



Montea Comm. VA.

Partnership limited by shares (*commanditaire vennootschap op aandelen/société en commandite par actions*), public closed-end real estate investment company (*openbare vastgoedbeleggingsvennootschap met vast kapitaal/société d'investissement à capital fixe immobilière publique*) under Belgian law, having its registered office in 9320 Erembodegem (Belgium), Industrielaan 27, enterprise number (RLE Dendermonde) 0417.186.211
(the **Issuer**)

SECURITIES NOTE

**Application for admission to trading and listing on Euronext Brussels
of minimum EUR 30,000,000
3.355 per cent fixed rated bonds
due 28 May 2021**

(the **Bonds**)

Issue Price: 100.00 %

Yield: 3.355 %

ISIN Code: BE0002214808

Issue Date: 28 May 2014

Montea, a partnership limited by shares (*commanditaire vennootschap op aandelen/société en commandite par actions*), public closed-end real estate investment company (*openbare vastgoedbeleggingsvennootschap met vast kapitaal/société d'investissement à capital fixe immobilière publique*) under Belgian law, having its registered office in 9320 Erembodegem (Belgium), Industrielaan 27, enterprise number (RLE Dendermonde) 0417.186.211 will issue the Bonds (the **Bond Issue**) for a principal amount of minimum EUR 30,000,000. Each Bond bears interest from the Issue Date (included) at the Nominal Interest Rate payable annually in arrears on 28 May of each year (the **Interest Payment Date**), with the first Interest Payment Date falling on 28 May 2015. Interest in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the actual number of days spent (on the basis of one year of 365 days or 366 for bissextile years). Unless previously redeemed, the Bonds will mature on 28 May 2021. The Bonds can be redeemed early in the limited cases described in Condition 5.6 entitled "*Redemption and purchase*" of the *Terms and Conditions* of the Bonds.

Bank Degroof NV/SA (having its registered office at 1040 Brussels, Nijverheidsstraat 44, enterprise number (RLE Brussels) 0403.212.172) and Belfius Bank NV/SA (having its registered office at 1000 Brussels, Pachecolaan 44, enterprise number (RLE Brussels) 0403.201.185) are acting as joint lead managers (the **Joint Lead Managers**). Bank Degroof NV/SA has been appointed as sole domiciliary, calculation, paying and listing agent (the **Agent**).

The denomination of the Bonds shall be EUR 100,000. The Bonds will not be rated.

This document (the **Securities Note**) (including the information which has been incorporated by reference herein) and the Issuer's annual financial report 2013, which is a registration document within the meaning of Article 28 of the Belgian law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market (the **Prospectus Law**) (the **Registration Document**) as approved by the Belgian Financial Services and Markets Authority (the **FSMA**) on 1 April 2014, together constitute the listing prospectus for the application for admission to trading and listing on the regulated markets of the Bonds on Euronext Brussels (the **Prospectus**). The Prospectus has been approved by the FSMA on 20 May 2014 in its capacity as competent authority under the Prospectus Law in accordance with article 23

of the Prospectus Law. This approval cannot be considered as a judgment as to the opportunity of the quality of the transaction, nor on the situation of the Issuer. Application has been made to Euronext Brussels for the Bonds to be listed and admitted to trading.

The Prospectus is a listing 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**) and the Prospectus Law. The Prospectus has been prepared in accordance with the Prospectus Law and the Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended (the **Prospectus Regulation**). It intends to provide the information with regard to the Issuer (in the Registration Document) and the Bonds (in the Securities Note), which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the rights attaching to the Bonds and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Bonds are issued in dematerialised form in accordance with Article 468 et seq. of the Belgian Companies Code (*Wetboek van vennootschappen/Code des sociétés*) and cannot be physically delivered. They may be converted into registered securities. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by 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 any 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 regulations on clearing of financial securities, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Royal Decrees of 26 May 1994 and 14 June 1994, and the rules of the Clearing System and its annexes, as issued or modified by the NBB (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**).

Unless otherwise stated, capitalised terms used in the Prospectus have the meanings set forth in the Prospectus. Where reference is made to the **Conditions of the Bonds** or to the **Conditions**, reference is made to the **Terms and Conditions of the Bonds** (see Section 5 entitled "*Terms and Conditions of the Bonds*").

An investment in the Bonds involves certain risks. Prospective investors should refer to Section 1 entitled "*Risk Factors*" on page 5 for an explanation of certain risks of investing in the Bonds.

Joint Lead Managers



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1 RISK FACTORS

An investment in securities, by its nature, holds several risks. This section, which is to be read jointly with the section “*Risk Factors*” of the Registration Document, describes the risks that may affect the ability of the Issuer to fulfill its obligations under the Bonds. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. If any of the described risks materialize, the Issuer’s business, financial condition, results and prospects could be materially and adversely affected. This may impact the ability of the Issuer to service the Bonds and may cause investors to lose all or part of their investment.

