joint Venture does not have a contractual or legal obligation to acquire the income generating assets proposed by VGP. There is therefore a risk that the Joint Venture would discontinue acquiring the completed assets from the Group. However, if the completed asset meets specific investment criteria and as long as Jan Van Geet, as CEO of the Group, devotes sufficient time to the development of the portfolio of the Joint Venture, then the Joint Venture is in principle required to acquire it. Alternatively, VGP will be authorized to market the proposed assets on the open market, allowing it to generate sales proceeds from another source than the Joint Venture. This risk is further mitigated by the strong historic track record of VGP and the good negotiating position of VGP as the operator and manager of the portfolio.

The main risk results from the fact that the Group undertakes development activities on behalf of the Joint Venture and is required to pre-finance the remaining development pipeline of the Joint Venture. Upon the acquisition of the developed assets by the Joint Venture these loans should be repaid from the additional bank debt. In addition, VGP will also be entitled to a top-up payment based on the agreed market value of such assets and may be adversely affected in case the actual construction costs would be higher than the market value of the completed building. In such case, such difference would need to be fully borne by the Group.

The Group has recognized that it has de facto a constructive obligation towards the Joint Venture (of up to its proportional share) as it will always ensure that the Joint Venture and its subsidiaries will be in a position to fulfil their respective obligations. There is no legal obligation to support the Joint Venture.

Should a member of the Group or the Issuer itself breach certain material obligations under any management agreement or the Joint Venture Agreement which are not remedied, then Allianz will have the right to terminate all the management agreements and/or exercise a call option over all the Issuer's shares in the Joint Venture against payment of a discounted price equal to 90% of the fair market value.

Allianz has the right to dilute the Issuer in the Joint Venture pursuant to the Issuer defaulting under its funding obligations towards the Joint Venture or pursuant to Allianz being required to consolidate the Joint Venture within its companies' group.

1.2 Risks related to the construction and development loans

The loans granted to the Joint Venture, which comprise development and construction loans granted directly to the project companies of the Joint Venture as well as other shareholder loans granted to the Joint Venture are considered fully collectable. The purpose of the Joint Venture is only to invest in income generating assets and both Joint Venture's partners have agreed that as a result, any development undertaken within the Joint Venture will be in first instance pre-financed by VGP. The repayment of these construction and development loans will be principally driven by the subsequent refinancing of the Joint Venture's assets upon their completion. Should the proceeds of such refinancing be significantly lower

than the development costs, then it could be possible that VGP is unable to recoup the total amount of the loans granted to the Joint Venture.

1.3 Risks related to the fact that the Joint Venture does not qualify as a Subsidiary

The Joint Venture does not qualify as a Subsidiary of the Issuer. Consequently, any event occurring in respect of the Joint Venture shall not trigger the application of Condition 9(d) (*Cross-Default of the Issuer or a Subsidiary*) nor the application of any of the other Events of Default that also relate to a Subsidiary of the Issuer such as Condition 9(e) (*Enforcement Proceedings*), Condition 9(f) (*Security Enforced*), Condition 9(g) (*Unsatisfied Judgment*), Condition 9(h) (*Insolvency and insolvency proceedings*), Condition 9(i) (*Reorganisation, change or transfer of business or transfer of assets*) or Condition 9(j) (*Winding-up*) and shall therefore not result in an Event of Default under the Bonds.

1.4 Risks related to the total or partial sale of income-generating assets

The Group may divest income generating assets, as a result of which its operational income would decrease. The proceeds of such divestments may be used for a new development cycle, i.e. to fund the acquisition and development of new plots of land. During the first phase of the development of a new project, no income is generated by the new development until such project is completed and delivered to a tenant.

1.5 Evolution of debt ratio of the Group

In order to finance the Group's growth, a significant increase in the amount of the Group's borrowings is expected, which would result in higher financing costs and financing and refinancing risks. The bank debt will fluctuate based on the timing of the recycling of shareholder loans granted to the Joint Venture as these shareholder loans are repaid when projects are being acquired by the Joint Venture. It is nevertheless expected that for the foreseeable future, the Group will operate within a Gearing Ratio of up to 55%.

1.6 The Group may not be able to generate sufficient cash flows

The Group's short term cash flow may be affected if it is unable to continue to successfully sign new lease contracts, which, in its turn, may affect the interest payment capacity of the Group. The medium term results of the Group may fluctuate significantly depending on the projects/parks that can be divested in a given year. Inability to generate sufficient cash in the medium term may affect the debt repayment capacity of the Group.

1.7 Nature of the Group's business

The results and the outlook of the Group depend among others on the ability of the management to identify and acquire interesting real estate projects and to develop and commercialise such projects at economically viable conditions.

1.8 Nature and composition of portfolio

The valuation of the property depends largely on national and regional economic conditions. Due to the nature of the real estate and the lack of alternative uses of semi-industrial properties with its ancillary offices, the ability to respond to adverse changes in the performance of the properties could be limited.

1.9 The Group's real estate portfolio is concentrated on semi-industrial property

Due to this concentration an economic downturn in this sector could have a material adverse effect on the Group's business.

1.10 Ability to generate continued rental income

The value of a rental property depends largely on the remaining term of the related rental agreement as well as of the creditworthiness of the tenants. If one or more of the Group's largest customers is unable to meet its lease obligations, the Group's business could be materially adversely affected.

1.11 Group's development activities

During the development phase of projects, the Group usually carries the costs of the project and begins to receive revenues only at a later point in time. Delays in the completion, cost overruns, underestimation of costs, etc. could decrease the Group's cash flows.

1.12 Disposal of projects

The Issuer's cash flow can fluctuate considerably from year to year depending on the number of projects which can be sold in a given year.

1.13 Insurance risks of the real estate

The Group may have to bear the costs related to or be liable for any debt or other financial obligation related to the property in case of damages or loss of the property. Certain types of losses may be uninsurable or not economically insurable and insurance proceeds are not always sufficient to cover the costs.

1.14 Regulatory matters

Regulatory changes in the different countries where the Group is active could have a material adverse effect on the Group's business. Additionally, the Group may encounter difficulties in obtaining the relevant permits (within the expected timeframe).

1.15 Ability to generate capital gains

A downturn of the property market or a negative change in one of the assumptions used or factors considered in making a property's valuation could decrease the value of the property of the Group.

1.16 Competition

Increased competition could have an impact on the purchase price and development costs of the sites, as well as on rental revenues and Occupancy Rates.

1.17 Dependency on key personnel

As the Group depends largely on the expertise and commercial quality of its management, commercial and technical team, the loss of or failure to attract such persons may have a material adverse effect on the Group's business.

1.18 Counterparty risk

Counterparties of the Group's agreements may not be able to comply with their contractual obligations.

1.19 Availability of adequate credit facilities or shareholder loans

The non-availability of adequate credit facilities or shareholder loans may have an adverse effect on the growth of the Group and its financial condition.

1.20 Compliance with financial covenants

A breach of financial covenants could have an adverse effect on the financial position of the Group.

1.21 Evolution of interest rates

Changes in interest rates could have an adverse effect on the Group's ability to obtain or service debt and other financing on favourable terms.

1.22 Fluctuation in currency exchange rates

The Group's revenues are predominantly denominated in euro, whereas expenses, assets and liabilities are recorded in a number of different currencies other than euro. Variations in exchange rates may affect the amount of these items in the consolidated financial statements.

1.23 Defects in the ownership title

Real estate registries in some of the mid-European countries do not provide conclusive evidence of ownership of title to property. Some of the members of the Group may not have title to some of the plots of land despite being registered as owners.

For other risk factors specific to the Issuer and the Group, and for more information related thereto, reference is made to Part II (*Risk Factors*) of the Prospectus, available on the Issuer's website (www.vgpparks.eu).

2 Risks specific to the Bonds

The main risk factors in relation to the Bonds include:

2.1 The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of the investment in light of its own circumstances, based on its own independent review and such professional advice as it deems appropriate under the circumstances. In particular, each potential investor should have sufficient knowledge and experience, appropriate analytical tools to make a meaningful evaluation of the Bonds, evaluate the impact of the Bonds on its overall investment portfolio, and have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds.

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

The Issuer may not be able to repay the Bonds at their maturity. If the Bondholders were to ask the Issuer to repay their Bonds upon the occurrence of an Event of Default, the Issuer cannot be certain that it will be able to pay the required amount in full.

2.3 Holding company

The Issuer is a holding company with no operating income and is therefore solely dependent on distributions made by members of the Group or by the Joint Venture to the Issuer. Accordingly, the

Issuer's ability to meet its financial obligations under the Bonds will largely depend on the cash flows from the Joint Venture and the Joint Venture's subsidiaries and from members of the Group and the distributions paid to it by the Joint Venture and by members of the Group. The Group financings contain restrictions on the distributions by members of the Group to the Issuer, in case certain financial tests are not met.

2.4 Outstanding debt

Substantial outstanding financial debt could negatively impact the Issuer and its ability to make payments under the Bonds.

2.5 The Issuer may incur additional indebtedness

This could have an impact on its ability to meet the obligations under the Bonds or could cause the value of the Bonds to decrease. The Conditions do not limit the amount of unsecured or secured debts that the Issuer can incur.

2.6 Status and structural subordination

The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed and will effectively be subordinated to any secured indebtedness of the Issuer and will be effectively structurally subordinated to any indebtedness of the Joint Venture, the Joint Venture's subsidiaries and of the members of the Group (other than the Issuer).

It cannot be excluded that following demands under the guarantees granted by the members of the Group or the by the Joint Venture's subsidiaries and/or enforcement of the security interest granted by the members of the Group or by the Joint Venture's subsidiaries, no or only limited amounts remain available for distribution to other holders of indebtedness owed by members of the Group or owed by the Joint Venture's subsidiaries and, hence, that no or only limited amounts will remain available for distribution to the Issuer and payments to the creditors of the Issuer, including the Bondholders.

2.7 The Issuer may not be able to repay the Bonds at their maturity

The Issuer's ability to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from the Joint Venture and from its Subsidiaries) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness.

2.8 The Bonds may be redeemed prior to maturity

In the event of the occurrence of an Event of Default, the Bonds may be redeemed prior to maturity. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds.

2.9 Taxes

Payments with respect to the Bonds may be subject to Belgian withholding tax. Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the countries where the Bonds are transferred or other jurisdictions. Belgian withholding tax, currently at a rate of 30 per cent., will in principle be applicable to the interest on the Bonds held in a non-exempt securities account (an N Account) in the X/N System.

2.10 Market for the Bonds and price

There is no assurance as to the liquidity of the Bonds. Any sale of the Bonds prior to maturity occurs at a price which may be less than the nominal value of the Bonds and is affected by a range of factors, such as the solvency of the Issuer. An increase in the market interest rates or inflation can result in the value of the Bonds being lower than the nominal amount of such Bonds.

2.11 Changes to the Conditions

Provided that certain majorities are achieved and pursuant to specified procedures, a meeting of Bondholders may amend the Conditions, without the consent of each individual Bondholder. Furthermore, a change in governing law could modify certain conditions.

2.12 Change of Control Put

In case of a Change of Control the Bondholders may (under certain conditions) obtain an early redemption of the Bonds. The Change of Control Put has to be approved by the general meeting of shareholders of the Issuer in order to be effective. It is not assured that such approval from the Shareholders will be obtained.

2.13 Payments through the Agent and the Clearing System

The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the Clearing System. Transfers of the Bonds, payments made in respect of the Bonds and all communication with the Issuer will occur through the Clearing System. The Issuer cannot guarantee the proper performance by the Clearing System.

2.14 Position of the Agent and the Lead Manager

The Issuer, the Agent and the Lead Manager may participate in transactions which could have an adverse effect on the interests of the Bondholders. The Agent and the Lead Manager already have entered into loans and other facilities with the Issuer. The Agent does not assume any fiduciary duties or other obligations to the Bondholders.

2.15 Financing of purchase of the Bonds

If a Bondholder obtains financing to purchase the Bonds, it will possibly not only be confronted with a loss on its investment if an Event of Default occurs or if the price of the Bonds decreases significantly, but it will also be required to repay the loan as well as the interest in respect of such a loan. Such a credit facility can therefore lead to a significant increase in the loss on the investment for the investor.

2.16 Credit rating

The Issuer and the Bonds do not have a credit rating and the Issuer currently does not intend to request a credit rating for itself or the Bonds at a later date, which may render the price setting of the Bonds more difficult.

2.17 There is no active trading market for the Bonds

Illiquidity may have a severely adverse effect on the value of Bonds.

2.18 The Bonds are exposed to market interest rate risk

The Bonds provide a fixed interest rate until the Maturity Date. An increase in the market interest rates can result in the value of the Bonds being lower than the nominal amount of such Bonds.

2.19 Value of the Bonds

The value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors.

2.20 Risk of withdrawal and cancellation of the Private Placement or issue of a lower amount than the expected amount

There is a risk that the offer may be wholly or partially retracted or cancelled in accordance with the provisions of the Placement Agreement. Investors should also note that the Issuer, with the consent of the Manager, may decide to issue a lower amount than the expected amount.

For other risk factors specific to the Bonds, and for more information related thereto, reference is made to Part II (*Risk Factors*) of the Prospectus, available on the Issuer's website (www.vgpparks.eu).

II. Terms and Conditions

The following is the text of the terms and conditions (the “Conditions”) of the Bonds save for the paragraphs in italics that shall be read as complementary information.

The issue of the 3.35 per cent. fixed rate Bonds due 30 March 2025, for an expected aggregate amount of EUR 80 million (the “Bonds”) was authorised by a resolution of the Board of Directors of VGP NV, a limited liability company (“naamloze vennootschap” / “société anonyme”) organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, RPR / RPM Dendermonde (the “Issuer”), passed on 23 February 2017. The Bonds are issued subject to and with the benefit of a domiciliary agency agreement dated 28 March 2017 entered into between the Issuer and KBC Bank NV acting as domiciliary and paying agent (the “Agent”, which expression includes any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Agreement. The Agency Agreement contains, amongst other things, provisions dealing with the appointment, changes in Agents and the respective obligations and duties of the Issuer and the Agent in respect of (i) the issue, payment and delivery of the Bonds; (ii) the payment of principal and interest on the Bonds; (iii) the redemption of the Bonds; and (iv) the calculation of the Put Redemption Amount. The Agency Agreement also contains detailed provisions in relation to the meetings of Bondholders, which are set out in full in Schedule 1 to the Conditions. Copies of the Agency Agreement and the Clearing Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Havenlaan 2, 1080 Brussels, Belgium. The Bondholders are bound by, and deemed to have notice of, all the provisions of the Agency Agreement applicable to them.

References herein to “Conditions” are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds are issued in dematerialised form in accordance with article 468 et seq. of the Belgian Company Code and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the “NBB”) or any successor thereto (the “Clearing System”). The Bonds can be held by their holders through Participants in the Clearing System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other Participants in the Clearing System. The Bonds are accepted for clearance through the Clearing System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the Clearing System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the “Clearing System Regulations”). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

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

Bondholders are entitled to exercise the rights they have, including voting rights, making requests, giving consents, and other associative rights (as defined for the purposes of article 474 of the Belgian Company Code) upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, Luxembourg or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing such holder's position in the Bonds (or the position held by the financial institution through which such holder's Bonds are held with the NBB, Euroclear, Clearstream, Luxembourg or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

The Bonds are in principal amounts of EUR 100,000 each (the “**Specified Denomination**”).

2 Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, save for such obligations that may be preferred by provisions of law that are both mandatory and of general application.

3 Negative Pledge

3.1 So long as any Bond remains outstanding, the Issuer:

- (a) will not create or permit to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Financial Indebtedness of the Issuer or a Subsidiary or any other person or to secure any Personal Security, guarantee of or indemnity in respect of any Financial Indebtedness of the Issuer or a Subsidiary or any other person;
- (b) will procure that no Subsidiary creates or permits to subsist any Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Financial Indebtedness of the Issuer or a Subsidiary or any other person or to secure any Personal Security, guarantee of or indemnity in respect of a Financial Indebtedness of the Issuer or a Subsidiary or any other person;
- (c) will not give any Personal Security, guarantee of or indemnity in respect of any of the Financial Indebtedness of a member of the Group or any other person; and
- (d) will procure that no Subsidiary gives any Personal Security, guarantee of or indemnity in respect of any of the Financial Indebtedness of the Issuer or a member of the Group or any other person;

unless, other than with respect to (c) above where there will be no exception to the negative pledge undertaking contained in such paragraph (c) except as set forth in Condition 3.3 below, at the same time or prior thereto, the Issuer's obligations under the Bonds (i) are secured equally and rateably therewith or benefit from a Personal Security, guarantee or indemnity in substantially identical terms thereto, as the case may be, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by a general meeting of the Bondholders in accordance with Condition 13 (*Meeting of Bondholders, Modification and Waiver*).

3.2 The Issuer shall be deemed to have satisfied the obligation under (i) above if the benefit of such Security, Personal Security, guarantee or indemnity is equally granted to an agent or trustee on behalf of the creditors of the relevant Financial Indebtedness (provided that the Bonds are also secured by such

Security, Personal Security, guarantee or indemnity and on the understanding that any creation, change, release or exercise of the Security, Personal Security, guarantee or indemnity, as the case may be, can only be decided by such agent, the creditors and/or a majority of the creditors of the relevant Financial Indebtedness) or through any other structure which is customary in the debt capital markets (whether by way of supplement, guarantee agreement, deed, intercreditor agreement or otherwise). In particular, but without limitation, such Security, Personal Security, guarantee or indemnity can be granted in accordance with, and each Bondholder agrees with the provisions set forth in, Condition 15 (*Security*).

3.3 The prohibition contained in this Condition 3 (*Negative Pledge*) does not apply to

- (a) Security existing prior to any entity becoming a Subsidiary (provided that such Security was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the Issuer and that the principal amount of such Financial Indebtedness is not subsequently increased);
- (b) Security arising by operation of law in the ordinary course of business of the Issuer or a Subsidiary and not resulting of any default or omission of the Issuer or a Subsidiary;
- (c) Personal Security given by the Issuer to guarantee (i) the Financial Indebtedness of a Subsidiary incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary or (ii) the performance of Projects by a Subsidiary including the payment of any indemnities or penalties under performance guarantees in relation to Projects of such Subsidiary;
- (d) Personal Security given by a Subsidiary in respect of a Financial Indebtedness of another Subsidiary; or
- (e) Security granted by a Subsidiary to secure its own Financial Indebtedness incurred in order to finance Project Land or Project Buildings of such relevant Subsidiary.

4 Interpretation

A “**person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

A reference to any act, law, statute or any provision of any act, law or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

5 Interest

5.1 Interest Rate and Interest Payment Dates

Subject to an increase as described in Condition 6.2(c), each Bond bears interest from (and including) the Issue Date at the rate of 3.35 per cent. per annum (the “**Interest Rate**”) calculated by reference to its Specified Denomination and such interest amount is payable annually in arrears on 30 March of each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 30 March 2018.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated by multiplying the product of the Interest Rate and the Specified Denomination with (i) the actual number of days in the relevant period from (and including) the first day

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

5.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which case interest will continue to accrue at the rate specified in Condition 5.1 (*Interest Rate and Payment Dates*) (both before and after judgment and if necessary to be increased with judicial interest) until the earlier of:

- (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder; or
- (b) the day falling two TARGET Business Days after the Clearing System has received all amounts then due under the Bonds (except to the extent that any subsequent default would exist).

6 Redemption and Purchase

6.1 Redemption at maturity

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at their principal amount (together with interest accrued to the Maturity Date) on the Maturity Date.

6.2 Redemption at the Option of Bondholders

- (a) Upon a Change of Control

In the event that a Change of Control occurs, then each Bondholder will have the right to require the Issuer to redeem all or any part of its Bonds on the Change of Control Put Date at the Put Redemption Amount.

For the purpose of this Condition, a “**Change of Control**” shall be deemed to have occurred if (a) any person other than the Reference Shareholders or (b) a group of persons other than the Reference Shareholders, Acting in Concert, gain(s) Control of the Issuer;

whereby:

- (i) “**Control**” means (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to (i) cast, or control the casting of more than fifty (50) per cent. of the maximum number of votes that might be cast at a general meeting of Shareholders of the Issuer; or, (ii) exercise a decisive influence on the appointment or removal of all or a majority of the directors of the Issuer (including, but not limited to the right to nominate, pursuant to the articles of association or pursuant to agreements known by the Issuer, the majority of the directors of the Issuer); or (iii) exercise a decisive influence on the operating or financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are to comply or (B) the acquisition or the holding of a number of voting rights, even if such number is less than fifty (50) per cent. of the outstanding voting rights in the Issuer, if such acquisition or holding has resulted in a mandatory public offer over the whole of the outstanding shares of the Issuer; and

- (ii) **“Acting in Concert”** means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them to obtain or consolidate control over the Issuer.

To exercise such right, the relevant Bondholder must complete and deposit with the bank or other financial intermediary through which the Bondholder holds Bonds (the **“Financial Intermediary”**) for further delivery to the Issuer (with a copy to the specified office of the Agent) a duly completed and signed notice of exercise in the form attached as Schedule 2 to the Conditions (a **“Change of Control Put Exercise Notice”**), at any time during the Change of Control Put Exercise Period, provided that the Bondholders must check with their Financial Intermediary, as applicable, when such Financial Intermediary would require to receive instructions and Change of Control Put Exercise Notices in order to meet the deadlines for such exercise to be effective. By delivering a Change of Control Put Exercise Notice, the Bondholder shall undertake to hold the Bonds up to the date of effective redemption of the Bonds.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

Bondholders should note that the exercise by any of them of the option set out in this Condition 6.2. will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer or (b) the occurrence of a change of control within the meaning of article 5 of the Belgian Company Code, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Ghent, division Dendermonde (“greffe du tribunal de commerce” / “griffie van de rechtbank van koophandel”). Pursuant to Condition 10.7, the Issuer has undertaken to file a copy of the Change of Control Resolutions by the Long Stop Date. If a change of control within the meaning of article 5 of the Belgian Company Code occurs prior to such approval and filing, the Bondholders will not be entitled to exercise the option set out in this Condition 6.2. There can be no assurance that such approval will be granted at such shareholders' meeting. Reference is however made to the increase of Interest Rate included in Condition 6.2(c).

*The Put Redemption Amount applicable in the case of, or following, a Change of Control referred to under Condition 6.2(a), will be equal to the amount which is the lowest of the following two possibilities: (i) 101% of the principal amount of each Bond or (ii) such percentage (higher than 100%) of the principal amount of each Bond, which results in the actuarial yield of an investor between the Issue Date and the date of redemption in accordance with Condition 6.2(a) not being higher than the Interest Rate plus 0.75 points. This reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date in accordance with the “Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier” (“Royal decree of 26 May 1994 on the deduction of withholding tax”) (the **“Royal Decree”**). Indeed, it follows from the Royal Decree that, because the Bonds can be traded on N accounts, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity by more than 0.75 points if investors exercise a right to have the Bonds redeemed*

early. This to safeguard the exemption of Belgian withholding tax for the Bonds held on X accounts.

(b) Change of Control Notice

Within five (5) Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 14 (*Notices*) (a “**Change of Control Notice**”). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 6.2 (*Redemption at the Option of Bondholders*). Such notice shall be irrevocable.

The Change of Control Notice shall also specify:

- (i) to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;
- (ii) the last day of the Change of Control Put Exercise Period;
- (iii) the Change of Control Put Date; and
- (iv) the Put Redemption Amount.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

(c) Change of Control Resolutions

If by not later than the Long Stop Date:

- (i) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or
- (ii) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Ghent, division Dendermonde;

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the then prevailing Interest Rate shall be increased by 0.50 per cent. per annum until the last day of the Interest Period during which the Change of Control Resolutions were approved by a general meeting of the Shareholders of the Issuer and filed with the Clerk of the Commercial Court of Ghent, division Dendermonde.

6.3 Purchase

Subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

6.4 Cancellation

All Bonds which are redeemed will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or surrendered to the Agent for cancellation.

6.5 Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 6 (*Redemption and Purchase*), the first of such notices to be given shall prevail.

7 Payments

7.1 Principal, Premium and Interest

Without prejudice to article 474 of the Belgian Company Code, all payments of principal, premium or interest in respect of the Bonds shall be made through the Agent and the Clearing System in accordance with the Clearing System Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the Clearing System in respect of each amount so paid.

7.2 Payments

Each payment in respect of the Bonds pursuant to Condition 7.1 (*Principal, Premium and Interest*) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

7.3 Payments subject to fiscal and other applicable laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, without prejudice to the provisions of Condition 8 (*Taxation*). No commission or expenses shall be charged to the Bondholders in respect of such payments.

7.4 Agents, etc.

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent and (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a Participant in the Clearing System. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 14 (*Notices*).

7.5 No Charges

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

7.6 Fractions

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

7.7 Non-TARGET Business Days

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

8 Taxation

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

- (a) **Other connection:** to, or to a third party on behalf of, a Bondholder who is liable to such Taxes in respect of such Bond by reason of his having some connection with Belgium other than the mere holding of the Bond; or
- (b) **Non-Eligible Investor:** to a Bondholder, who at the time of issue of the Bonds, was not an eligible investor within the meaning of article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Bondholder who was such an eligible investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or
- (c) **Conversion into registered securities:** to a Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the Clearing System.

Every reference in these Conditions to principal payments and interest contains any additional amounts in respect of principal payments and interest which would be payable pursuant to this Condition 8 (*Taxation*).

9 Events of Default

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

- (a) **Non-payment:** the Issuer fails to pay the principal of or interest on any of the Bonds when due and such failure continues for a period of ten (10) Business Days;
- (b) **Breach of ratios:** any of the Consolidated Gearing, the Interest Cover Ratio or the Debt Service Cover Ratio does not comply with the applicable ratios and thresholds as set out in Condition 10;
- (c) **Breach of other covenants, agreements or undertakings:** the failure on the part of the Issuer to observe or perform (i) any provision (other than those referred to under (a) and (b) above) set out in the Conditions, the Agency Agreement or the Clearing Agreement or (ii) any other provision, covenant, agreement, undertaking or obligation relating to the Bonds, which default

is incapable of remedy, or if capable of remedy, is not remedied within ten (10) Business Days after notice of such default has been given to the Issuer by any Bondholder or the Agent;

- (d) **Cross-Default of the Issuer or a Subsidiary:** at any time, (i) any Financial Indebtedness of the Issuer or any Subsidiary is not paid when due or, as the case may be, within any originally applicable grace period; (ii) any Financial Indebtedness of the Issuer or any Subsidiary is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); (iii) any commitment for any Financial Indebtedness of the Issuer or any Subsidiary is cancelled or suspended by any creditor as a result of an event of default (however described); or (iv) any creditor of the Issuer or any Subsidiary becomes entitled to declare any Financial Indebtedness of the Issuer or any Subsidiary due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default under this paragraph (d) will occur if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within this paragraph (d) (i) through (iv) is less than EUR 20,000 (or its equivalent in any other currency);
- (e) **Enforcement Proceedings:** a distress, attachment, execution or other process is levied or enforced upon or against all or any part of the property, assets or revenues of the Issuer or any Subsidiary and is not discharged or stayed within thirty (30) Business Days after their commencement;
- (f) **Security Enforced:** any Security created or assumed by the Issuer or any of its Subsidiaries in respect of any of its property or assets or any Personal Security granted or assumed by the Issuer or any of its Subsidiaries for an amount at the relevant time of at least EUR 250,000 or its equivalent becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);
- (g) **Unsatisfied judgment:** one or more judgment(s) or order(s) for the payment of an amount in excess of EUR 250,000 (or its equivalent in any other currency or currencies, whether individually or in aggregate) is rendered against the Issuer or any of its respective Subsidiaries, and it is no longer possible for the relevant entity to lodge an appeal or other legal remedy against such judgement(s) or order(s) that would suspend the payment obligation thereunder, and continue(s) unsatisfied and unstayed for a period of fifteen (15) Business Days after the date(s) thereof or, if later, the date therein specified for payment;
- (h) **Insolvency and insolvency proceedings:**
 - (i) the Issuer or any of its Subsidiaries becomes insolvent or bankrupt (*"est déclaré en faillite"* / *"wordt failliet verklaard"*) or is unable to pay its debts as they fall due;
 - (ii) the Issuer or any Subsidiary initiates a bankruptcy proceeding or another insolvency proceeding (or such proceedings are initiated against the Issuer or any Subsidiary), under applicable Belgian or foreign bankruptcy laws, insolvency laws or similar laws (including the Belgian Law of 8 August 1997 on bankruptcy proceedings and the Belgian Law of 31 January 2009 regarding judicial reorganisation);
 - (iii) a petition has been filed with a court for the bankruptcy, impending insolvency, a protection period, moratorium or settlement or reorganisation or any other insolvency petition has been filed in respect thereof, provided that no Event of Default under this paragraph will occur if the Issuer or the relevant Subsidiary (acting reasonably and in good faith) promptly disputes any such petition, proceedings or actions before a court

as being unsubstantiated or vexatious and the proceedings initiated on the basis of such petition are dismissed within forty-five (45) days after their commencement;

- (iv) the Issuer or any Subsidiary are declared bankrupt by a competent court or if a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) is appointed with respect to the Issuer or any Subsidiary, or a bankruptcy trustee, liquidator, administrator (or any similar official under any applicable law) takes possession of all or a substantial part of the assets of the Issuer or any Subsidiary;
 - (v) the Issuer or any Subsidiary stops, suspends or announces its intention to stop or suspend payment of all, or a material part of (or a particular type of) its debts; or
 - (vi) the Issuer or any of its Subsidiaries (in each case by reason of actual or anticipated financial difficulties) commences negotiations with one or more of its creditors with the view of deferring, rescheduling or otherwise readjusting any of its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any of Subsidiary (including judicial reorganisation ("*gerechtelijke reorganisatie*" / "*réorganisation judiciaire*"), as applicable);
- (i) **Reorganisation, change of or transfer of business or transfer of assets:** (a) a material change of the nature of the activities of the Issuer or the Group, as compared to the activities as these are carried out on the Issue Date, occurs or (b) a reorganisation or transfer of the assets of the Issuer or the Group occurs resulting in (i) a material change of the nature of the activities of the Issuer or the Group or (ii) a transfer of all or substantially all of the assets of the Issuer or the Group, whereby (ii) will not give rise to an Event of Default if the proceeds from such transfer of assets are reinvested by the Issuer or the relevant member of the Group in line with the current business model of the Group or are used to repay existing Financial Indebtedness, or (c) the Issuer or the Group (taken as a whole) ceases to carry on all or substantially all of its business, other than for (a), (b) and (c) on terms approved by the general meeting of Bondholders;
- (j) **Winding-Up:** a court order or an effective resolution passed for the winding-up or the liquidation of the Issuer or any of its Subsidiaries (except for (in the case of any of the Subsidiaries) a solvent winding-up or liquidation procedure), or the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on a solvent basis;
- (k) **Failure to take action:** any action, condition or thing at any time required to be taken, fulfilled or done in order:
- (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds;
 - (ii) to ensure that those obligations are legal, valid, binding and enforceable; or
 - (iii) to make the Bonds admissible in evidence in the courts of Belgium;

is not taken, fulfilled or done; and

- (l) **Unlawfulness:** it is or becomes unlawful for the Issuer to perform or comply with its obligations under or in respect of the Bonds.

10 Undertakings

10.1 Consolidated Gearing

The Issuer shall, as long as any Bond remains outstanding, ensure that the Consolidated Gearing on each testing date is equal to or below sixty-five (65) per cent.

10.2 Interest Cover Ratio

- (a) The Issuer shall, as long as any Bond remains outstanding, ensure that the Interest Cover Ratio on each testing date shall be equal to or shall exceed 1.2.
- (b) For the avoidance of doubt, the Interest Cover Ratio will not be considered to be breached on a testing date, if in relation to the Annual Relevant Period immediately preceding such testing date the Finance Charges are negative or equal to zero.

10.3 Debt Service Cover Ratio

- (a) The Issuer shall, as long as any Bond remains outstanding, ensure that the Debt Service Cover Ratio on each testing date shall be equal to or shall exceed 1.2.
- (b) For the avoidance of doubt, the Debt Service Cover Ratio will not be considered to be breached on a testing date, if in relation to the Annual Relevant Period immediately preceding such testing date the Net Debt Service is negative or equal to zero.

10.4 Financial testing

The Consolidated Gearing, the Interest Cover Ratio and the Debt Service Cover Ratio shall be calculated and tested semi-annually on a rolling annual basis in relation to the relevant Annual Relevant Period as at the last day of each calendar half-year, for the first time as of 30 June 2017.

10.5 Representation by the Issuer

The Issuer represents and confirms that as of 31 December 2016 the Consolidated Gearing, the Interest Cover Ratio or the Debt Service Cover Ratio comply with the applicable ratios and thresholds as set out in Conditions 10.1 through 10.3.

10.6 Domiciliation of the Issuer

The Issuer will procure that the Issuer shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction other than Belgium.

10.7 Change of Control Resolutions

The Issuer undertakes to (i) use its best endeavours to procure that the Change of Control Resolutions be passed at the general meeting of Shareholders of the Issuer scheduled to be held prior to the Long Stop Date and (ii) file a copy of the resolutions as aforesaid promptly thereafter with the Clerk of the Commercial Court of Ghent, division Dendermonde ("*greffe du tribunal de commerce*" / "*griffie van de rechtbank van koophandel*") by the Long Stop Date.

11 Compliance Certificate

On the date falling no later than (i) one hundred and twenty (120) days after the end of each of its financial years, starting from the financial year 2016 or on the date of the publication of its financial statements for the relevant financial year, starting from the financial year 2017, whichever is earlier and (ii) sixty (60) days after the end of the first half of each of its financial years, starting from the financial year 2017, the Issuer shall publish on its website a copy of the Compliance Certificate and a statement that indicates whether the applicable ratios set out in Condition 10 have or have not been breached.

For the purpose hereof, “**Compliance Certificate**” means a certificate from the Issuer, signed by two (2) directors of the Issuer (one of which must be its executive director) or alternatively by the executive director and the chief financial officer and approved by the Auditor, setting out in detail computations, indicating and confirming whether the Consolidated Gearing, the Interest Cover Ratio and the Debt Service Cover Ratio comply with the applicable ratios and thresholds as set out in Condition 10, as at the date of the relevant financial statements to which such Compliance Certificate relates.

12 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within ten (10) years following the due date for payment thereof.