Certain risks of which the Issuer is aware at the date of the Prospectus and which it considers material to prospective investors, are set out in the risk factors. Although the Issuer believes that the risks and uncertainties described, represent all material risks and uncertainties considered relevant on the date of publication of the Prospectus, the Issuer may face additional risks and uncertainties relating to it which are not currently known to the Issuer, or that it does not currently deem material, and that may also have an adverse effect on the Issuer’s business, financial condition, results and prospects. If this occurs, this may impact the ability of the Issuer to service the Bonds and may cause investors to lose all or part of their investment.

Prospective investors should consider carefully whether an investment in the Bonds is suitable for them in light of the information in the Prospectus and their personal circumstances. Subscription to the Bonds is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise and which may be equal to the whole amount invested. Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Furthermore, before making an investment decision with respect to any Bonds, prospective investors should consult their own stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisors.

1.1 Risk factors relating to the Issuer

The risk factors relating to the Issuer are those described in detail in section 1 “*Risk Factors*” on p. 4 of the Registration Document, as well as the following:

1.1.1 Debt structure

The Issuer’s debt ratio cannot exceed 65%¹.

The Issuer’s undertakings in the credit facilities with its banks are in line with the marketplace and provide, among other things, that the Issuer’s debt ratio (as defined under the terms of the Royal Decree of 7 December 2010 on *vastgoedbevaks/sicafi*) may not exceed 60%.

Moreover, the terms and conditions of the bonds issued on 28 June 2013 also provide a maximum consolidated gearing ratio of the Issuer of 65%. In case of breach of this specific covenant, any bondholder may require, by notice in writing given to the Issuer at its registered office with a copy to the Agent, that its bonds be declared immediately due and repayable at par, together with accrued interest (if any) to the date of payment, without further formality unless such event shall have been remedied prior to the receipt of such notice by the Issuer.

¹ Article 53 of the Royal Decree of 7 December 2010 on *vastgoedbevaks/sicafi*
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Article 54 of the Royal Decree of 7 December 2010 on *vastgoedbevaks/sicafi* provides that if the Issuer's consolidated debt ratio exceeds 50%, the Issuer should draft a financial plan together with an implementation plan containing a description of the measures that will be taken to prevent such ratio exceeding 65%.

On 31 December 2013, the Issuer's debt ratio was equal to 52.82% on a consolidated level. As a consequence, the Issuer was required to draft a financial plan together with the implementation plan. The Issuer's statutory auditor reviewed the financial plan and established a special report about it. For more information on the financial plan, we refer to section 4.5 of the Registration Document, on p. 72.

On 31 March 2014, the Issuer's debt ratio was equal to 55.1% on a consolidated level. A maximum allowed consolidated debt ratio of 60% or 65% implies that, on 31 March 2014, the Issuer still has a consolidated debt capacity of respectively EUR 45 million and EUR 104 million, which is fully financed by debt and whereby all other parts of the balance sheet (except the portfolio and the long term financial debts) remain the same, hence not taking into account the change in working capital and the net result of the period.

On the other hand, the operating balance sheet structure, if all other parameters remain the same, would be able to absorb a 8.9% or 16.6% reduction in the value of the property portfolio before reaching the maximum debt ratio of 60% or 65%.

1.1.2 Liquidity risk

The liquidity risk implies that the Issuer does not have the required cash or funding to pay its short-term debt.

- Credit lines

Taking into account the legal status of *vastgoedbevak/sicafi* and given the nature of the assets in which the Issuer invests, the risk that the Issuer's lines of credit not being renewed (save for unforeseen circumstances) is, under current circumstances, remote, even in the context of a tightening of credit terms. On the other hand, it cannot be excluded that upon refinancing at maturity there is a possible risk of an increase in credit margins.

There is also a risk of the bilateral lines of credit being terminated due to the cancellation, termination or review of the credit facility agreements as a result of non-compliance with the covenants stipulated therein. The Issuer's undertakings in the credit facilities with its banks are in line with the marketplace and provide, among other things, that the Issuer's debt ratio (as defined under the terms of the Royal Decree of 7 December 2010 on *vastgoedbevaks/sicafi*) may not exceed 60%.²

As a consequence, should the Issuer not comply with its covenants and other obligations and, more generally, should it remain in default under the terms of these credit facility agreements, it is exposed to the risk of acceleration. Although, based on current circumstances and the outlook that can reasonably be made, the Issuer is unaware of any elements that might point to any of its undertakings not being observed, the risk of non-compliance with its covenants cannot be fully excluded.

- Bond issue 2013

² Beside the most important covenant of not exceeding the consolidated debt/asset ratio of maximum 60 %, the other important covenants agreed upon by the five financial institutions are: (i) complying with the conditions related to the status of *vastgoedbevak/sicafi*, (ii) not granting any securities, guarantees or mortgages on its real estate, (iii) interest cover ratio of at least 2.00 to 2.25, (iv) holding a real estate portfolio value of at least EUR 150 million.

On 28 June 2013, the Issuer issued bonds in a principal amount of EUR 30 million with a view to a diversification of its sources of funding. The bonds have a maturity of 7 years and become due on 28 June 2020. The Issuer may not have the ability to repay those bonds.

According to condition 5.6.3 of the terms and conditions of those bonds, the Issuer may be obliged to redeem the bonds in case of a change of control over the Issuer. In that case, every bondholder shall have the right to require the Issuer to redeem the bonds for an amount equal to 100.00 per cent of the nominal amount of the bond plus any accrued but unpaid interest of such bond up to (but excluding) the early redemption date.

According to condition 5.6.3 of the terms and conditions, a change of control over the Issuer will be deemed to have occurred in case:

- (i) an offer is made by any person to all (or as nearly as may be practicable all) shareholders (or all (or as nearly as may be practicable all) such shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled (such entitlement being unconditional and not being subject to any discretion of the offeror as to whether to exercise it or not) to acquire as a result of such offer, post completion thereof, shares or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast at a general meeting of the Issuer; or
- (ii) any person or group of persons acting in concert, within the meaning of Article 513 of the Belgian Companies Code, gain(s) Control of the statutory director (*statutaire zaakvoerder/gérant statutaire*) (or any of the statutory directors, as the case may be) of the Issuer; or
- (iii) Montea Management NV/SA ceases to be statutory director of the Issuer, unless, in this latter case, within the month following the appointment of the new statutory director (a) the Issuer convenes a General Meeting of Bondholders in accordance with Condition 5.13, and (b) at such General Meeting of Bondholders the decision is taken, to waive the right of early redemption of the Bondholders pursuant to Condition 5.6.3, with the quorum and majority requirements as set out in Article 574 of the Belgian Companies Code, it being understood that the Issuer, its Subsidiaries, any member of the Family Pierre De Pauw (defined as Dirk De Pauw, Marie Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw and their respective descendants) and any significant shareholder (i.e. any shareholder having to disclose a major holding pursuant to the Law of 2 May 2007 on the public disclosure of significant participations in issuers the shares of which are admitted to trading on a regulated market and holding various provisions) shall in any event not be entitled to vote at such meeting should they hold Bonds; For the purpose of this paragraph (iii), the Change of Control will be deemed to occur only after such General Meeting of Bondholders has decided not to waive the right of early redemption of the Bondholders or in case a General Meeting of Bondholders has not been convened after the expiration of a period of one month following the appointment of the new statutory director; Moreover, for the purpose of this paragraph (iii) no Change of Control shall be deemed to have occurred (a) in case Montea Management NV/SA is replaced as the statutory director of the Issuer by a legal entity controlled by one or more members of the Family Pierre De Pauw, or (b) in case Montea Management NV/SA ceases to be the statutory director of the Issuer as a result of the transformation of the Issuer from a *commanditaire vennootschap op aandelen/société en commandite par actions* into another corporate form;

provided however that “person” as used in the definition of “Change of Control” shall not include any person that is a relative of a member of the Family Pierre De Pauw (defined as

Dirk De Pauw, Marie Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw and their respective descendants) or that is owned for at least 50 % or controlled by (or affiliated with) one or more members or one or more relatives of one or more members of the Family Pierre De Pauw.

As a result of a change of control over the Issuer, the bondholders shall thus have the right to require early redemption of the bonds issued by the Issuer.

As of 31 March 2014, the Issuer had credit lines totalling EUR 180 million, EUR 160.5 million of which was already drawn down. During 2014, approximately EUR 46.7 million of these credit lines will come to maturity and will have to be repaid or refinanced. For more information on the Issuer's finance structure, see Chapter 4.5 of the Registration Document.

In order to prevent a liquidity problem in the future, the Issuer is constantly taking action to secure in good time the funding required for the further growth of the portfolio. The Issuer currently foresees no problem in securing further sources of funding. In doing so, maintaining the balance between the cost of funding, as well as the term and diversification of the funding sources, is always material.

1.1.3 Regulatory risks

1.1.3.1 *Vastgoedbevak/sicafi status*

Being a *vastgoedbevak/sicafi*, the Issuer is subject to a favorable tax regime. It is subject to corporate income tax, but its taxable base is limited to the disallowed expenses and received abnormal and benevolent advantages. The rental income, as well as the realized capital gains are therefore not included in the taxable base, which considerably reduces the taxable base. Dividend distributions are subject to a 25% withholding tax.

The loss of its status as a *vastgoedbevak/sicafi*, which implies a persistent or serious breach of the applicable legal requirements of the Law of 3 August 2012 or the Royal Decree of 7 December 2010 (or any legislation replacing this legislation) would lead to the loss of the favorable tax regime.

Moreover, the loss of its status as a *vastgoedbevak/sicafi* constitutes an event of default under most of the Issuer's credit facilities.

Last, the Issuer is subject to future changes to the *vastgoedbevak/sicafi* regime.