13 Meeting of Bondholders, Modification and Waiver

13.1 Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All meetings of Bondholders will be held in accordance with the Belgian Company Code with respect to bondholders’ meetings; provided however that the Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than one-tenth (1/10th) of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal, the meeting of Bondholders shall be entitled to exercise the powers set out in article 568 of the Belgian Company Code and, upon proposal of the Board of Directors, to modify or waive any provision of these Conditions, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which two (2) or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which

amounts due in respect of the Bonds are payable; (iv) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

Convening notices for meetings of Bondholders shall be made in accordance with article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen (15) days prior to the meeting in the Belgian Official Gazette ("*Moniteur Belge*" / "*Belgisch Staatsblad*") and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition 14 (*Notices*).

Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Agency Agreement provides that a resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

13.2 Modification and Waiver

The Agent may agree, without the consent of the Bondholders, to any modification of the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement either (i) which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement, which is, in the opinion of the Agent, not materially prejudicial to the interests of the Bondholders. In addition, the Issuer shall only permit any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

13.3 Meetings of Shareholders and Right to Information

The Bondholders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

14 Notices

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the Clearing System for communication by it to the Clearing System Participants and (ii) if published on the website of the Issuer (on the Issue Date: www.vgpparks.eu), and (iii) if published through the usual newswires agency (or any of the usual newswires agencies) used by the Issuer to discharge its ongoing information duties pursuant to the Royal Decree of 14 November 2007. Any such notice shall be deemed to have been given on the latest day of (i) seven (7) days after its delivery to the Clearing System and (ii) the date of first publication. The Issuer shall bear all fees, costs and expenses in relation to the drafting, delivery and publication of such notices.

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

Belgian Company Code, which currently requires an announcement to be inserted at least fifteen (15) days prior to the meeting, in the Belgian Official Gazette ("*Moniteur belge*" / "*Belgisch Staatsblad*") and in a newspaper with national coverage in Belgium. Resolutions to be submitted to the meeting must be described in the convening notice.

15 Security

If pursuant to Condition 3 (*Negative Pledge*) any Security, Personal Security, guarantee or indemnity would be provided or granted in connection with the Bonds, then each Bondholder shall be deemed to have agreed with each of the following:

- (a) The relevant Security, Personal Security, guarantee or indemnity may be provided or granted to a security agent appointed in the context of the relevant Financial Indebtedness (the "**Security Agent**") on the basis of the Parallel Debt or in any other manner that is customary or prescribed by law.
- (b) Each Bondholder hereby grants a power to any Security Agent to enter into all documents relating to such Security, Personal Security, guarantee or indemnity (the "**Security Documents**") (as well as any communication thereunder or any intercreditor agreement or other agreement or document related thereto) and to hold this, or to be the beneficiary thereof, for the account of the Bondholders and the creditors of the relevant Financial Indebtedness (the "**Relevant Creditors**").
- (c) Provided that the equal and *pari passu* sharing of such Security, Personal Security, guarantee or indemnity (i.e. the proceeds of any enforcement of the Security, Personal Security, guarantee or indemnity are shared *pro rata* among the different liabilities secured by the Security, Personal Security, guarantee or indemnity) is not prejudiced, the provider of the Security, Personal Security, guarantee or indemnity and the Relevant Creditors may agree on, or amend, the terms and conditions of the relevant Security Document or any other agreement related thereto (including, without limitation, any intercreditor agreement). The Security Document or, if applicable, any intercreditor agreement, can provide that in certain circumstances the Security, Personal Security, guarantee or indemnity can only be enforced by the Security Agent, at its own initiative or acting upon the instructions of the Relevant Creditors or a majority thereof (as defined in the relevant finance document or, if the Relevant Creditors would agree with this at the time of the creation of the Security, Personal Security, guarantee or indemnity or the entry into the intercreditor agreement (if any), upon the instruction of the general meeting of the Bondholders (decided with absolute majority).
- (d) The Security Agent is authorised to release the Security, Personal Security, guarantee or indemnity in accordance with the applicable provisions set forth in the Security Documents, without the express consent or any other intervention of the Bondholders. In particular, the Security Agent may release the relevant Security, Personal Security, guarantee or indemnity upon full discharge of the relevant Financial Indebtedness of the Relevant Creditors or in all other circumstances the Relevant Creditors may agree with the security provider (regardless of whether the obligations under the Bonds remain outstanding).
- (e) The Security Agent cannot be held liable for the holding of a Security or for being the beneficiary of a Personal Security, guarantee or indemnity, the release or the execution thereof or for (not) taking any action with respect to a Security Document or the relevant Security, Personal Security, guarantee or indemnity, except in case of fraud or wilful misconduct.

(f) **Parallel Debt**

To the extent that any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) is guaranteed by any Security, Personal Security, guarantee or indemnity that also secures the Bonds in accordance with these terms and conditions (together, the **“Corresponding Debt”**), the Issuer and its relevant Subsidiaries shall pay to the Security Agent an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt (the **“Parallel Debt”**).

The Parallel Debt is a separate debt independent from the Corresponding Debt, except that in case of a payment under the Corresponding Debt or the Parallel Debt, as applicable, the Parallel Debt or the Corresponding Debt will decrease for the same amount (so that at any time the amount under the Corresponding Debt and the Parallel Debt will be equal).

In case the Security Agent receives any payment under the Parallel Debt or as a consequence of the enforcement of any Security, Personal Security, guarantee or indemnity, such amount (after deduction of any costs or taxes) shall be applied in accordance with the provisions of the relevant Security Document (it being understood that the amount that is due to the Bondholders in accordance with the Conditions will only be reduced with the amount the Security Agent would pay to the Bondholders under the Parallel Debt or the enforcement of any Security, Personal Security, guarantee or indemnity).

16 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either (i) having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) or (ii) having the same terms and conditions in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, premium, redemption and otherwise as the Issuer may determine at the time of their issue. The Agency Agreement contains provisions for convening a single meeting of the Bondholders.

17 Governing Law and Jurisdiction

17.1 Governing Law

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

17.2 Jurisdiction

The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Bonds may be brought in such courts.

Schedule 1 – Meeting of Bondholders

MEETING OF BONDHOLDERS

1. CALLING OF THE GENERAL MEETING

- (a) The board of directors of the Issuer or the auditors for the time being may at any time convene a meeting of Bondholders. The Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon the request in writing of Bondholders holding not less than ten (10) per cent. of the aggregate principal amount of the outstanding Bonds.
- (b) At least fifteen (15) days' notice (exclusive of the day on which the notice is given and the day on which the general meeting is held) specifying the day, time and place of general meeting shall be given to the Bondholders in the manner provided by Condition 14 (*Notices*). Such notice shall include the agenda of the meeting. The agenda shall state the nature of the business to be transacted at the general meeting thereby convened and specify the terms of any resolution to be proposed. Such notice shall include a statement to the effect that Bonds must be held with or under the control of and blocked by a Recognised Accountholder (as defined below) for the purpose of obtaining Voting Certificates or appointing proxies, until three (3) Business Days before the time fixed for the general meeting but not thereafter.

2. ACCESS TO THE GENERAL MEETING

- (a) Save as expressly provided otherwise herein, no person shall be entitled to attend or vote at any general meeting of the Bondholders unless he produces a Voting Certificate or is a proxy.
- (b) The Issuer (through its respective officers, employees, advisers, agents or other representatives) and its financial and legal advisers shall be entitled to attend and speak at any general meeting of the Bondholders.
- (c) Proxies (as defined below) need not to be Bondholders.
- (d) If foreseen by the articles of association of the Issuer, the Bondholders may participate at the meeting by electronic means in accordance with article 571bis of the Belgian Company Code. In that case, these Bondholders are deemed to be present at the place where the meeting of the Bondholders is held for quorum and majorities purposes.

3. QUORUM AND MAJORITIES

- (a) All meetings of Bondholders will be held in accordance with the Belgian Company Code.
- (b) The quorum at any such meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing not less than seventy-five (75) per cent. of the aggregate principal amount of Bonds then outstanding. If within half an hour from the time appointed for such general meeting a quorum is not present, the general meeting shall, if convened upon the requisition of the Bondholders, be dissolved. In any other case, it shall be adjourned for such period being not less than fourteen (14) days nor more than forty-two (42) days, and at such place as may be decided by the chairman. At any adjourned meeting after publication of a new convening notice pursuant to Condition 13 (*Meeting of Bondholders, Modification and Waiver*), two or more persons holding or representing not less than twenty-five (25) per cent. of the aggregate principal amount of Bonds then outstanding shall form the quorum.
- (c) In accordance with article 574 of the Belgian Company Code, no Extraordinary Resolution shall be adopted if not approved by members voting in their own name or as proxy, representing at least

seventy-five (75) per cent. of the amounts of Bonds having participated in the vote. If an Extraordinary Resolution is adopted by Bondholders holding or representing less than one-third (1/3rd) of the aggregate principal amount of the Bonds outstanding (whether present or represented at the meeting or not), such Extraordinary Resolution is not binding unless approved by the competent Court of Appeal in the district where the Issuer's registered office is located.

- (d) In accordance with article 574 of the Belgian Company Code, the above quorum and special majority requirements do not apply to Extraordinary Resolutions relating to interim measures taken in the common interest of the Bondholders or to the appointment of a representative of the Bondholders. In such cases, the Extraordinary Resolutions are adopted by Bondholders holding or representing at least a majority of the aggregate principal amount of the Bonds outstanding present or represented at the meeting.
- (e) The matters listed in article 568 of the Belgian Company Code in respect of which an Extraordinary Resolution may be adopted, upon proposal of the board of directors of the Issuer, include modifying or suspending the date of maturity of Bonds, postponing any day for payment of interest thereon, reducing the rate of interest applicable in respect of such Bonds, altering the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment, deciding urgent interim actions in the common interest of Bondholders, accepting a security in favour of the Bondholders, effecting the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed, changing the currency in which amounts due in respect of the Bonds are payable, changing the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.
- (f) The term “**Extraordinary Resolution**” when used herein means a resolution passed at a meeting of Bondholders duly convened in accordance with the provisions contained herein.

4. MANAGEMENT OF THE GENERAL MEETINGS

- (a) The Issuer may appoint a chairman. Failing such choice the Bondholders may appoint a chairman.
- (b) In accordance with article 573 of the Belgian Company Code, the Issuer will make a list of the outstanding Bonds available to the Bondholders at the start of the meeting.
- (c) The chairman may with the consent of (and shall if directed by) any general meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned general meeting except business which could have been transacted at the general meeting from which the adjournment took place.
- (d) Notice of any adjourned general meeting shall be given in the same manner as for an original general meeting, and such notice shall state the quorum required at the adjourned general meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

5. VOTING

- (a) Every question submitted to a general meeting shall be decided in the first instance by a show of hands, then (subject to paragraph 5(b)) by a poll.
- (b) At any general meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer, one or more persons holding Voting Certificates in respect of the Bonds or proxies holding or representing in the aggregate not less than two (2) per cent. of the aggregate principal amount of the outstanding Bonds, a declaration by the chairman that a resolution

has passed or not passed, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

- (c) If at any general meeting a poll is so demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs. The result of such poll shall be deemed to be the resolution of the general meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the general meeting for the transaction of any business other than the question on which the poll has been demanded.
- (d) Any poll demanded at any general meeting on the election of a chairman or on any question of adjournment shall be taken at the general meeting without adjournment.
- (e) Any vote given in accordance with the terms of a Block Voting Instruction shall be valid notwithstanding the previous revocation or amendment of the Block Voting Instruction or of any Bondholder's instructions pursuant to which it was executed, provided that no confirmation in writing of such revocation or amendment shall have been received from the Recognised Accountholder by the Issuer at its headquarters (Spinnerijstraat 12, 9240 Zele, Belgium), or such other address as notified to the Bondholders in accordance with the Conditions of the Bonds) by the time being twenty-four (24) hours before the commencement of the general meeting or adjourned general meeting at which the Block Voting Instruction is intended to be used.

6. BINDING RESOLUTIONS

Any resolution passed at a meeting of the Bondholders duly convened and held in accordance with the Belgian Company Code and the provisions contained herein shall be binding upon all the Bondholders whether or not they are present at the meeting and whether or not they vote in favour of such resolution.

7. RESOLUTIONS IN WRITING

A resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with the provisions herein contained. Such resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

8. MINUTES

Minutes of all resolutions and proceedings at every such general meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and signed by the chairman, the Bondholders so requesting and the members of the "bureau" if a bureau is formed at the meeting, and any such minutes as aforesaid shall be conclusive evidence of the matters therein contained, and until the contrary is proved each such general meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted. An attendance list will be attached to the minutes. Certified copies or extracts of the minutes shall be signed by two (2) directors of the Issuer.

9. VOTING CERTIFICATES AND BLOCK VOTING INSTRUCTIONS

- (a) As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:

“Recognised Accountholder” shall mean, in relation to one or more Bonds, the Recognised Accountholder (*“erkende rekeninghouder” / “teneur de compte agréé”*) within the meaning of article 468 of the Belgian Company Code with which the Bondholder holds such Bonds on a securities account;

“Voting Certificate” shall mean a certificate in Dutch or French (with a translation in English) issued by the Recognised Accountholder and dated in which it is stated:

- (i) that on the date thereof Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of:
 - (A) the conclusion of the meeting specified in such certification or, if applicable, any adjourned such meeting; and
 - (B) the surrender of the certificate to the Recognised Accountholder who issued the same; and
- (ii) that until the release of the Bonds represented thereby the bearer thereof is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Bonds represented by such certificate;

“Block Voting Instruction” shall mean a document in Dutch or French (with a translation in English) issued by the Recognised Accountholder and dated in which:

- (i) it is certified that Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of:
 - (A) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
 - (B) the giving of notice by the Recognised Accountholder to the Issuer in accordance with paragraph 5(e) hereof, stating that certain of such Bonds cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;
- (ii) it is certified that each holder of such Bonds has instructed such Recognised Accountholder, that the vote(s) attributable to the Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any such adjourned meeting and that all such instructions are during the period commencing three (3) Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;
- (iii) the nominal amount of the Bonds so held and blocked is stated, distinguishing with regard to each resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in

respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

- (iv) one or more persons named in such document (each hereinafter called a **proxy**) is or are authorised and instructed by such Recognised Accountholder to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in paragraph (ii) above as set out in such document.
- (b) Voting Certificates and Block Voting Instructions will only be issued in respect of Bonds (to the satisfaction of such Recognised Accountholder) held to the order or under the control and blocked by a Recognised Accountholder not less than three (3) Business Days before the time for which the meeting or the poll to which the same relate has been convened or called and shall be valid for so long as the relevant Bonds continue to be so held and blocked and during the validity thereof the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting of the Bondholders, be deemed to be the holder of the Bonds to which such Voting Certificate or Block Voting Instruction relates and the Recognised Accountholder with which such Bonds have been deposited or to whose order or under whose control they are held or the person holding them blocked as aforesaid shall be deemed for such purpose not to be the holder of those Bonds.
- (c) Each Block Voting Instruction shall be deposited at the registered office of the Issuer not less than three (3) Business Days before the time appointed for holding the general meeting or adjourned general meeting at which the proxies named in the Block Voting Instruction propose to vote and in default of such deposit the Block Voting Instruction shall not be treated as valid unless the chairman of the general meeting decides otherwise before such general meeting or adjourned general meeting proceeds to business.
- (d) Articles 578 and 579 of the Belgian Company Code shall apply.

10. COMPLIANCE WITH BELGIAN LAW

- (a) Subject to all other provisions contained in this Schedule, the Issuer may prescribe such further regulations regarding the holding of general meetings of Bondholders and attendance and voting thereat as are necessary to comply with Belgian law.
- (b) Article 575 of the Belgian Company Code shall apply.

Schedule 2 – Form of Change of Control Put Exercise Notice

Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 6.2 (Redemption at the Option of Bondholders) will be required to deposit during the Change of Control Put Exercise Period a duly completed and signed Change of Control Put Exercise Notice with the relevant Financial Intermediary.

Such Financial Intermediary is the bank or other financial intermediary, whether in Belgium, Luxembourg or any other jurisdiction, through which the Bondholder holds the Bonds.

When depositing the Change of Control Put Exercise Notice, the Bondholder requests that such Financial Intermediary (i) delivers the Change of Control Put Exercise Notice to the Agent, (ii) liaises with the Agent to organise the early redemption of the relevant Bonds pursuant to Condition 6.2 and (iii) transfers the relevant Bond(s) to the account of the Agent. Any fees and/or costs charged by the Financial Intermediary in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholder.

To: [Details of the Financial Intermediary through which the Bondholder holds the Bonds]

Issuer

VGP NV

Spinnerijstraat 12

B-9240 Zele

Public limited liability company (“naamloze vennootschap” / “société anonyme”) under Belgian law

3.35 per cent. fixed rate bonds due 30 March 2025

ISIN: BE6294349194

Common Code: 159049558

(the “Bonds”)

CHANGE OF CONTROL PUT EXERCISE NOTICE

By sending this duly completed Change of Control Put Exercise Notice to the Agent in accordance with Condition 6.2 (*Redemption at the Option of Bondholders*) of the Bonds, the undersigned Bondholder specified below irrevocably exercises its option to have such Bonds redeemed early in accordance with Condition 6.2 on the Change of Control Put Date falling on* The undersigned holder of such Bonds hereby confirms to the Issuer that (i) he/she holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) he/she undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above.

Aggregate nominal amount of Bonds held:

EUR..... ([amount in figures] Euro)

Bondholder contact details:

Name and first name or Company:

Address:

Telephone number:.....