1.1.3.2. *AIFMD, EMIR and the new status of gereguleerde vastgoedvennootschap/société immobilière réglementée*

(i) AIFMD and EMIR

The Issuer could be affected by European regulations and the transposition into Belgian law of European directives, amongst which (if the Issuer would fall within its scope) the Alternative Investment Fund Managers Directive (**AIFMD**) and the European Regulation on OTC derivatives, central counterparties and trade repositories (the European Market Infrastructure Regulation or **EMIR**).

The Issuer, in view of its status as a *vastgoedbevak/sicafi*, is currently classified under Belgian law as a self-managed "collective investment undertaking". It will therefore be considered as a manager of an "alternative investment fund" (**AIF**) under the AIFMD, which will be implemented in Belgium by the *Wet betreffende de alternatieve instellingen voor collectieve belegging en hun beheerders / Loi relative aux organismes de placement collectif alternatifs et à leurs gestionnaires (AIFM Law)*.

In the meantime, the Belgian parliament will create the new regulatory status of a *Openbare GVV / SIRP* as provided for by the Bill of Parliament DOC 53 n° 3497/001 voted into law on 22 April 2014 *Wet op de gereguleerde vastgoedvennootschappen / Loi relative aux sociétés immobilières réglementées (GVV/SIR Law)*. The GVV/SIR Law will enter into force on the date determined by the Royal Decree on the GVV/SIR. On the date of this Securities Note, this date is not known by the Issuer.

The Issuer proposes to apply for a license as a *Openbare Gereguleerde Vastgoedvennootschap / Société Immobilière Réglementée Publique* as provided for by the GVV/SIR Law. As a result of such modification of regulatory status, the Issuer will not qualify as an AIF and will, while remaining under the current regulatory supervision of the FSMA, not be subject to the AIFMD regulatory framework. The license application procedure requires a.o. an authorization by the FSMA as a *Openbare GVV / SIRP* and the approval by the extraordinary shareholders' meeting of the Issuer.

In accordance with article 509 of the AIFM Law, the Issuer, in case of timely filing of an application, remains subject to the provisions of the Law of 3 August 2012 and the Royal Decree of 7 december 2010 on *vastgoedbevaks/sicafi*, until it is awarded the status as *Openbare Gereguleerde Vastgoedvennootschap / Société Immobilière Réglementée Publique*. Upon the timely filing of the application for a license, the FSMA has three months from the date of receipt of a complete file to make a decision. Once the license has been awarded in accordance with article 77, § 1 of the GVV/SIR Law, the Issuer shall convene an extraordinary general meeting approving the legally required amendments to the Issuer's articles of association, within three months after the FSMA decision, as provided by the GVV/SIR Law.

Should the Issuer, for whatever reason (see, a.o., the risk description under *(iii) License application procedure*), fail to obtain such registration or such approval, it will have to comply with the new requirements of the AIFM Law and EMIR. If the Issuer is considered as an AIF under the AIFMD (as implemented into Belgian Law), the Issuer's business, results of operations, profitability, financial condition and prospects could be affected. The additional requirements that would follow from the application of the AIFMD could have an impact on (amongst other things) the operational management of the Issuer (for example by way of the required intervention of a depositary). The Issuer would have to adapt its existing organisation, rules and procedures, which would heavily impact its current operational model and would require additional resources to implement and observe these new requirements.

Also, if the Issuer qualifies as an AIF, it could be affected by the application of other European Regulations or the transposition into Belgian law of European Directives, which apply (or are expected to apply in a more stringent manner) to AIFs, such as EMIR. If the Issuer, as an AIF, would be subject to EMIR, it would be exposed to onerous margin calls on its hedging instruments to protect (for example) against fluctuating interest rates. Other relevant European Regulations and Directives include "Basel III" (proposal of Capital Requirement Directive and Regulation) and the "Financial Transaction Tax", which could affect the Issuer in a more onerous manner, if the Issuer were to be qualified as AIF.

(ii) New regulatory requirements as a *Openbare Gereguleerde Vastgoedvennootschap / Société Immobilière Réglementée Publique*

Should the Issuer obtain the accreditation as a *Openbare Gereguleerde Vastgoedvennootschap / Société Immobilière Réglementée Publique*, the following risk shall relate to its status.

The GVV/SIR Law and the Royal Decree on the GVV/SIR contain similar provisions as the Royal Decree on *vastgoedbevaks/sicafis* in terms of activity restrictions, diversification requirements, restrictions at subsidiary level, leverage restrictions, profit distribution requirements, conflict of interest procedures, governance requirements and other specific requirements.

The *GVV/SIR* Law and the Royal Decree on the *GVV/SIR* also contain new requirements, relating to (a.o.) the qualification of real estate, corporate purpose and internal audit.

The ability of the Issuer to meet the conditions required for the maintenance of its status, depends, amongst others, upon its ability to successfully manage its assets and indebtedness on an ongoing basis as well as on rigorous internal control procedures. The Issuer may not be able to continue to meet these requirements in the event of a change in its financial condition or for any other reason.

In case of a persistent or serious breach of the applicable legal requirements by the Issuer, the FSMA could take a variety of measures, such as the appointment of a trustee, a suspension of the trading of the Issuer's shares, a modification of the composition of the Issuer's board of directors or even a revocation of its status.

The loss of its status by the Issuer would constitute an event of default under most of the Issuer's credit facilities, which create liquidity and solvency risks, and would have a material adverse effect on the Issuer's business, results of operations, profitability, financial condition and prospects. It would also cause the loss of its transparent tax treatment.

(iii) License application procedure

Article 77 of the *GVV/SIR* Law provides for the modification procedure from a public *vastgoedbevak/sicafi* into an *Openbare GVV / SIRP*.

The obtaining of a license as *Openbare GVV / SIRP* requires the authorization by the FSMA and the approval by the FSMA of a press release and information memorandum to be published discussing the impact of the modification of regulatory status.

The obtaining of a license as *Openbare GVV / SIRP* also requires amendments to the articles of association of the Issuer, especially with regard to its corporate object. Upon the approval by the extraordinary shareholders' meeting of the Issuer of the modification of regulatory status into a *Openbare GVV / SIRP*, the shareholders shall have an exit right. Such exit right consists of their right to sell their shares to the Issuer at a price per share equal to the highest of (i) the latest closing price before the publication of the convening notice of the extraordinary shareholders' meeting, and (ii) the average closing price during the 30 calendar day period preceding the date of the effective extraordinary shareholders' meeting approving the amendments to the articles of association.

The exit right may only be exercised, provided that:

- the relevant shareholder voted against the amendments with the relevant shares;
- the relevant shareholder has owned the relevant shares uninterruptedly during the period starting on the 30th day prior to (the first meeting of) the extraordinary shareholders' meeting and ending at the end of the extraordinary shareholders' meeting approving the amendments of the articles of association;
- the exit right is exercised for a maximum total consideration of EUR 100,000 per shareholder, taking into account the exit price described in the previous paragraph.

The price for the exit shares must be paid in cash by the Issuer (or its substitute), no later than one month after the date of the amendments of the articles of association. Since the price for the exit shares must be paid in cash, the acquisition of own shares could have a negative impact on the Issuer's liquidity position.

Since the purchase of the exit shares is to be considered as an acquisition of own securities, the limitations of article 620 *et s.* of the Belgian Companies Code must be observed. Should such limitations not be observed, the modification of regulatory status would not occur and the Issuer would normally qualify as an AIF subject to the AIFM Law (see (i) above). The statutory director of

the Issuer is authorized in the articles of association (until 17 May 2016) to acquire own shares for the Issuer. Taken into account the distribution of the proposed dividend for financial year 2013³, the Issuer has EUR 7.899 million at its disposal for an acquisition of own shares. Should the total amount of EUR 7.899 million be used for the acquisition of own shares, then the Issuer's debt ratio would increase from 52.8% (on 31 December 2013) up to 55.1%, being an increase by 2.3%. A massive exit by shareholders could thus affect the Issuer's choice for the *Openbare GVV / SIRP* - status. The payment of the shares could have a negative impact on the Issuer's debt ratio.

The Issuer will propose to the extraordinary shareholders' meeting to subject the modification into a *Openbare GVV / SIRP* to the condition precedent that the exit right is only exercised for an aggregate consideration (as described above) of maximum EUR 7.899 million. Should such condition precedent not be satisfied (and should the exit right be exercised for an aggregate consideration exceeding the maximum aggregate consideration), the Issuer would qualify as an AIF subject to the AIFM Law.

The obtaining by the Issuer of a license as *Openbare GVV / SIRP* technically constitutes an event of default under most of the Issuer's credit facilities, since it would no longer be a public *vastgoedbevak/sicafi*. The Issuer intends to obtain the relevant waivers from the relevant creditors under such credit facilities before the date of the license application. Failing to obtain all such waivers, would create liquidity and solvency risks, and would have a material adverse effect on the Issuer's business, results of operations, profitability, financial condition and prospects, especially taking into account cross acceleration provisions in other credit facilities.

1.1.3.3. Risk related to the status as French SIIC

For its real estate investments in France, the Issuer has opted for the tax regime of the '*Sociétés d'Investissements Immobiliers Cotées*' (SIIC), as provided in article 208-C of the French *Code Général des Impôts*.

The following conditions have to be complied with in order for this tax regime to be applicable:

- The Issuer is listed on a French or foreign (under certain conditions) regulated market;
- The share capital of the Issuer amounts to at least EUR 15 million;
- The Issuer cannot be directly or indirectly owned by one or more shareholders (other than listed SIIC-companies) acting solely or jointly, for more than 60 % of the share capital or the voting rights of the Issuer;
- The corporate purpose of the Issuer should primarily be the acquisition or construction of buildings with a view to letting them or the acquisition of direct or indirect participating interests in partnerships or corporate subsidiaries having a similar corporate purpose.