Payment instructions:

Please make payment in respect of the Bonds redeemed early pursuant to Condition 6.2 by Euro transfer to the following bank account:

Name of Bank:

Branch Address:

Account Number:

* Complete as appropriate.

The undersigned holder of the Bonds confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her securities account number [*account number*] with [*name and address of bank*] for the above-mentioned nominal amount of the Bonds.

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meanings given to them in the terms and conditions of the Bonds.

Signature of the holder:

Date:.....

THIS CHANGE OF CONTROL PUT EXERCISE NOTICE WILL NOT BE VALID UNLESS (I) ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED AND (II) IT IS DULY SIGNED AND DATED AND SENT TO THE RELEVANT FINANCIAL INTERMEDIARY.

BONDHOLDERS ARE ADVISED TO CHECK WITH THE RELEVANT FINANCIAL INTERMEDIARY WHEN SUCH FINANCIAL INTERMEDIARY WOULD REQUIRE TO RECEIVE THE COMPLETED CHANGE OF CONTROL PUT EXERCISE NOTICE TO ARRANGE TO DELIVER THE CHANGE OF CONTROL PUT EXERCISE NOTICE AND THE BONDS TO BE REDEEMED TO THE ACCOUNT OF THE AGENT FOR THE ACCOUNT OF THE ISSUER BY THE RELEVANT CHANGE OF CONTROL PUT DATE.

ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.

III. Clearing

The Bonds will be accepted for clearance through the Clearing System under the ISIN number BE6294349194 and Common Code 159049558 with respect to the Bonds and will accordingly be subject to the Clearing System Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB (National Bank of Belgium, Boulevard de Berlaimont 14, B-1000 Brussels).

Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Bonds.

Clearing System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds will be effected between Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Bonds.

The Agent will perform the obligations of domiciliary agent included in the clearing services agreement that will be entered into on or about 28 March 2017 by the NBB, the Issuer and KBC Bank NV as Domiciliary Agent (the **Clearing Agreement**) and the Agency Agreement. The Issuer and the Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System Participants of their obligations under their respective rules and operating procedures.

IV. Description of the Issuer

1 General information

VGP NV is a limited liability company that was incorporated under Belgian law on 6 February 2007 for an indefinite period of time with its registered office located at Spinnerijstraat 12, 9240 Zele, with telephone number +32 52 45 43 86. VGP is registered under enterprise number VAT BE 0887 216 042 (RPM-RPR Ghent (division Dendermonde), Belgium).

VGP NV, being a holding company falling within the exception set forth in article 7 °1 of the Belgian law on alternative investment funds of 19 April 2014 (*“wet betreffende de alternatieve Instellingen voor collectieve belegging en hun beheerders”* / *“loi relative aux organismes de placement collectif alternatifs et à leurs gestionnaires”*) has not been set up as a Belgian regulated real estate investment company within the meaning of the law of 12 May 2014 on regulated real estate investment companies (*“wet betreffende de gereguleerde vastgoedvennootschappen”* / *“loi relative aux sociétés immobilières réglementées”*) nor as a UCITS undertaking under the law of 3 August 2012 (*“wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles”* / *“loi relative à certaines forms de gestion collective de portefeuilles d’investissement”*).

As a consequence, the Company does not benefit from the fiscal advantages of a Belgian real estate investment trust and is not subject to the regulatory framework applicable to these real estate investment trusts.

The Company, together with its Subsidiaries (collectively, **“VGP”**, the **“VGP Group”** or the **“Group”**) is a real estate group specialised in the acquisition, development, and management of semi industrial real estate, i.e. buildings suitable for logistical purposes and light industrial activities. The Group focuses on strategically located plots of land in Germany, some Central European countries, Spain and the Baltic countries, suitable for development of semi-industrial business parks of a certain size, so as to build up an extensive and well-diversified land bank on top locations.

The Group constructs and develops high-end semi-industrial real estate and ancillary offices for its own account and for the account of the Joint Venture, which are subsequently rented out to reputable clients by means of long term commercial lease contracts. The Group has an in-house team which manages all the activities of the fully integrated business model: from the identification and acquisition of the land, to the conceptualisation and design of the project, the supervision of the construction works, the contacts with potential tenants and the Facility Management of its own real estate portfolio.

VGP focuses on top locations which are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

The aim of the Group is to become a leading specialised developer and owner of semi-industrial property for the mid-European region, Germany, Spain and possibly other countries.

1.1 Joint Venture with Allianz

VGP’s management performed a strategic exercise reviewing different alternatives in order to enable the Group to continue to invest in its development pipeline whilst at the same time being adequately financed. The Group came to a view that entering into a joint venture with a long term partner would represent the best alternative to achieve the aforementioned objectives and at the same time maximise shareholder value.

As a result, VGP entered into a 50:50 joint venture with Allianz during the first quarter of 2016.

The joint venture structure will allow VGP to recycle (partially or totally) its initial invested capital when completed projects are acquired by the Joint Venture and will allow VGP to re-invest these monies in the continued expansion of the development pipeline, including the further expansion of the land bank, thus allowing VGP to concentrate on its core development activities.

The new Joint Venture will have the exclusive right of first refusal (in accordance with the conditions as set forth in the JVA) in relation to acquiring the income generating assets located in Germany, the Czech Republic, Slovakia and Hungary.

VGP will continue to service the Joint Venture as asset, property and development manager which should see a significant increase in the fee income from these activities in the future years.

Finally, VGP will retain a 50% share in the Joint Venture holding a growing rent income generating logistic and semi industrial real estate portfolio which over time will generate a recurrent cash flow stream which can support a sustained dividend policy.

On 31 May 2016 the newly established Joint Venture (“VGP European Logistics S.à r.l.”) completed the acquisition of the first 15 parks (“**Seed Portfolio**”) of VGP.

The Seed Portfolio comprises 8 parks located in Germany: VGP Park Bingen, VGP Park Bobenheim-Roxheim, VGP Park Frankenthal, VGP Park Rodgau, VGP Park Hamburg, VGP Park Berlin, VGP Park Höchststadt and VGP Park Borna; 4 parks in the Czech Republic: VGP Park BRNO, VGP Park Plzeň, VGP Park Hrádek nad Nisou, VGP Park Olomouc (first phase); 1 park located in Slovakia: VGP Park Malacky and 2 parks located in Hungary: VGP Park Győr and VGP Park Alsónémedi.

The development pipeline and future development of other new projects in these four countries will continue to be developed at VGP’s own risk to be subsequently acquired by the Joint Venture subject to pre-agreed completion and lease parameters. The acquisition of any building by the Joint Venture will always occur on the basis of the prevailing market rates at the moment of such acquisition.

VGP is required to pre-finance the remaining development pipeline of the Joint Venture. This includes the pre-financing of development land which has not yet been developed as well as buildings under construction through development and construction loans. Upon the acquisition or settlement of the buildings under construction and new developed assets by the Joint Venture these VGP development and construction loans will be repaid from the additional bank debt drawn by the Joint Venture under committed credit facilities allowing VGP to recycle these proceeds towards the financing of the Group’s development pipeline. VGP will be entitled to an additional top-up payment corresponding to the difference between the agreed market value at completion of these buildings under construction or new developed buildings and the respective repaid development or construction loan.

1.2 Portfolio

The strategic joint venture transaction with Allianz allowed VGP to realize its historic fair value gains on the respective Property Portfolios. The transfer of the Seed Portfolio to the Joint Venture allowed the Group to realize EUR 117.5 millions of historically built up valuation gains. In the future VGP will be able to continue realising its development profits at the moment of each delivery of the buildings to the Joint Venture. Although the Joint Venture is an exclusivity agreement between VGP and Allianz, VGP will be able to solely decide on the timing of proposing rent income generating assets to the Joint Venture for acquisition, thus providing operational flexibility and retaining full control over the development cycle of the assets to be developed.

The properties that were sold generated a significant contribution to the income and result of the Group, prior to their sale, and their deconsolidation will result in a decrease of the reported gross rental income of the Group.

The gross rental income will show a cyclical pattern during the years to come whereby the growth of the rent income will initially accelerate and increase once buildings are delivered to tenants and showing a significant decrease once buildings are sold to the Joint Venture. This loss of revenue will be mitigated by the increased profit contribution of the Joint Venture as the portfolio of the Joint Venture is expected to grow substantially over the next years.

Besides rental income and the delivery of buildings, the Group generates income from its relationship with the Joint Venture through interest income and additional operational fee income as manager and operator of the Joint Venture's portfolio.

VGP, as asset manager and property manager, and to a lesser extent development manager, will continue to benefit from increasing fee income from these services granted to the Joint Venture.

The EUR 175 million net cash proceeds from the acquisition of the initial Seed Portfolio allowed the Group to deleverage itself with the repayment of EUR 50 million short term bank debt and optimise its capital structure with the repayment of EUR 63 million (including accrued interest) of hybrid instruments. The remaining amount has been applied towards the financing of the development pipeline i.e. acquisition of new development land in Germany, Spain, the Czech Republic and Slovakia and further financing of the construction of buildings.

The plots of land that have been acquired or secured with the proceeds from the sale of the Seed Portfolio should generate additional development profits and additional rent income. Until then, the Group will receive rent income from the income generating assets that are still held and being constructed and completed by it.

In addition, VGP has acquired a completed state-of-the art logistics centre from the fashion Group Mango in Spain, which offered for the Group the opportunity to acquire a substantial plot of development land. The acquisition of this building was concluded in the second half of 2016 and will generate significant immediate rental income for the Group. The acquisition of the building provided a rare opportunity for the Group to fully benefit from economies of scale from a development and commercial point of view and contributes to the Group's generated rent income. It is also in line with the Group's strategy of expansion in Spain, which started in 2015 with the set-up of the Spanish offices in Barcelona and acquisition during the second half of 2016 a 223,000 m² land plot in the Madrid area.

2 Corporate purpose

Article 3 of the articles of association (see www.vgpparks.eu) sets forth that the Company has as its purpose, in Belgium and abroad, exclusively in its own name and for its own account:

- (i) the acquisition through purchase or otherwise, the sale, exchange, improvement, equipment, renovation, encumbering, disposal of, making productive, rent, lease and management of all real estate, and, in general, all real estate transactions;
- (ii) the acquisition of participations in whatever form in commercial, industrial and financial undertakings and companies, Belgian as well as foreign, the management and sale of these participations and the acquisition through participation, subscription, purchase, option or by whatever means of all parts, shares, bonds, values and titles;

- (iii) the representation, management, supervision and liquidation of all companies and undertakings of whatever nature;
- (iv) engineering, development, commercialisation, representation and providing services with regard to movable assets, material, machines and equipment;
- (v) providing services, giving advice, research, preparing and setting up organisation systems, setting up systems for data management and all techniques with regard to technical, administrative, economic and general management of companies. In general, it can take all actions to protect its rights and it will perform all transactions that are directly or indirectly in connection with or contribute to the realisation of its purpose; and
- (vi) acquiring, commercialising or disposing of all patents, trademarks, licenses and intellectual property rights.

In general it can take all actions to protect its rights and it will perform all transactions that are directly or indirectly in connection with or contribute to the realisation of its purpose.

It can also hold participations, by means of contribution, subscription or otherwise, in all companies, associations or undertakings that have a similar, analogue or related purpose, or whose own purpose it is to promote the Company's purpose. It can provide facilities or guarantee third parties' obligations.

The Company can work together with and participate in, directly or indirectly, companies of whatever nature, make any undertakings, grant facilities and loans, guarantee third parties' obligations, mortgage or pledge its assets, including its own commerce. It can do all that is in relation to abovementioned purpose or can be beneficial to the realisation of it.

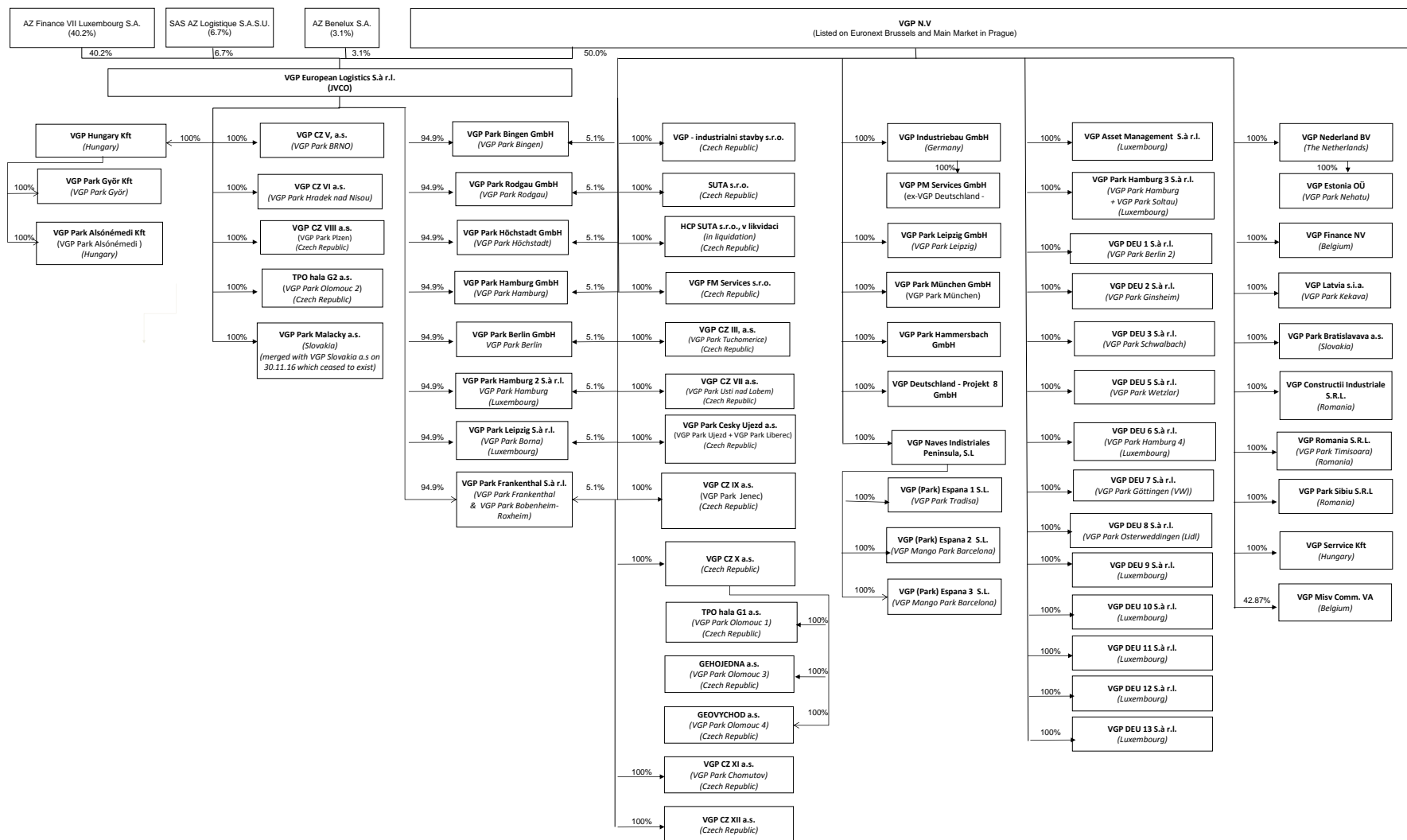
3 VGP Group

3.1 Organisational structure

A structure chart of the VGP Group is included on the next page.

The entities included in the Group structure below, with the exception of (i) VGP European Logistics S.à r.l. (the Joint Venture) and its respective subsidiaries, (ii) VGP MISV Comm. VA and (iii) the Company, are the Company's "**Subsidiaries**". VGP European Logistics S.à r.l. and its respective subsidiaries, i.e. the entities in which the Company (directly or indirectly) holds a 50% participation (52.55% participation for German asset companies) are the Company's "**Joint Venture**". VGP MISV Comm. VA in which the Company holds 42.87% is the Company's "**Associate**".

VGP NV - Organigram



3.2 Relationship with the Associate and the Joint Venture

The relationship with the Associate is described under point 3.2.11.

The Joint Venture is a 50:50 partnership whereby the Group, in addition to being a co-owner, provides development management services and acts as asset manager, property manager responsible also for Facility Management and leasing services in respect of the portfolios. The Joint Venture is entered into for a period of ten years with possible extensions.

VGP NV and Allianz have contractually agreed to share control and made arrangements whereby both parties have agreed that when decisions about the relevant activities are required such decisions are made with unanimous consent of both parties. In the first quarter of 2016, a share purchase agreement was entered into by the Issuer as seller and Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (together “**Allianz**”) as purchaser relating to the sale of 50% of the shares in VGP European Logistics S.à r.l. which included the 100% participation in the Hungarian companies VGP Hungary Kft, VGP Park Győr Kft (owning the VGP Park Győr) and VGP Park Alsonemedi Kft (owning the VGP Park Alosnemedi) (the “**Company SPA**”).