The most important benefit of this tax regime, is the exemption from corporate income tax with regard to the following profits:

- Rental income derived from certain real estate rights and from real estate assets owned or held under a finance lease arrangement, or the ownership of which has been transferred temporarily to the SIIC by the French State, its public authorities or a local authority, provided at least 95% of the tax-exempt rental income is distributed by the end of the tax year following the year in which such income is realized;
- Capital gains realized directly, or through real estate partnerships, upon the sale of certain real estate rights or buildings or rights in a finance lease arrangement (acquired or entered into after 1 January 2005), or of shares in real estate partnerships or in subsidiaries which have in their turn elected for the benefit of the specific regime, provided however that the sale is not

³ Which will amount to 12,978,155.12 EUR (6.587.896 shares at EUR 1.97 per share)

made to an affiliate, and provided at least 60% of these capital gains are distributed prior to the end of the second tax year following the year in which the gain is realised;

- Dividends received from subsidiaries having elected for the specific regime, provided 100 per cent of the tax exempted dividends is redistributed in the year following the year in which they are received;
- Profits derived from partnership agreements entered into by the SIIC or its subsidiaries having elected for the special regime, under the same conditions as mentioned above.

According to article 235 ZCA of the French *Code Général des Impôts*, SIIC's are exempt from additional corporate income tax contributions (equal to 3% of the distributed profits) because of the mandatory distribution. The mandatory distribution of dividends (100%), rental income (95%) and capital gains (60%) are exempt within the limits of the rates, regardless of its beneficiary.

The 3% contribution is due by the SIIC for the distribution of profits derived from taxable income (for additional activities taxable under the corporate income tax) or for the distribution of profits of exempted revenue on top of the rates imposed by law (save for distributions by a SIIC for the benefit of another SIIC holding at least 95% of its sharers).

The total amount that must be distributed (as determined above) is limited to the exempted profits of the SIIC. This amount does not exceed the distributable profits. In case the amount that must be distributed exceeds the distributable profits, the excessive part is transferred to the next financial years.

The specific regime may also apply to subsidiaries of SIICs, provided that:

- they are subject to French corporate tax,
- they are at least 95 per cent directly or indirectly held by a SIIC or by several SIICs,
- they have the same corporate purpose as their parent, and
- they elect to be subject to this regime.

(i) Withholding tax / *Loi de Finances Rectificative pour 2013*

Foreign companies may be exempt from withholding tax as provided in article 115quinquies, 3 of the French *Code Général des Impôts*, provided the company (i) is subject to corporate tax, (ii) does not have several other options and (iii) cannot be exempt from nor benefit from a special exemption for profits.

Profits of French subsidiaries of Belgian *vastgoedbevaks/sicafi* which have elected for the SIIC regime, are subject to withholding tax.

In accordance with the treaty provisions, the actual rate will amount to 5% of the profits of the permanent establishment. Those provisions are applicable to any financial year closed since 31 December 2013.

(ii) Obligations arising from the SIIC regime

The benefit of the tax exemption derived from the SIIC regime is subject to the condition of a distribution obligation of an important part of the profits (see the introductory paragraphs under 1.1.3.3).

The distribution obligation under the SIIC regime must be complied with without prejudice to the obligations under the Belgian *vastgoedbevak/sicafi* regime, in particular the obligation to distribute at

least 80% of the profits in accordance with article 27 of the Royal Decree on *vastgoedbevaks/sicafi*. Compliance with the distribution obligations of a French branch or subsidiary of a Belgian *vastgoedbevak/sicafi* that has elected for the SIIC regime in France is assessed in light of the dividends distributed by the Belgian *vastgoedbevak/sicafi*. It is accepted that the distribution obligation under the SIIC-regime has been complied with when the amount distributed by the Belgian *vastgoedbevak/sicafi* is at least equal to the amount that has to be distributed by the French branch or subsidiary on the revenue of the SIIC that has been realized in France.

(iii) The SIIC regime requirements could limit the activities of the Issuer

In order to benefit from the SIIC regime, the main business activity of the Issuer should primarily be the acquisition or construction of buildings with a view to letting them, the subletting of real estate the *usufruct* of which has been granted temporarily to the Issuer by the French State, a French authority or governmental institution, or the acquisition of direct or indirect participating interests in partnerships or corporate subsidiaries having a similar corporate purpose. The Issuer is allowed to carry out ancillary activities, provided the gross value of the assets used for these ancillary activities does not exceed 20% of the gross accounting value of the assets of the Issuer. In case of breach, the Issuer may lose the SIIC status. In any case, income derived from ancillary activities in France is subject to standard corporate tax.

(iv) Loss of the tax benefits in case more than 60% of the share capital or of the voting rights of the Issuer are owned by one or more shareholders acting jointly

In case more than 60 % of the Issuer's share capital or voting rights are owned by one or more shareholders (other than listed SIIC companies) acting solely or jointly, then:

- the Issuer would lose the tax benefits of the SIIC regime for the financial year during which the 60% limit has been exceeded;
- the Issuer could permanently lose the SIIC status, should the 60% limit be exceeded for a longer period or for several times.