Immediately thereafter, the Issuer and VGP CZ X a.s. (as sellers) and VGP European Logistics S.à r.l. (as a purchaser) entered into a share purchase agreement related to a sale of (i) 100% participation in the Czech companies VGP CZ V a.s. (owning VGP Park BRNO), VGP CZ VI a.s. (owning VGP Park Hradek nad Nisou), VGP CZ VIII a.s. (owning VGP Park Plzen) and TPO hala G2 a.s. (owning partially VGP Park Olomouc), (ii) 100% participation in the Slovak company VGP Slovakia a.s. (owning VGP Park Malacky), (iii) 94.9% participation in the German companies VGP Park Bingen GmbH (owning VGP Park Bingen), VGP Park Berlin GmbH (owning VGP Park Berlin), VGP Park Höchststadt GmbH (owning VGP Park Höchststadt), VGP Park Hamburg GmbH (owning VGP Park Hamburg) and VGP Park Rodgau GmbH (owning VGP Park Rodgau), and (iv) 94.9% participation in the Luxembourg companies VGP Park Hamburg 2 S.à r.l. (VGP park Hamburg 2), VGP Park Frankenthal S.à r.l. (owning VGP Park Frankenthal and VGP Park Bobenheim-Roxheim) and VGP Park Leipzig S.à r.l. (owning VGP Park Borna) (the “**Seed Portfolio SPA**”).

VGP European Logistics S.à r.l. is a holding company that was incorporated specifically for the purpose of entering into a joint venture with Allianz.

The transactions contemplated by the Company SPA and the Seed Portfolio SPA, were completed on 31 May 2016. The Allianz entities that are the shareholders of the Joint Venture belong to the well - known Allianz SE Group, a worldwide leading insurance Group, which applies a strong corporate governance policy towards the management of the Joint Venture.

3.2.1 Share purchase agreements

Each of the Company SPA and Seed Portfolio SPA contained a set of representations and warranties which were granted by the Issuer to the respective purchasers and which were in accordance with market practice. The maximum liability of the Issuer for breaches of the representations and warranties granted in the share purchase agreements amounts to approximately EUR 18.1 million in respect of the Company SPA and to EUR 173.5 million in respect of the Seed Portfolio SPA as of 31 December 2016 (the liability cap being increased upon acquisition of new buildings). Until the date of this Information Memorandum, the Issuer has not received any claims under these share purchase agreements.

3.2.2 Joint Venture Agreement (JVA)

Under the JVA, the Issuer and Allianz each have the right to appoint two representatives in the management body of the Joint Venture and one or two representatives in the management and supervisory bodies of the Joint Venture's subsidiaries, depending on the local regulations. The directors appointed by VGP and by Allianz always have to act jointly, whereas most important matters always require prior consent by both shareholder parties. These matters include (i) commencing the winding-up or liquidation of the Joint Venture or any of its subsidiaries or filing any of these companies as bankrupt (except if otherwise provided under mandatory legal provisions), (ii) initiating capital calls to the shareholders of the Joint Venture, which are not contemplated by the business plan of such company, (iii) sale or disposition of any properties of project companies, (iv) making any distributions to the shareholders of the Joint Venture that are not in proportion to their shareholdings in the Joint Venture, (v) any amendment to the articles of association of the Joint Venture or any of its subsidiaries not in line with the Joint Venture Agreement, (vi) the acquisition of additional immovable properties or formation of a subsidiary by the Joint Venture or any of its subsidiaries, and (vii) the entering into by the Joint Venture or any of its subsidiaries of any joint venture, partnership or similar agreement.

In the Joint Venture Agreement, the Issuer has taken up the obligation to provide the Joint Venture with its share of future financing in respect of completed properties, as well as to provide 100% of current and future financing of the remaining development pipeline through additional development and constructions loans. The Joint Venture has adequate committed credit facilities available to refinance such development and construction loans upon completion and purchase settlement of the respective assets.

Specific investment criteria have been agreed in the JVA for an investment period of several years which ensure that when such criteria are met the Joint Venture is in principle required to acquire the proposed income generating assets. In case the Joint Venture does not acquire the assets, a number of procedural steps have been agreed between the Joint Venture partners which ultimately allow VGP to market the proposed assets on the open market and hence allow the Group to generate sales proceeds from another source than the Joint Venture.

Under the JVA, both parties agreed to significant limitations on their ability to transfer the shares in the Joint Venture to third parties. In case a shareholder wishes to transfer its shares, the other shareholder has a pre-emption right to purchase such shares under the JVA. The Joint Venture Agreement also provides for a lock-up period of five years as from the closing date, during which VGP is not allowed to transfer its shares in the Joint Venture other than to one of its affiliates. The JVA further contains elaborate provisions on transfers of the shares, which may lead to the transfer by VGP and by Allianz of all of their shares to a third party. The JVA applies the principle of market price value ensuring that if any party wants to dispose of part or all of its shares, such disposal is made at prevailing market conditions provided the disposal is not triggered by an event of default under the JVA which has not been cured within the agreed cure period.

In addition, VGP acts as asset manager, development manager, as well as property and leasing manager of the Joint Venture, activities which generate recurrent income for VGP.

3.2.3 Promote

VGP will be entitled to a one-time promote payment at the end of the initial 10-year term of the Joint Venture. This promote is based on all the pre-tax cash flows received from the Joint Venture between the closing date and the expiry of the 10-year term of the venture and is structured in a similar way that is usually applicable for similar transactions in the market.

3.2.4 Asset management agreements

VGP acts as the asset manager of the Joint Venture and its respective subsidiaries. As part of these services, VGP ensures standard corporate administration, administration of financing, business planning, reporting, budgeting, management of tax and legal affairs, controlling, etc. VGP is entitled to an asset management fee calculated based on the invested equity, in the Joint Venture adjusted for any future capital contribution / distribution. The asset management services are delivered by a newly established subsidiary of VGP, VGP Asset Management S.à r.l., and operates from Luxembourg.

3.2.5 Development management agreements

The Joint Venture has appointed VGP as an advisor to provide the development management services in respect of specific development projects and on specific terms. VGP, as advisor, has accepted to perform the services and carry out the works as described in the development management agreement according to the applicable law, the generally accepted rules of technology and with all due care, attention and diligence as is expected of a competent advisor experienced in carrying out services and works similar to the services and works on projects of size, scope, type and complexity comparable with the development project. The services performed by VGP include all and any services and actions (excluding however in any event performing itself the works) required to procure the design, building of and completion of the development project, even if such services or actions are not expressly mentioned in the development agreements.

The advisor shall use its reasonable best efforts to procure that the development project completion is achieved by the estimated project completion date.

In consideration of the advisor providing the services pursuant to the development agreement, the owner shall pay to the advisor a development management fee which will be based on an agreed arm's length hourly rate.

3.2.6 Property management agreements

The property management agreements that have been entered into with respect to the Joint Venture's subsidiaries detail the services to be provided by VGP in respect of Facility Management services, Project Management services (which covers additional smaller building improvements to existing buildings), lease management services, budgeting, accounting and reporting.

The fees received for VGP's services are composed of a property management fee, which corresponds to the administration fee included in each respective lease contract and varies between 0% - 3% of the monthly rent. The Project Management fee is based on the respective improvement costs to the building and consists of a scaling fee structure with a maximum fee of 4% for smaller improvements going down to 2% for larger improvements. Finally, VGP will be entitled to a leasing fee for each new lease contract which is the result of the direct marketing

of VGP. The leasing fee is based on what a third party real estate broker would usually receive, i.e. between 12.5% and 25% of the annual rent of the respective lease contract. VGP will only be liable for the qualitative performance of its services and no specific quantifiable liability clause has been included in these agreements.

3.2.7 Constructive Obligation

Besides the aforementioned potential liabilities, the Board of Directors have taken a conservative view in respect of the financial support of the Issuer towards the Joint Venture. Although the Issuer does not have any other contractual obligations outside the JVA, the Company SPA, the Seed Portfolio SPA, the asset management agreements, development management agreements and the property management agreements, the Board of Directors has taken a conservative approach vis-à-vis the Joint Venture and has therefore recognised that the Issuer has a constructive obligation towards the Joint Venture. Given the importance of the Joint Venture's portfolio, VGP will take all necessary measures to ensure that for its proportional share in the Joint Venture it will ensure that the Joint Venture will always be in a position to fulfil all its obligations..

3.2.8 Bank financing

The assets of the Joint Venture are financed through equity, shareholder loans and bank financing.

For the Czech and Slovak assets, an EUR 146.4 million facility was arranged by Československá obchodní banka, as. (**CSOB**). CSOB is the Agent, Arranger and sole Lending Bank of the facility. The maturity date of the facility is 26 May 2026.

For the German assets, an EUR 368.2 million facility was arranged by Aareal Bank AG. Aareal Bank AG is the Agent, Arranger and sole Lending Bank of the facility. The maturity date of the facility is 31 May 2026.

For the Hungarian assets, an EUR 35.1 million facility was arranged by UniCredit Bank Hungary. UniCredit Bank Hungary is the Agent, Arranger and sole Lending Bank of the facility. The maturity date of the facility is 26 May 2026.

All three credit facilities are secured and have the same security structure as is applicable to VGP's own portfolio, of which the main is the mortgage on all the assets.

The covenants applied are as follows:

(i) **German assets**

The respective project companies, which are borrowers under the Aareal Bank credit facility, must ensure that they comply with following covenants:

- Projected Debt Service Cover Ratio of at least 110% tested on a quarterly basis (31 March, 30 June, 30 September and 31 December); and
- Loan to value of at least 75% tested on an annual period (31 December).

The covenants are calculated on a portfolio basis. The loan to value will be progressively reduced to 70% over the course of first four years of the facility.

(ii) **Czech and Slovak assets**

The respective project companies which are borrowers under the CSOB credit facility must ensure that they comply with following covenants:

- Debt Service Cover Ratio of at least 110% tested on a semi-annual period (30 June and 31 December); and
- Loan to value of at least 75% tested on an annual period (31 December).

The covenants are calculated on a portfolio basis. The loan to value will be progressively reduced to 65% over the course of first six years of the facility.

(iii) **Hungarian assets**

The respective project companies which are borrowers under the UniCredit Bank Hungary credit facility must ensure that they comply with following covenants:

- Projected Debt Service Cover Ratio of at least 115% tested on a quarterly basis (31 March, 30 June, 30 September and 31 December);
- Debt Service Cover Ratio of at least 115% tested on a quarterly basis (31 March, 30 June, 30 September and 31 December); and
- Loan to value of at least 75% tested on an annual period (31 December).

The covenants are calculated on a portfolio basis.

The above mentioned ratios are calculated as follows:

- Projected Debt Service Cover Ratio means the 12 month forward looking passing rent as a percentage of the debt service whereby debt service means the aggregate amount of financial expenses due and payable together with any loan principal due and payable on the respective bank debt during any calculation period in respect of which passing rental has been calculated.
- Debt Service Cover Ratio means the Cash Available for Debt Service (or net operating income) divided by debt service whereby debt service means the aggregate amount of financial expenses due and payable together with any loan principal due and payable on the respective bank debt.
- Loan to value ratio means the aggregate loans outstanding divided by the open market value as valued by an independent valuator.

3.2.9 Permitted distributions under the credit facilities

The following distributions by the Joint Venture's Czech and Slovak subsidiaries are permitted under the CSOB credit facility:

- distribution in the form of payment of interest or principal under any shareholder loan;
- distribution in the form of payment of any asset management fees to the Group under the Property Management Agreements, the Development Management Agreements or the Asset Management Agreements; and
- distribution in the form of dividends to the Joint Venture;

in each case, provided that such distribution is made from the balance of a specified account and that no event of default is continuing at the time of such distribution or would occur as a consequence of making such distribution. In addition, principal and interest on the development and construction loans made by VGP to the Joint Venture's respective subsidiaries for the purpose of financing the development and/or construction of new buildings by such Joint Venture's subsidiary may be paid without any limitations before such new buildings are refinanced by CSOB.

The Joint Venture's subsidiaries holding assets in Germany are permitted under the Aareal credit facility to distribute any funds that remain free after fulfilling all their contractual obligations towards the finance parties and provided that no default is continuing or would result from the payment and provided that the loan to value ratio is at least five percentage points lower than the contractually agreed minimum.

The following distributions by the Joint Venture's Hungarian subsidiaries are permitted under the UniCredit Bank Hungary credit facility:

- distribution in the form of payment of interest or principal under any shareholder loan, subject to a prior approval by the lender, such approval not to be unreasonably withheld;
- distribution in the form of payment of any asset management fees to the Group under the Property Management Agreements, the Development Management Agreements or the Asset Management Agreements; and
- distribution in the form of dividends to the interim holding company (VGP Hungary KFT), a subsidiary of the Joint Venture;

in each case, provided that such distribution is made from excess cash and that no default is continuing or would occur as a consequence of making such distribution. In addition, principal and interest in respect of the development and construction loans made by VGP to the respective subsidiaries of the Joint Venture for the purpose of financing the development and/or construction of new buildings by such Joint Venture's subsidiary may be paid without any limitations.

3.2.10 Shareholder loans

The Shareholders have provided the shareholder loans in proportion to their aggregate interest in the Joint Venture. For project companies holding German assets VGP will provide 52.55% of shareholder loans and Allianz will grant their respective 47.45% shareholder loans. For all other project companies VGP will provide 50% of shareholder loans and Allianz will grant their respective 50% shareholder loans.

Besides the usual shareholder loans, VGP provides 100% of the development and construction loans to the Joint Venture.

The shareholder loans have a term of 120 months and can be prepaid at first demand. The development and construction loans can only be prepaid at the moment of delivery of the completed building financed by such loan.

All shareholder loans are unsecured and subordinated to the bank debt.

3.2.11 VGP MISV Comm. VA

The Issuer transferred during 2016 its 20% participation in the share capital of and certain limited shareholder loans vis-à-vis Snow Crystal S.à r.l. and Sun S.à r.l. to the majority shareholders of these companies. Both companies have been liquidated in 2016 following the sale of the VGP CZ I, II and IV portfolios in October 2014.

VGP MISV Comm. VA was incorporated at the Issuer's initial public offering to be used as a structure for a long term management incentive plan whereby the existing shareholders VM Invest NV and Little Rock SA initially transferred a number of VGP shares representing 5 percent of the aggregate number of shares in VGP NV into VGP MISV. In 2013, following the expiry of the five year lock-up period in December 2012, the Company acquired a 42.87% participation in VGP MISV Comm. VA (398,368 out of 929,153 shares). In order to retain personnel and following the expiry of first 5 year lock-up period at the end of December 2012 the Reference Shareholders have put in place a new long term incentive plan for selected members of the Group's management and which allows such members to be incentive based on the growth of the net assets value over a period of 5 years, such period also being the lock-up period for the participating members of the Group. As before the new incentive plan does not have any dilutive effect on any existing or new shareholders.

VGP MISV Comm. VA is an independent company from the VGP Group companies. As a result VGP NV's financial statements are not in any way impacted by the operations and or existence of VGP MISV Comm. VA.

3.3 Management agreement with Little Rock S.A.

In April 2015, the Board of Directors approved a new management agreement relating to the services rendered by some of VGP's key managers. Following such decision, Little Rock SA became responsible for the Group's daily management, financial management and commercial management and is represented for this purpose by the CEO (Mr Jan Van Geet), CFO (Mr Dirk Stoop) and CCO (Mr Tomas Van Geet) respectively. As a consideration for rendering such services, Little Rock SA is entitled to receive a fixed fee, a short term variable fee subject to certain criteria being met, and a mid-term variable fee of 5% of the profits before taxes of the Group on a consolidated basis, in return for Little Rock SA's (and the aforementioned managers') commitment to observe the Group's daily, financial and commercial management for an additional period of five years.

4 Profile of the VGP Group

4.1 Activities

4.1.1 Fully integrated business model



The Group has an in-house team which manages all the activities of the fully integrated business model: from the identification and acquisition of the land, to the conceptualisation and design of the project, the supervision of the construction works, the contacts with potential tenants and the Facility Management of its own real estate portfolio.

(i) Plots of land

The first phase of the business model is the identification of top locations for semi-industrial projects. For this activity, the Group works in close cooperation with several local real estate brokers, some of which have an exclusive agreement with the Group. Moreover, the Group has a core team which has an intensive proprietary prospection function.

The management and the team gather on a regular basis to evaluate potential projects. Once a project is approved, a technical due diligence is performed. As a general rule, any acquisition of land is in principle subject to obtaining the zoning and/or building permit for semi-industrial activities and the absence of any other obstacles such as environmental issues etc.

For legal assistance, drafting of contracts as well as legal due diligence of acquisition targets, the Group relies on reputable local or international law firms.

Finally, it should be noted that VGP only buys plots of land which are directly connectable to existing infrastructure. In respect of the respective parks, VGP will undertake infrastructure works within the parks if necessary. This infrastructure work will always be directly linked to the developed properties.

VGP always buys on the pre-condition that all permits, i.e. including the required permits related to the infrastructure works within the parks, are obtained and approved.

(ii) Concept and design

VGP applies strict guidelines to the design of its buildings. The Group uses a facility brief describing in detail the minimum requirements the building should respond to. This design ensures multi-purpose utilisation throughout the life cycle of the building.

For architectural and design matters, the Group works with its internal team supported where necessary by several dedicated external offices of architects and designers. Amongst others the Group has a strategic alliance with Atelier 24, an architectural bureau co-ordinating all necessary design and architectural works.

In addition to the Group's standard building requirements, some adaptation (lay-out, finishing) can be done according to the tenants' requirements. The design as well as the technical description of the necessary infrastructure for the tenants' operations is always designed by VGP itself, in close co-operation with the tenant's technical advisers, ensuring a thorough understanding of the customers' needs.

(iii) Construction

High quality semi-industrial projects are constructed in close co-operation with future tenants and partly at own risk. The buildings are finished taking into account the future tenants requirements and specifications but always with respect to the Group's prevailing technical and quality standards.

The Group centralizes the purchasing of materials and construction components for its buildings at each of its local offices. The enhanced purchase power strengthens the Group's negotiation power allowing to realise economies of scale. The Group

cooperates with local general contractors for the coordination of the individual building sites. The Group's cost controllers are responsible for the daily follow up of the actual costs versus the budgeted costs of the respective projects.

(iv) Rent out and marketing

The buildings are leased under long term lease agreements to tenants which are active in the logistics sector and/or light manufacturing sector, such as assembling, re-conditioning, final treatment of the goods before they go to the industrial clients or the retailers.

The Group attaches great importance to its direct client relations. The commercial officers are responsible for the contacts with the existing and potential tenants, the proposals and monitoring of the tenants' requirements during the building process until the handover of the premises.

(v) Portfolio and Facility Management

The Group adheres to the strategy of being a long term developer/investor in semi-industrial real estate and to hold those developed projects in its own portfolio or through its Joint Venture. The maintenance of the properties is centralised within the Facility Management team responsible for the Group's portfolio. The Facility Management team is assisted by external facility management specialists when necessary.

(vi) Activities for third parties

The Group manages all assets on behalf of its Joint Venture companies. The services provided cover activities such as asset, development, property management, Facility Management and leasing activities.

Property management services are mainly provided internally and to a lesser extent externally whereby the respective VGP property management company is responsible for managing the proper and undisturbed operation of the buildings. As part of its offered services the VGP property management companies will also perform Project Management services. These services cover the performance of capital improvements and any other construction works as may be requested by the owner of the buildings. This scope covers the full range of Project Management services (supervision and coordination of the contractors for design, advising on obtaining permits, advising on the works and any tenders relating thereto).

Facility Management services, have been regrouped in SUTA. Facility Management services are provided internally as well as externally whereby SUTA is responsible for managing the proper and undisturbed operation of the buildings and performs all actions such as maintenance services, waste management services, maintenance greenery etc. that may be necessary in this respect. In other countries where no specific Facility Management team will be in place, the Group will use third party Facility Management services companies to perform these activities.

The asset management function has been created during 2016 as part of the services rendered to the newly established Joint Venture and provides advice and recommendations to the Joint Venture companies on the Joint Venture's assets

managing on property level strategy and thereby optimising the value of the Joint Venture assets. Further advice and recommendations are given by the asset manager in respect of appropriate tenant mix, execution of leasing strategy that aligns cash flows with portfolio needs, and manage both capital and operating expenses. The asset management services are provided by a newly established subsidiary VGP Asset Management S.à r.l. and operates from Luxembourg.

4.2 Expansion into Spain

Over the past few years VGP has been reviewing the different geographic areas where the Group wants to be active in. One of key drivers to look at the different markets was the long term growth possibilities such markets would offer. This resulted in the entrance into the German markets in 2013 and establishing a strong local presence there. Although it is anticipated that Germany will remain the main market for the Group for many years to come, VGP continues to look to diversify into interesting new markets.

One of the more interesting markets which was identified by the Group was Spain. The Spanish market is coming out of a severe crisis whereby the development activities were substantially scaled down over the last 10 years. At the same time developments on top locations did not suffer as much from the crisis as the vacancy rates for logistic or semi-industrial buildings located on top locations remained very low over these years. Based on these prospects, VGP decided to open a new office in Barcelona during the first half of 2015. By the end of 2016, VGP acquired a state of the art logistics centre and industrial land plots in Mango Logistics Park in Lliçà d'Amunt (Barcelona, Spain) and a large development land plot in San Fernando de Henares located close to the Madrid Barajas International airport (Madrid, Spain).

For more information on the extension into Spain, reference is made to Part VI (*Description of the Issuer*), Section 4.2 (*Expansion into Spain*) of the Prospectus, as well as to the Issuers' press releases dated 20 December 2016 ("*VGP acquires the logistics center and industrial land plots in Mango Logistics Park in Lliçà D'Amunt (Barcelona)*") and 21 December 2016 ("*VGP acquires a large development land plot located in San Fernando de Henares (Madrid)*"), available on the Issuer's website (www.vgpparks.eu).

4.3 Main markets

The main market overview describes the geographical and real estate markets in which VGP is active and provides an update on current market circumstances.

VGP is active in Germany, Spain and a number of mid-European countries with main focus on the Czech Republic. Besides the Czech Republic, VGP is also active in the following periphery countries: Slovakia, Hungary, Romania, Estonia and Latvia. Given the small size of the activities in the Baltic countries it is the intention of VGP that once these parks will have reached a mature stage, i.e. fully developed, that these parks could be put into the market for sale subject to attractive market pricing.

The markets in which the Group operates are exposed to local and international competition. Basically, there are 4 types of competitors i.e. small local players, large established real estate players, occasional new real estate players, and lease companies.

The competition in the Czech Republic comes mainly from large established real estate developers. These developers have land bank positions and established projects and business parks in the Czech Republic. The biggest competitors amongst them are: CTP Invest, P3, ProLogis, Goodman and Pannatoni. Besides these there are a number of investment funds who have bought existing stock from developers

which may from time to time lose a tenant and promote the resulting vacancy in the market. The biggest competitors amongst them are Segro and Heitman.

As regards Germany and the countries in the mid-European region, ProLogis, Segro, Goodman and Pannatoni are some of the largest market players in Germany and the CEE region. None of the above-mentioned developers, however, occupies a dominant position in Germany or in the mid-European market as a whole.

In Germany, a number of regional local developers are active, typically developing in their respective Länder.

The different real estate companies usually have different business models. Whereas the large real estate players will usually concentrate on “big box” logistic warehouses i.e. large buildings >50,000 m², VGP operates in a niche market concentrating on smaller buildings 5,000 m² - 20,000 m² (up to around 50,000 m² in Germany) which attract more interest from end users. VGP experienced this model to be more resilient to the economic downturn of the past few years.

4.4 Brief History of VGP

Period	Description
1998	<ul style="list-style-type: none"> Start-up of the Group. Start of the coordination and construction of commercial and semi-industrial buildings on behalf of third parties.
2002	<ul style="list-style-type: none"> Start of the development of a proprietary portfolio with first developments Blue Park, Green Park and Green Tower.
2005-2006	<ul style="list-style-type: none"> Acquisition of a large plot of land in Prague (Horní Počernice - 73ha).
2006	<ul style="list-style-type: none"> Start of the construction of VGP Park Horní Počernice. Regional expansion in the Czech Republic with the acquisition of several other strategic plots of land in Olomouc, Nýřany, Lovosice, Hradec Králové, Liberec and Turnov. EUR 3 million of committed leases signed.
2007	<ul style="list-style-type: none"> Expansion throughout the mid-European region with the acquisition of plots of land in Latvia (Riga), Slovakia (Bratislava) and Hungary (Győr). Initial Public Offering. Listing on Euronext Brussels and Main Market in Prague (Czech Republic). EUR 15 million of committed leases signed.
2009	<ul style="list-style-type: none"> First realisations outside the Czech Republic with construction works started in Slovakia, Hungary and Estonia. EUR 29 million of committed leases signed.
2011	<ul style="list-style-type: none"> VGP steps into a 20:80 joint venture (Snow Crystal S.à.r.l.) with EPISO fund (AEW) on its VGP CZ I portfolio. VGP steps into a 20:80 joint venture (SUN S.à.r.l.) with CCP III fund (Tristan Capital Partners) on its VGP CZ II portfolio. EUR 40 million of committed leases signed.
2012	<ul style="list-style-type: none"> VGP steps into a 20:80 joint venture with EPISO fund (AEW) on its VGP CZ IV portfolio.

	<ul style="list-style-type: none"> • VGP sells the Estonian assets of VGP Estonia to East Capital Baltic Property Fund II (East Capital). • EUR 5.0 million of committed leases signed.
2012-2013	<ul style="list-style-type: none"> • Expansion of land bank in the Czech Republic and securing substantial land positions in Germany.
2013	<ul style="list-style-type: none"> • First lease contract and development in Germany and acquisition of >500,000 m² land plot in Hamburg (Germany). • Issuance by VGP NV of bonds with a 4 year maturity, listed on the regulated market of NYSE Euronext Brussels, for a total nominal amount of 75 million EUR. • Decrease of VGP NV's capital in an amount equal to EUR 7,619,050.50, without cancelling any shares, as a result of which the Issuer's registered capital is equal to EUR 112,736,509. • EUR 10.4 million of committed leases signed.
2014	<ul style="list-style-type: none"> • Sale of the remaining 20% interest in the VGP CZ I, VGP CZ II and VGP CZ IV portfolios, termination of the joint venture with AEW and Tristan • EUR 22.6 million of committed leases signed.
2015	<ul style="list-style-type: none"> • Establishment of presence in Spanish market and securing of the first plot in Madrid (San Fernando)(Spain) • VGP becomes one of top tier developers in Germany • EUR 38.0 million of committed leases signed.
2016	<ul style="list-style-type: none"> • Entry into a joint venture with Allianz and completion of the acquisition of the initial Seed Portfolio (consisting of 15 VGP Parks) for a transaction value > EUR 500 million • Acquisition of a landmark logistics property in Barcelona (Spain) from Mango Group • EUR 64.3 million of committed leases signed at the end of December 2016, of which EUR 38.6 million held by VGP European Logistics

5 Strategy

5.1 General

VGP's strategy focuses on development and a pro-active approach in respect of potential disposal of the Group's income generating assets once such assets have reached a mature stage. This strategy has resulted in the disposal of a number of income generating assets over the past few years. This strategy was further streamlined and resulted in the entering of the Joint Venture during the first quarter of 2016. This Joint Venture confirms the long term strategy of the Group to realise capital gains and will over time have a significant impact on the fee income generating capabilities of the Group as VGP will benefit from fee income generated from asset management, property management and development management services.

The Group's investment strategy is based on the following principles:

- strategically located plots of land;
- focus on business parks to realise economies of scale;

- high quality standardised semi-industrial real estate; and
- in-house competences enabling a fully integrated business model.

VGP operates three main business lines, i.e. development activities, asset and property management services and Facility Management services.

5.2 Development activities

Greenfield developments are the core activity of the VGP Group. Developments are undertaken primarily for the Group's own account. Besides this, additional development activities can be carried out on behalf of the Joint Venture or in some exceptional cases for third parties.

The Group pursues a growth strategy in terms of development of a strategic land bank which is suitable for the development of turnkey and ready-to-be-let semi-industrial projects. The plots are zoned for semi-industrial activities. The management of VGP is convinced that the top location of the land and the high quality standards of its real estate projects contribute to the long term value of its portfolio.

The Group concentrates on the sector of logistic and light-industrial accommodation projects situated in the mid-European region and Germany and has started to expand to other Western-European countries. During 2015 VGP already established its presence in Spain with the opening of a new office in Barcelona, and in 2016 it acquired a logistics building in Barcelona and land plots in the Barcelona and Madrid area.

The Group aims to expand into other European markets in the near future.

High quality projects are always developed on the basis of VGP's building standards, with adaptations to meet specific requirements of future tenants but always ensuring multiple purpose use and easy future ability to lease again. In their initial phase of development, some projects are being developed at the Group's own risk (i.e., without being pre-let).

Given the strong demands for lettable area recorded in most of VGP's parks, the advance stages of negotiations with potential tenants in these parks as well as to allow VGP to offer lettable area without long lead times, a number of projects have currently been started up on an own risk basis. Delaying the start-up of these buildings would have put the Group at a competitive disadvantage as it would have no immediate available or on a short notice available lettable area to offer to potential tenants.

The constructions, which respond to the latest modern quality standards, are leased under long term lease agreements to tenants which are active in the semi-industrial sector, including storing but also assembling, re-conditioning, final treatment of the goods before they go to the industrial clients or the retailers. The land positions are located in the vicinity of highly concentrated living and/or production centres, with an optimal access to transport infrastructure.

The Group relies on the in-house competences of its team to execute its fully integrated business model, consisting of: the identification and acquisition of the land and development of the infrastructure, the design of the buildings, the coordination of architectural and engineering aspects, the administration to obtain the necessary permits, the tendering and coordination of the construction works including site management, and upon completion the Facility Management of the real estate portfolio.

The Group's team often negotiates and contracts building subcontractors and building material deliveries directly and monitors the follow up and coordination of the building activities itself.

5.3 Asset and property management services

Property management services are mainly provided internally and to a lesser extent externally whereby the respective Group property management company is responsible for managing the proper and undisturbed operation of the buildings. In addition, the property manager will on behalf of the Group or the respective third parties identify, supervise and manage the relationship with third party suppliers.

As part of its offered services, the VGP property management companies will also perform Project Management services. These services cover the performance of capital improvements and any other construction works as may be requested by the owner of the buildings. This scope covers the full range of Project Management services (supervision and coordination of the contractors for design, advising on obtaining permits, advising on the works and any tenders relating thereto).

As part of the property management services VGP will also provide leasing services. The commercial department is responsible for all aspects of the performance and enforcement of the leases and the lease agreements on behalf of the associated companies and as from 2016 also for the Joint Venture companies, as well as for day-to-day co-operation with the tenants.

The asset management function was created during 2016 as part of the services rendered to the newly established Joint Venture and entails giving advice and recommendations to the Joint Venture companies on the Joint Venture's assets managing on property level strategy and thereby optimising the value of the Joint Venture assets. Further advice and recommendations will be given by the asset manager in respect of appropriate tenant mix, execution of leasing strategy that aligns cash flows with portfolio needs, and manage both capital and operating expenses. The asset management services are delivered by a newly established subsidiary VGP Asset Management S.à r.l. and operates from Luxembourg.

5.4 Facility Management services

Facility Management services have been regrouped in SUTA.

Facility Management services are provided internally as well as externally whereby SUTA is responsible for managing the proper and undisturbed operation of the buildings and performs all actions such as maintenance services, waste management services, maintenance greenery etc. that may be necessary in this respect.

In other countries where no specific Facility Management team will be in place, the Group will use third party Facility Management services companies to perform these activities.

6 Funding Sources

The main source of funding comes from the issuance of bonds. Previously, the Group has used considerable amount of bank financing for the development of its projects. However, with the entering of the Joint Venture with Allianz and the completion of the acquisition of the first 15 parks by the Joint Venture, VGP has been able to substantially deleverage the Group.

On 12 July 2013 the Issuer issued the 2017 Bond. The net proceeds of the 2017 Bond were used in Germany to settle the acquisition of development land in Hamburg and Frankfurt, the financing of the development pipeline in Germany and finally to acquire a new 25,000 m² building in Hamburg. In the other countries, the net proceeds of the 2017 Bond were used to settle the acquisition of additional development land and for the financing of the development pipeline in Czech Republic, Estonia, and Romania.

On 6 December 2013, the Issuer issued the 2018 Bond. The net proceeds of the 2018 Bond were used to acquire further development land in Germany and to finance the development of further projects on such acquired land.

On 21 September 2016, the Issuer issued the 2023 Bond. The net proceeds of the 2023 Bond were used to acquire a logistics building in Barcelona, as well as development land in Spain and to further finance the development of new projects on development land.

The net proceeds of the current Bonds for the expansion of the Group's land bank and in order to finance the development pipeline.

The Issuer's source of recurrent income comes from the operating activities of its Subsidiaries and interest income and asset/property/development management fee income from its Joint Venture. In addition, the Issuer will benefit from the realisation of the development profits at the moment of the sale of the income generating assets to the Joint Venture and benefit on an ad hoc basis from the sale of income generating assets or business parks which are put into the market once they reach a certain maturity, i.e. a level of income generation.

6.1 Issuer's Funding Sources

Besides the issuance of the Bonds (cf. supra), the Issuer has no available committed bank credit facilities nor does it currently intend to arrange bank credit facilities in the future. Occasionally the Issuer will benefit from shareholder loans. They have always been considered as bridging debt allowing the Group to act as a fast mover on the acquisition of plots of land and are provided at arm's length.

6.2 Group's Funding Sources

The Subsidiaries have entered into credit facilities with financial institutions, for which securities have been granted. In December 2016, the Group has secured an EUR 16.5 million committed credit facility from Raiffeisenbank Romania and has drawn EUR 13 million under this facility.

Given the fact the Group adopts as much as possible a standardised approach in respect of financial bank covenants in general a Loan to Value of 65% will apply in respect of borrowings. This effectively means that the Group would only be able to leverage its assets base for a maximum amount corresponding to 65% of the value of the investment properties.

Besides bank financing, the Subsidiaries benefit from intra-group loans provided by the Issuer. These loans are used to finance the development pipeline.

The intragroup loans are granted by the Issuer to the Group members on an arm's length basis, are unsecured and are on first demand, subject to any subordination agreements entered into with banks.

The intragroup loans are usually used to finance the land and the initial stages of the development. Once a building becomes income generating and provided adequate bank financing is in place, the respective intragroup loan will be repaid by the bank financing and the proceeds received by the Issuer will be recycled and re-lent to finance other / new developments.

The Manager, nor any of its affiliates is a creditor of any of the members of the VGP Group. The Manager's affiliate CSOB is a creditor of the Joint Venture.

6.3 Funding Sources of the Joint Venture

Three major committed secured credit facilities have been arranged at the level of the Joint Venture and its respective German, Hungarian and Czech/Slovak portfolios. For more information on these loans, reference is made to section 3.2 (*Relationship with the Associate and the Joint Venture*) of this Part IV.