(v) The special 20% corporate tax rate under the SIIC regime

A SIIC is subject to a 20 per cent tax prepayment on the portion of the exempted income which is distributed to one or more shareholders (other than individuals) who directly or indirectly own more than 10 per cent of the SIIC's financial rights and who are not subject to French corporate income tax (or to a similar tax) on such distributions⁴.

(vi) Loss of the SIIC status

a. Cases in which the Issuer can lose its SIIC status

- Non-compliance with the conditions provided in paragraph 1, I of article 208-C of the French *Code Général des Impôts* (minimum share capital, listing, corporate purpose).
- The case in which more than 60 % of the Issuer's share capital or voting rights are owned by one or more shareholders (other than listed SIIC companies) acting solely or jointly (provided this situation has not been rectified prior to the date of filing of the annual accounts with regard to the financial year during which the 60% limit was exceeded).

⁴ The shareholders of the Issuer who own more than 10 per cent (Belfius Insurance NV/SA, Banimmoo and Federale Assurance) are subject to a "similar" tax; thus the Issuer does not fall under this rule.

- In case more than 60 % of the Issuer's share capital or voting rights are owned by one or more shareholders (other than listed SIIC companies) acting solely or jointly and this situation has been rectified prior to the date of filing of the annual accounts with regard to the financial year during which the 60% limit was exceeded, every new breach within 10 years after the Issuer has elected for the SIIC regime and during the 10 following years, will lead to the permanent loss of the SIIC status (except in case of a public takeover bid or a public trade-in bid, a restructuring or conversion or reimbursement of a bond).

b. Consequences of the loss of the SIIC status

- Capital gains subject to exit tax at the time of obtaining the SIIC status will be subject to standard corporate tax:

In case the SIIC status is revoked within 10 years after it has been obtained, capital gains that used to be subject to the reduced corporate tax rate (the capital gains on real estate which already existed at the time of obtaining the SIIC status and the non-realized capital gains which were taken into account after the obtaining of the SIIC status) will be subject to the standard corporate tax, less taxes already paid.

- Exempted profits that are not yet distributed will be subject to the standard corporate tax rate:

It concerns distributable profits from an exempted sector at the end of the financial year during which the Issuer loses the SIIC status.

- Additional tax at a rate of 25% on unrealised capital gains acquired during the exempted period.

These capital gains are the result of the deduction of:

- the market value of the SIIC assets at the moment of loss of the SIIC status; and
- the tax value, being the value used as basis for the calculation of the exit tax (at the moment of election for the SIIC regime or at the moment the SIIC status has been obtained in case this happened later) or de purchase price of the assets in case the purchase took place after election for the SIIC status, less the recorded depreciations. In practice, this is the net accounting value (*Valeur Nette Comptable*) of the assets from the SIIC sector.

The total tax is calculated as the total amount of unrealised gains and losses in value.

The global gain or loss in value is deducted by 1/10th per year the SIIC status remains acquired. In case of loss of the SIIC status after 10 years, no tax will be due anymore. In case of a global capital gain, it will be taxed at a rate of 25%. A global loss in value cannot be deducted.

1.1.3.4. Risks related to the application for FBI status in The Netherlands

In September 2013, the Issuer filed a request with the Dutch Tax Administration for the qualification of its Dutch subsidiaries Montea Nederland N.V. and Montea Almere N.V. as '*Fiscale Beleggingsinstelling*' or '*FBI*' as provided by article 28 of the Dutch corporate income tax law (*Wet vennootschapsbelasting 1969*) in view of its Dutch real estate investments. This request is currently pending before the Dutch Ministry of Finance. The Issuer has also applied for a fiscal unity for Dutch corporate income tax purposes between Montea Nederland N.V. and Montea Almere N.V.

In January 2014, Montea Nederland N.V. incorporated Montea Rotterdam N.V. The Dutch Tax Administration has been requested to add Montea Rotterdam N.V. to the fiscal unity for Dutch corporate income tax purposes of Montea Nederland N.V. The decision regarding the application for

the FBI status with respect to Montea Nederland N.V. and Montea Almere N.V. will also cover the status of Montea Rotterdam N.V.

In case the application for the Dutch FBI status is successful, Montea Nederland N.V., Montea Almere N.V. and Montea Rotterdam N.V. will be subject to Dutch corporate income tax at a rate of 0%. An FBI is required to annually distribute its profits (except for capital gains) to its shareholders. Apart from this distribution requirement, an FBI is subject to various other requirements, such as shareholders' requirements and limitations with respect to debt financing. The general Dutch dividend withholding tax rate amounts to 15%.