7 Material Adverse Effect

There has been no material adverse change in the prospects of the Group since 31 December 2016, except for those circumstances or events elsewhere stated or referred to (by means of incorporation by reference or otherwise) in this Information Memorandum.

8 No Significant Change in Financial or Trading Position

With the exception of those circumstances or events elsewhere stated or referred to (by means of incorporation by reference or otherwise) in this Information Memorandum, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2016.

9 Material Contracts

Neither the Issuer nor any other company of the Group has entered into any material contracts outside the ordinary course of its business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation in respect of the Bonds, except for those elsewhere stated or referred to (by means of incorporation by reference or otherwise) in this Information Memorandum, such as the agreements governing the relationship with the Joint Venture and/or the majority Shareholders of the Associate as referred to in Section 3.1 (*Organisational Structure*) of this Part IV: *Description of the Issuer*.

10 Governmental, Legal and Arbitration Proceedings

The Issuer and its Subsidiaries are currently not aware of nor subject to any claim, legal or governmental and arbitration proceedings, nor have they been subject to any claim, legal or governmental and arbitration proceedings during the last 12 months preceding the Issue Date, which on aggregate, would have had or are likely to have a significant effect on the financial position of the Issuer and its Subsidiaries.

V. Use of Proceeds

The net proceeds of the issue of the Bonds, expected to amount to approximately EUR 79,535,000 million, will be used to acquire development land and to further finance the development of new projects on development land.

The development business (like many businesses) is subject to a series of regulatory and commercial uncertainties (e.g. obtaining zoning and building permits and avoiding environmental issues and the possibility to acquire suitable plots of land) as a result of which VGP's development pipeline is a dynamic, continuously evolving set of projects. Therefore, VGP can only provide estimates relating to the use of proceeds of the Bonds based on its current pipeline. It cannot be guaranteed that the projects currently contemplated will effectively come to completion. Considering the current development market VGP is confident that, if the current projects would be aborted, sufficient equally attractive replacement projects are available on the market.

The net proceeds of the issue of the 2017 Bonds and the 2018 Bonds amounting to EUR 147 million were fully applied towards the financing of the development pipeline and the anticipated developments in Frankfurt (VGP Park Rodgau) and Hamburg (VGP Park Hamburg), as described in the prospectuses pertaining to the 2017 Bond and the 2018 Bond respectively. These projects were not only successfully realised, but exceeded the anticipated development objectives. Since July 2013 VGP acquired 1,660,000 m² of new development land located in Germany (759,000 m²), Czech Republic (707,000 m²), Estonia (45,000 m²), Hungary (85,000 m²) and Latvia (64,000 m²) for a total aggregate amount of EUR 84 million. The remaining net proceeds were used to partially finance the development activities i.e. during the period from July 2014 to June 2016, the Group delivered 28 new buildings representing 473,383 m² of lettable area and at the end of June 2016 the Group had 17 buildings under construction (383,894 m²). The net proceeds of the 2023 Bond were used to acquire a 180,000 m² logistics building (extendable to circa 260,000 m²) in Mango Logistics Park in Lliçà d'Amunt (Barcelona, Spain) and 373,000 m² of development land in Mango Logistics Park in Lliçà d'Amunt in Barcelona, and in San Fernando de Henares in Madrid (Spain).

With the Bonds the Group wants to finance a new development cycle and continue to support its strong growth and track record of delivering income generating assets.

VI. Taxation

1 Belgian Taxation on the Bonds

The following is a general description of the main Belgian tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds. It is restricted to the matters of Belgian taxation stated herein and is intended neither as tax advice nor as a comprehensive description of all Belgian tax consequences associated with or resulting from any of the aforementioned transactions. Prospective investors are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds, including under the laws of their countries of citizenship, residence, ordinary residence or domicile.

The summary provided below is based on the information provided in this Information Memorandum and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Information Memorandum and with the exception of subsequent amendments with retroactive effect.

1.1 Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Bonds are in principle subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30 per cent. Tax treaties may provide for lower rates subject to certain conditions and formalities.

In this regard, "interest" means the periodic interest income, any amount paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not on the maturity date, or upon purchase by the Issuer) and, in case of a disposal of Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Bonds if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "**Tax Eligible Investors**", see hereinafter) in an exempt securities account (an "**X Account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the NBB System. Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

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

Participants to the NBB system must enter the Bonds which they hold on behalf of Tax Eligible Investors in an X Account.

Tax Eligible Investors are those listed in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax ("*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*" / "*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*") which include, inter alia:

- (i) Belgian resident companies referred to in Article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 ("*code des impôts sur les revenus 1992*" / "*wetboek van de inkomstenbelastingen 1992*", the "**BITC 1992**");

- (ii) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of article 262, 1° and 5° of the BITC 1992;;
- (iii) state regulated institutions ("*institutions parastatals*" / "*parastatalen*") for social security, or institutions which are assimilated therewith, provided for in article 105, 2° of the royal decree implementing the BITC 1992 ("*arrêté royal d'exécution du code des impôts sur les revenus 1992*" / "*koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992*", the "**RD/BITC 1992**");
- (iv) non-resident investors provided for in article 105, 5° of the RD/BITC 1992;
- (v) investment funds, recognised in the framework of pension savings, provided for in article 115 of the RD/BITC 1992;
- (vi) taxpayers provided for in article 227, 2° of the BITC 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the BITC 1992;
- (vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC 1992;
- (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and
- (ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

Tax Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Participants to the NBB System must keep the Bonds which they hold on behalf of the non-Tax Eligible Investors in a non-exempt securities account (an "**N Account**"). In such instance, all payments of interest are subject to withholding tax (currently at the rate of 30 per cent.), which is withheld by the NBB and paid to the Belgian Treasury.

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

- a transfer from an N Account (to an X Account or N Account) gives rise to the payment by the transferor non-Tax Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date;
- a transfer (from an X Account or N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Tax Eligible Investor of an amount equal to the withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date; and
- transfers of Bonds between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Bonds, the Tax Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Belgian Minister of

Finance. There are no ongoing declaration requirements for Tax Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status. Participants are required to annually provide the NBB with listings of investors who have held an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Bonds that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided that each Beneficial Owner is a Tax Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that: (i) the Intermediary is itself a Tax Eligible Investor; and (ii) the Beneficial Owners holding their Bonds through it are also Tax Eligible Investors. The Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Bonds held in Euroclear or Clearstream, Luxembourg as Participants to the NBB System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Bonds in such account.

1.2 Belgian Income Tax

1.2.1 Belgian resident individuals

Belgian resident individuals, i.e., natural persons who are subject to the Belgian personal income tax (“*impôt des personnes physiques*” / “*personenbelasting*”) and who hold the Bonds as a private investment, do not have to declare interest in respect of the Bonds in their personal income tax return, provided that Belgian withholding tax (30 per cent.) has effectively been levied on the interest.

Nevertheless Belgian resident individuals may elect to declare interest in respect of the Bonds in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 30 per cent. (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer's other declared income, whichever is more beneficial). The Belgian withholding tax levied may be credited.

Capital gains realised on the sale of the Bonds are in principle tax exempt, except to the extent the capital gains are realised outside the scope of the management of one's private estate or except to the extent they qualify as interest (as described in *Belgian Withholding Tax* above). Capital losses realised upon the disposal of the Bonds held as non-professional investment are in principle not tax deductible..

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

1.2.2 Belgian resident companies

Interest attributed or paid to corporations which are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (“*impôt des sociétés*” / “*vennootschapsbelasting*”), as well as capital gains realised upon the disposal of Bonds are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. (or the relevant progressive corporate income tax rate(s) in the case of certain corporations with limited profits). Capital losses realised upon the disposal of the Bonds are in principle tax deductible.

Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the BITC 1992.

1.2.3 Belgian resident legal entities

Belgian legal entities subject to Belgian legal entities tax ("*impôts des personnes morales*" / "*rechtspersonenbelasting*") and which do not qualify as Tax Eligible Investors will generally be subject to the Belgian withholding tax at a rate of 30 per cent. This tax constitutes the final levy for them and, in principle, fully discharges their income tax liability.

Belgian legal entities which qualify as Tax Eligible Investors and which consequently have received gross interest income are required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains qualify as interest (as described in "*Belgian Withholding Tax*" above). Capital losses are in principle not tax deductible.

1.2.4 Organisations for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

1.2.5 Belgian non-residents

Bondholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Bonds through a permanent establishment in Belgium and do not invest the Bonds in the course of their Belgian professional activity will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership or disposal of the Bonds, provided that they qualify as Tax Eligible Investors and that they hold their Bonds in an X Account.

If the Bonds are not entered into an X-account by the Tax Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 30 per cent., possibly reduced pursuant to a tax treaty, on the gross amount of the interest.

1.3 Tax on stock exchange transactions and tax on repurchase transactions

A tax on stock exchange transactions ("*taxe sur les opérations de bourse*" / "*taks op de beursverrichtingen*") is normally levied on the purchase and the sale and any other acquisition and transfer for consideration in Belgium of Bonds through a professional intermediary established in Belgium on the secondary market, so-called "secondary market transactions". The tax is due from the transferor and the transferee separately. The applicable rate amounts to 0.09 per cent. with a cap of EUR 1,300 per transaction and per party. Such tax is also due for transactions for which the order is directly or indirectly given by an individual with habitual abode in Belgium, or by a legal entity on account of its Belgian seat or establishment, to an intermediary established outside Belgium. In such case, this individual or legal entity should declare and pay the tax on stock exchange transactions due, unless if he can prove that it was already paid. The acquisition of the Bonds upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

A tax on repurchase transactions ("*taxe sur les reports*" / "*taks op de reporten*") at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of EUR 1,300 per transaction and per party).

However neither of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status except in case they would be considered to have their habitual abode or their seat or establishment in Belgium, and certain Belgian institutional investors as defined in article 126.1 2° of the code of miscellaneous duties and taxes ("*Code des droits et taxes divers*" / "*Wetboek diverse rechten en taksen*") for the tax on stock exchange transactions and article 139, second paragraph, of the same code for the tax on repurchase transactions.

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax ("**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions and the tax on repurchase transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

2 The Proposed Financial Transaction Tax (FTT)

On 14 February 2013 the EU Commission adopted a Draft Directive on the FTT. Earlier negotiations for a common transaction tax among all 28 EU Member States had failed. The current negotiations between Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the Participating Member States) are seeking a compromise under "enhanced cooperation" rules, which require consensus from at least nine nations. Earlier Estonia dropped out of the negotiations by declaring it would not introduce the FTT.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of bonds should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in bonds where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force.

However, the Draft Directive on the FTT remains subject to negotiations between the Participating Member States. It may therefore be altered prior to any implementation, of which the eventual timing

and outcome remains unclear. Additional EU Member States may decide to participate or drop out of the negotiations. If the number of Participating Member States would fall below nine, it would put an end to the legislative project.

In June 2016, the Participating Member States declared that they would continue their efforts in the second half of the year but since then the negotiating parties have not been successful in reaching an agreement.

Prospective investors should consult their own professional advisors in relation to the FTT.

VII. General Information

1. The issue of the Bonds was authorised by resolutions passed by the Board of Directors of the Issuer on 23 February 2017.
2. The Bonds have been accepted for clearance through the Clearing System of the National Bank of Belgium. The Common Code of the Bonds is 159049558. The International Securities Identification Number (ISIN) of the Bonds is BE6294349194. The address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels.
3. Where information in this Information Memorandum has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect. The source of third party information is identified where used.

VIII. Definitions

2017 Bond	means the EUR 75 million fixed rate bond maturing on 12 July 2017 which carries a coupon of 5.15% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002201672 – Common Code: 094682118);
2018 Bond	means the EUR 75 million fixed rate bond maturing on 6 December 2018 which carries a coupon of 5.10% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002208743 – Common Code: 099582871);
2023 Bond	means the EUR 225 million fixed rate bond maturing on 21 September 2023 which carries a coupon of 3.90% per annum (listed on the regulated market of Euronext Brussels with ISIN Code: BE0002258276 – Common Code: 148397694);
Accounting Standards	means the accounting standards that are generally accepted in Belgium, including IFRS, to the extent applicable to the relevant financial statements;
Agency Agreement	means the domiciliary agency agreement dated 28 March 2017 entered into between the Issuer and the Agent (which expression includes any successor as Agent under the Agency Agreement) as amended and/or supplemented and/or restated from time to time;
Agent	means KBC acting as exclusive lead manager and bookrunner and as domiciliary, calculation and paying agent, which expression includes any successor as Agent under the Agency Agreement;
Aggregate Net Rental Income	means the sum of any and all income of any member of the Group related to rent of its respective Project Buildings less the Rental Expenses;
Aggregate Nominal Amount	means the aggregate nominal amount of the Bonds issued;
Allianz	means Allianz AZ Finance VII Luxembourg S.A., SAS Allianz Logistique S.A.S.U. and Allianz Benelux SA (all affiliated companies of Allianz Real Estate GmbH) taken together;
Alternative Clearing System	means the successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator if at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB;
Annual Relevant Period	means each period of 12 months ending on the last day of a financial year of the Issuer and each period of twelve (12) months ending on the last day of the first half of the financial year of the Issuer;

Arrangement Fee	means the arrangement fee agreed between the Issuer and the Lead Manager in relation to the structuring of the issuance of the Bonds;
Associate	means VGP MISV Comm. VA in which the Company holds 42.87%;
Auditor	means DELOITTE Bedrijfsrevisoren BV o.v.v.e. CVBA, with registered office at Berkenlaan 8B, 1831 Diegem, Belgium, represented by Mr Rik Neckebroeck (or such auditor or statutory auditor of the Issuer as may be appointed from time to time);
Belgian Company Code	means the Belgian Company Code (<i>Wetboek van Vennootschappen / Code des Sociétés</i>);
Beneficial Owners	means the clients for which the Intermediary holds the Bonds;
BITC 1992	means the Belgian code on income tax of 1992 (<i>code des impôts sur les revenus 1992 / wetboek van de inkomstenbelastingen 1992</i>);
Block Voting Instruction	<p>means a document in Dutch or French (with a translation in English) issued by the Recognised Accountholder and dated in which:</p> <ul style="list-style-type: none"> (i) it is certified that Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of: <ul style="list-style-type: none"> A. the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and B. the giving of notice by the Recognised Accountholder to the Issuer in accordance with paragraph 5(e) of Schedule 1 to the Conditions (provisions for meetings of Bondholders), stating that certain of such Bonds cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction; (ii) it is certified that each holder of such Bonds has instructed such Recognised Accountholder, that the vote(s) attributable to the Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions to be put to such meeting or any such

adjourned meeting and that all such instructions are during the period commencing three Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof neither revocable nor capable of amendment;

- (iii) the nominal amount of the Bonds so held and blocked is stated, distinguishing with regard to each resolution between those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (iv) one or more persons named in such document (each hereinafter called a proxy) is or are authorised and instructed by such Recognised Accountholder to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in paragraph (ii) above as set out in such document;

Board or Board of Directors

means the board of directors of the Issuer or any committee thereof duly authorised to act on behalf of the board of directors;

Bondholder

means, in respect of any Bond, the person entitled thereto in accordance with the Belgian Company Code and the Clearing System Regulations;

Bonds

means the 3.35 per cent. fixed rate bonds due 30 March 2025, for an expected aggregate amount of EUR 80 million;

Bookrunner

means KBC;

Business Day

means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Brussels;

Calculation Agent

means KBC or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 14 (*Notices*);

Cash or Cash Equivalents

means:

- (a) any cash at hand or on a deposit that is callable on first demand; and
- (b) highly liquid financial instruments that are easily convertible into cash, for which a recognised trading

market exists, and which are not issued or guaranteed by any member of the Group or subject to any Security,

which in both cases (a) and (b) are freely available for the repayment of any Financial Indebtedness and are held by any member of the Group, and shall exclude restricted or unavailable cash;

Cash Available for Debt Service

means, for any Annual Relevant Period:

- (a) after tax profit of the Issuer earned in the relevant Annual Relevant Period;
- (b) **plus** any interest (i) accounted for but unpaid or (ii) accounted for and paid by all members of the Group under the subordinated Financial Indebtedness provided for by the Issuer during the relevant Annual Relevant Period;
- (c) **plus** any amount accounted for by all members of the Group in respect of depreciation and amortisation during the relevant Annual Relevant Period;
- (d) **plus** any expenses accounted for and payable by all members of the Group on non-realised foreign exchange losses in respect of such relevant Annual Relevant Period;
- (e) **plus** the aggregate amount of interest, commissions and other finance charges (including any Interest Rate Hedging costs) due and payable by all the members of the Group under any Financial Indebtedness in such relevant Annual Relevant Period;
- (f) **less** any revenue resulting from re-evaluation (accounted for but unpaid) of any derivatives, options, futures or hedging or other similar financial instruments or contracts;
- (g) **plus** any expense resulting from re-evaluation (accounted for but unpaid) of any derivatives, options, futures or hedging or other similar financial instruments or contracts; and
- (h) **plus** any available Cash and Cash Equivalents on the last day of the Annual Relevant Period;

CEE

means Central and Eastern Europe;

Change of Control

means the situation whereby (a) any person other than the Reference Shareholders or (b) a group of persons other than the

	Reference Shareholders, Acting in Concert, gain(s) Control of the Issuer;
Change of Control Notice	means the notice whereby the Issuer notifies the Bondholders of the occurring of a Change of Control in accordance with Condition 14 (<i>Notices</i>);
Change of Control Put	means the right of the Bondholder to require the Issuer to repurchase all or any part of such holder's Bonds at the Put Redemption Amount upon the occurrence of a Change of Control;
Change of Control Put Date	means the fourteenth TARGET Business Day after the expiry of the Change of Control Put Exercise Period;
Change of Control Put Exercise Notice	means the duly completed and signed notice of the Bondholder of exercise the Change of Control Put, in the form attached as <u>Schedule 2</u> to the Terms and Conditions (Part II);
Change of Control Put Exercise Period	means the period commencing on the date of a Change of Control and ending ninety (90) calendar days following such Change of Control, or, if later, ninety (90) calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 6.2 (<i>Redemption at the Option of Bondholders</i>);
Change of Control Resolutions	means one or more decisions validly taken by the general meeting of shareholders of the Issuer approving Condition 6.2 (<i>Redemption at the Option of Bondholders</i>);
Clearing Agreement	means the clearing services agreement (" <i>Overeenkomst van dienstverlening inzake de uitgifte van gedematerialiseerde obligaties</i> " / " <i>Convention de services de clearing relatifs à l'émission d'obligations dématérialisées</i> ") to be dated on or about the Issue Date between the Issuer, the Agent and the NBB;
Clearing System	means the system by which the Bonds will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the NBB or any successor thereto;
Clearing System Regulations	means the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the Clearing System and its annexes, as issued or modified by the NBB from time to time;
Clearstream, Luxembourg	means Clearstream Banking, société anonyme, Luxembourg, 42, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
Company	means VGP NV, a public limited liability company (" <i>naamloze vennootschap</i> " / " <i>société anonyme</i> ") incorporated under Belgian

law, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0887.216.042, commercial court of Ghent, division Dendermonde;

Company SPA

means the share purchase agreement between the Issuer as seller and Allianz as purchaser relating to the sale of 50% of the shares in VGP European Logistics S.à r.l.;

Compliance Certificate

means a certificate from the Issuer, signed by two (2) directors of the Issuer (one of which must be its executive director) or alternatively by the executive director and the chief financial officer and approved by the Auditor, setting out in detail computations, indicating and confirming whether the Consolidated Gearing, the Interest Cover Ratio and the Debt Service Cover Ratio comply with the applicable ratios and thresholds as set out in Condition 10 (*Undertakings*) of these Conditions, as at the date of the relevant financial statements to which such compliance certificate relates;

Consolidated Financial Indebtedness

means, at any time, the aggregate amount of all obligations of the Group for or in respect of Financial Indebtedness but:

- (a) excluding any such obligation to any other member of the Group; and
- (b) deducting the aggregate amount of Cash and Cash Equivalents held by any member of the Group at such time

and so that no amount shall be included or excluded more than once;

Consolidated Gearing

means, in respect of any Annual Relevant Period, the ratio of Consolidated Total Net Debt on the last day of that Annual Relevant Period to the sum of the equity and the total liabilities (including off-balance sheet liabilities) at Group level in respect of that Annual Relevant Period;

Consolidated Total Net Debt

means, at any time, Total Net Debt calculated at Group level;

Control

means (A) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to (i) cast, or control the casting of more than fifty (50) per cent. of the maximum number of votes that might be cast at a general meeting of Shareholders of the Issuer; or, (ii) exercise a decisive influence on the appointment or removal of all or a majority of the directors of the Issuer (including, but not limited to the right to nominate, pursuant to the articles of association or pursuant to agreements known by the Issuer, the majority of the directors of the Issuer); or (iii) exercise a decisive influence on the operating or financial

	<p>policies of the Issuer with which the directors or other equivalent officers of the Issuer are to comply or (B) the acquisition or the holding of a number of voting rights, even if such number is less than fifty (50) per cent. of the outstanding voting rights in the Issuer, if such acquisition or holding has resulted in a mandatory public offer over the whole of the outstanding shares of the Issuer;</p>
Corresponding Debt	<p>means any debt of the Issuer or any of its Subsidiaries (including any debt under the Bonds) that is guaranteed by any Security, Personal Security, guarantee or indemnity that also secures the Bonds in accordance with these Terms and Conditions (Part II of this Information Memorandum);</p>
Debt Service Cover Ratio	<p>means:</p> <ul style="list-style-type: none"> (i) the Cash Available for Debt Service, <u>divided by</u> (j) the Net Debt Service;
Domiciliary Agent	<p>means KBC;</p>
EUR, euro or €	<p>means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended;</p>
Euroclear	<p>means Euroclear Bank SA/NV;</p>
Event of Default	<p>means one of the following events which are described in detail in Condition 9 (<i>Events of Default</i>) of the Terms and Conditions (Part II of this Information Memorandum):</p> <ul style="list-style-type: none"> (a) Non-payment; (b) Breach of ratios; (c) Breach of other covenants, agreements or undertakings; (d) Cross-Default of the Issuer or a Subsidiary; (e) Enforcement Proceedings; (f) Security Enforced; (g) Unsatisfied judgment; (h) Insolvency and insolvency proceedings; (i) Reorganisation, change of or transfer of business or transfer of assets; (j) Winding-Up; (k) Failure to take action; and (l) Unlawfulness;
Extraordinary Resolution	<p>means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these Conditions and the Belgian Company Code by a majority of at least seventy-five (75) per cent. of the votes cast;</p>

Facility Management	means the day-to-day maintenance, alteration and improvement work of buildings;
Fair Value	means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, as defined in IAS 40. In addition, market value must reflect current rental agreements, the reasonable assumptions in respect of potential rental income and expected costs;
Finance Charges	means, for any Annual Relevant Period, the difference between on the one hand the interest charges (being the sum of the aggregate amount of interest, commissions and other finance charges (including any Interest Rate Hedging costs but excluding the Arrangement Fee and the Placement Fee paid by the Issuer to the Lead Manager for the first twelve (12) months testing period) due and payable by all the members of the Group under any Financial Indebtedness in such relevant Annual Relevant Period and on the other hand the interest received (being the sum of the aggregate amount of interest, commissions and other finance income (including any Interest Rate Hedging income) and remuneration on finance leases and related products) in each case calculated on a consolidated basis on the last day of a financial year of the Issuer and on the last day of the first half of the financial year of the Issuer;
Financial Indebtedness	<p>means any indebtedness for or in respect of:</p> <ul style="list-style-type: none"> (a) moneys borrowed (on the basis of any credit agreement, loan agreement or any similar agreement); (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including without limitation the Bonds; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the relevant Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) and any assumed debt; (f) any Treasury Transaction and, when calculating the value of any Treasury Transaction, only the marked to market value shall be taken into account;

- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount of any liability under any advance or deferred purchase agreement if one of the primary reasons behind entering into the agreement is to raise finance for a purchase of assets and payment is due after more than ninety (90) days;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (j) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above;

Financial Intermediary	means a bank or other financial intermediary through which the Bondholder holds the Bonds;
FSMA	means the financial Services and Markets Authority (<i>Autoriteit voor Financiële Diensten en Markten / Autorité des services et marches financiers</i>);
FTT	means the proposed financial transactions tax by the EU Commission;
Gearing Ratio	means the ratio calculated as consolidated Total Net Debt divided by the sum of the equity and total liabilities;
Group	means the Issuer and its Subsidiaries;
IAS	means the International Accounting Standards, the international accounting standards drawn up by the International Accounting Standards Board (IASB), for the preparation of financial statements;
IFRS	means the International Financial Reporting Standards (see also IAS);
Independent Source	means any market data and other statistical information used in this Information Memorandum which has been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications;
Information Memorandum	means this information memorandum dated 28 March 2017;
Interest Cover Ratio	means the ratio of Aggregate Net Rental Income (increased with the available Cash and Cash Equivalents on the last day of an Annual Relevant Period) to Finance Charges in respect of any Annual Relevant Period;

Interest Payment Date	means the date on which the interest will be payable annually in arrears on 30 March of each year, commencing with the Interest Payment Date falling on 30 March 2018;
Interest Period	means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;
Interest Rate	means 3.35 per cent. per annum;
Interest Rate Hedging	means the use of derived financial instruments to protect debt positions against interest rate rises;
Intermediary	see Financial Intermediary;
IRS	means the Interest Rate Swap, a transaction in which the parties swap interest rate payments for a given duration (VGP uses interest rate swaps to hedge against interest rate increases by converting current variable interest payments into fixed interest payments);
Issuer	see Company;
Issue Date	means 30 March 2017;
Issue Price	means the issue price for the Bonds, which will be 100 per cent.;
Joint Venture	means VGP European Logistics S.à r.l., the newly established 50:50 joint venture between the Issuer and Allianz;
JVA or Joint Venture Agreement	means the joint venture agreement made between Allianz and the Issuer dated 14 March 2016;
KBC	means KBC Bank NV, having its registered office at Havenlaan 2, 1080 Brussels, Belgium;
Lead Manager	means KBC;
Little Rock SA	means a limited liability company (<i>société anonyme</i>) organised and existing under the laws of Luxembourg, having its registered office at 25, Boulevard Prince Henri, L 1724 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B156902;
Long Stop Date	means 30 June 2017;
Manager	see Agent;
Material Adverse Change	means a material adverse change in the financial condition, business affairs, results or operations of the Issuer or the Group taken as a whole since the date of the Placement Agreement or the date of the Information Memorandum;

Maturity Date	means 30 March 2025;
N Account	means a non-exempt securities account in the X/N System that has been opened with a Participant in the NBB System;
NBB	means the National Bank of Belgium;
Net Debt Service	means, in respect of any Annual Relevant Period, the sum of: <ul style="list-style-type: none"> (a) the Finance Charges; and (b) any principal due and payable by all members of the Group under any Financial Indebtedness in respect of such relevant Annual Relevant Period;
Occupancy Rate	means the occupancy rate which is calculated by dividing the total leased out lettable area (m ²) by the total lettable area (m ²) including any vacant area (m ²);
Ordinary Shares	means fully paid ordinary shares in the capital of the Issuer currently with no-par value;
Parallel Debt	means an amount equal to the amount of the Corresponding Debt provided that any amounts are outstanding under the Corresponding Debt;
Participant	means a financial institution that is a direct or indirect participant in the NBB System;
Paying Agent	means KBC;
Personal Security	means in relation to any Financial Indebtedness of any person, any obligation of another person to pay such Financial Indebtedness including (without limitation): (a) any obligation to purchase such Financial Indebtedness; (b) any obligation to lend money or to provide funds for the payment of such Financial Indebtedness; (c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and (d) any other agreement to be responsible for such Financial Indebtedness;
Placement Agreement	means the placement agreement dated on or around 6 September 2016 between the Manager and the Issuer;
Placement Fee	means a placement fee of 0.50 per cent. calculated on the aggregate principal amount of Bonds effectively placed with investors (borne by the Issuer);
Project Buildings	means any buildings the construction and development of which are carried out by any member of the Group;
Project Land	means plots of land owned by any member of the Group on which any Project Buildings are to be constructed and developed;
Project Management	means the management of building and renovation projects;

Projects	means the predevelopment of Project Land and the development, construction and operation of Project Buildings;
Property Portfolio	means the property investments, including property for lease, property investments in development for lease, assets held for sale and development land;
Prospectus Directive	means the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended;
Prospectus Law	means the Belgian law dated 16 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market;
Prospectus Regulation	means the Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended;
Put Redemption Amount	means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date;
Qualified Investors	means qualified investors as defined in the Prospectus Law;
RD/BITC 1992	means the royal decree implementing the BITC 1992 (<i>arrêté royal d'exécution du code des impôts sur les revenus 1992 / koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992</i>);
Recognised Accountholder	means, in relation to one or more Bonds, the Recognised Accountholder (<i>erkende rekeninghouder / teneur de compte agréé</i>) within the meaning of article 468 of the Belgian Company Code with which the Bondholder holds such Bonds on a securities account;
Redemption Rate	means $\text{MIN} (101\%; 100\% \times \text{Exp} (T \times 0,74720148386\%))$, rounded down to the 9th decimal, whereby: <ul style="list-style-type: none"> - "T" means the time, expressed in decimals of a year, elapsed from (and including) the Issue Date until (and including) the relevant redemption date; and - "Exp" means the exponential function meaning the function e^x, where e is the number (approximately 2.718) such that the function e^x equals its own derivative;

Reference Shareholders	means (i) VM Invest NV, (ii) Van Malderen Bart, (iii) Little Rock SA, (iv) Alsgard SA, (v) Van Geet Jan, and (vi) Comm. VA VGP MISV;
Regulation S	means the Regulation S under the Securities Act;
Relevant Creditor	means the creditors of the relevant Financial Indebtedness;
Relevant Date	means, in respect of any Bond, whichever is the later of: <ul style="list-style-type: none"> (a) the date on which payment in respect of it first becomes due; and (b) if any amount of the money payable is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 14 (<i>Notices</i>) of the Terms and Conditions (Part II of this Information Memorandum) that such payment will be made, provided that such payment is in fact made as provided in these Conditions;
Relevant Member State	means each Member State of the European Economic Area which has implemented the Prospectus Directive;
Rental Expenses	means the sum of any and all expenses incurred in relation to the operation, administration, maintenance and repairs by any member of the Group in relation to its Projects;
Responsible Person	means the Issuer;
Royal Decree	means the <i>"Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier"</i> , Royal decree of 26 May 1994 on the deduction of withholding tax;
Securities Act	means the United States Securities Act of 1933, as amended;
Security	means any mortgage, charge, pledge, lien or any other form of encumbrance or security interest or any mandate to create the same, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;
Security Agent	means a security agent appointed in the context of the relevant Financial Indebtedness;
Security Documents	mean all documents relating to a Security, Personal Security, guarantee or indemnity;
Seed Portfolio	means the first 15 VGP parks acquired by the Joint Venture at the end of May 2016;
Seed Portfolio SPA	means the share purchase agreement between the Issuer and VGP CZ X a.s. (as sellers) and VGP European Logistics S.à r.l. (as purchaser) related to a sale of (i) 100% participation in the Czech

companies VGP CZ V a.s. (owning VGP Park BRNO), VGP CZ VI a.s. (owning VGP Park Hradec nad Nisou), VGP CZ VIII a.s. (owning VGP Park Plzen) and TPO hala G2 a.s. (owning partially VGP Park Olomouc), (ii) 100% participation in the Slovak company VGP Slovakia a.s. (owning VGP Park Malacky), (iii) 94.9% participation in the German companies VGP Park Bingen GmbH (owning VGP Park Bingen), VGP Park Berlin GmbH (owning VGP Park Berlin), VGP Park Höchststadt GmbH (owning VGP Park Höchststadt), VGP Park Hamburg GmbH (owning VGP Park Hamburg) and VGP Park Rodgau GmbH (owning VGP Park Rodgau), and (iv) 94.9% participation in the Luxembourg companies VGP Park Hamburg 2 S.à r.l. (VGP park Hamburg 2), VGP Park Frankenthal S.à r.l. (owning VGP Park Frankenthal and VGP Park Bobenheim-Roxheim) and VGP Park Leipzig S.à r.l. (owning VGP Park Borna);

Shareholders	means the holders of Ordinary Shares;
Specified Denomination	means EUR 100,000 per Bond;
Statutory Auditor	see Auditor;
Subsidiary	means a subsidiary of the Issuer within the meaning of article 6, 2° and article 8 of the Belgian Company Code;
SUTA	means SUTA s.r.o., having its registered office at Rozšířená 2159/15, Libeň, 182 00 Praha 8 and registered in the Commercial Register maintained by the Municipal Court in Prague, Section C, Entry No. 201835;
TARGET Business Day	means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro;
TARGET System	means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto;
Tax Eligible Investors	means the investors listed in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (<i>arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier / koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing</i>);
Taxes	any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Belgium, or any political subdivision or any authority therein or thereof having power to tax;
Total Debt	means at any time (but so that no amount shall be included or excluded more than once), the Consolidated Financial Indebtedness of the Group, excluding however all intra-Group Financial Indebtedness. For the avoidance of doubt, such intra-

	Group Financial Indebtedness shall include Financial Indebtedness incurred pursuant to any Financial Indebtedness of a member of the Group owed to another member of the Group which is senior, junior or <i>pari passu</i> with the Bonds;
Total Net Debt	means the Total Debt less Cash and Cash Equivalents;
Treasury Transaction	means any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price;
VGP or VGP Group	see Group;
VGP MISV Comm. VA	means a company (<i>commanditaire vennootschap op aandelen / société en commandite par actions</i>), organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0894.442.740, <i>RPR / RPM</i> Dendermonde;
VM Invest NV	means a limited liability company (<i>naamloze vennootschap / société anonyme</i>) organised and existing under the laws of Belgium, having its registered office at Spinnerijstraat 12, 9240 Zele, Belgium, registered with the Crossroads Bank for Enterprises under number 0418.701.587, <i>RPR / RPM</i> Dendermonde;
Voting Certificate	means a certificate in Dutch or French (with a translation in English) issued by the Recognised Accountholder and dated in which it is stated: <ul style="list-style-type: none"> (i) that on the date thereof Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of: <ul style="list-style-type: none"> A. the conclusion of the meeting specified in such certification or, if applicable, any adjourned such meeting; and

- B. the surrender of the certificate to the Recognised Accountholder who issued the same; and
- (ii) that until the release of the Bonds represented thereby the bearer thereof is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Bonds represented by such certificate;

WHT

means Belgian withholding tax;

X Account

means an exempt securities account in the X/N System that has been opened with a Participant in the NBB System;