In case the application for the Dutch FBI status is not successful, Montea Nederland N.V., Montea Almere N.V. and Montea Rotterdam N.V. will be subject to the standard Dutch corporate income tax rate, being 20% up to a profit of EUR 200,000 and 25% for the amount exceeding EUR 200,000. In that case, there is no withholding tax for dividend distributions from Montea Nederland N.V. to the Issuer, based on the European Parent Companies and Subsidiaries Directive.

The risk of not obtaining the FBI status lies in the different corporate income tax and dividend withholding tax rates that would or would not be applicable. The table below provides an overview of the different tax rates that may be applicable to Montea Nederland N.V., Montea Almere N.V. and Montea Rotterdam N.V.:

FBI-status	Corporate income tax rate	Dividend withholding tax rate
Rejection of the FBI-application	20%-25%	0%
Award of the FBI-status	0%	15%

In case the Issuer's regulatory status would be modified into a Openbare GVV / SIRP, the possible impact on the FBI-status of Montea Nederland N.V., Montea Almere N.V., Montea Rotterdam N.V. and other real estate investment subsidiaries of the Issuer that are part of the Dutch fiscal unit will have to be assessed. It is currently not clear whether the Dutch authorities would accept that the said Dutch subsidiaries maintain their status as a FBI. In case they would lose such status upon the modification of the Issuer's regulatory status into a Openbare GVV / SIRP, the applicable tax regime will be that provided in the table above under "Rejection of the FBI-status".

1.1.4. The conditional character of announced built-to-suit projects

For several built-to-suit projects, the Issuer entered into an agreement with the developer, in which the Issuer commits itself to purchase the building (or the company owning the building) at a predetermined price, upon fulfilment of certain conditions precedent. Those conditions precedent are (a.o.) delivery of a guarantee, the first payment of the rent, obtaining the necessary licenses and the first delivery of the building. In case of late delivery, or in case one or more conditions precedent have not been fulfilled, the Issuer can decide not to purchase the building, or to purchase it later in time, which may have an impact on the projected profits and the future real estate portfolio of the Issuer.

1.1.5. Public domain and airport zones

With regard to certain real estate properties, the Issuer owns concession rights on public domain or building rights. Those rights are by definition limited in time. Because of their particular location or legal status, those rights can be terminated early in the public interest. In particular, the Issuer refers to

its building rights or those of its subsidiaries at the Brucargo site, negotiated with The Brussels Airport Company (TBAC). Those building rights can be terminated early by TBAC in the public interest or for the sound operation of the airport. In case TBAC terminates one of these building rights early, it will fully indemnify the Issuer. In case a public authority (other than TBAC) terminates those rights early in the public interest (expropriation), Montea will not be indemnified by TBAC. In that case, TBAC and Montea have committed to make their best efforts in order to receive an equal indemnification by the relevant authority, whereby TBAC committed to cede the indemnification it received to the Issuer. In that case, discordance may arise between the Issuer and the relevant authority about the amount of the indemnification, which may have a negative impact on the Issuer's activities and operational results.

1.2 Risk factors relating to the Bonds

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

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

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

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

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

1.2.2 Independent review and advice

Each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the

Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

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

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds upon the occurrence of an Event of Default (as defined in Condition 5.9 “*Events of Default*”). 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. The Issuer’s ability to repay the Bonds will depend on the Issuer’s financial condition 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. The Issuer’s failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

1.2.4 The Bonds are unsecured obligations of the Issuer, which do not benefit from any guarantee

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 5.4 “*Negative Pledge*”) unsecured obligations of the Issuer. The Bonds will at all times rank *pari passu* and without any preference among themselves, and at least 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 mandatory and of general application). In the event of liquidation, dissolution, reorganisation, bankruptcy or similar procedure affecting the Issuer, the holders of secured indebtedness – whether contractually secured or preferred by law - will be repaid first with the proceeds of the enforcement of such security.

This risk is however mitigated as the Issuer and its Subsidiaries (as defined in Section 5 “*Terms and Conditions of the Bonds*”) have, at the date of the Prospectus not created any Security upon or with respect to the whole or any part of their business, undertakings, assets or revenues and as the Issuer undertakes in the Prospectus not to create or have outstanding and, as far as any Subsidiary is concerned, procure that no Subsidiary creates or has outstanding any such Security, which together with any other Security granted by the Issuer or any of its Subsidiaries would encumber assets whose global value would exceed 20% of the Global Fair Value of the Real Estate Assets owned by the Issuer and its Subsidiaries as these terms are defined in the Conditions (see Condition 5.10 (f)).

1.2.5 The Issuer may incur additional indebtedness

In the future, the Issuer could decide to incur additional indebtedness or further increase its indebtedness. This could have an impact on its ability to meet its obligations under the Bonds or could cause the value of the Bonds to decrease.

In order to reduce this risk, the Issuer undertakes to ensure that its level of indebtedness is limited as set out in Condition 5.10 (d).

1.2.6 No credit rating: this may render the price setting of the Bonds more difficult

The Issuer and the Bonds do not have a credit rating and the Issuer does not intend to request a credit rating for itself or the Bonds. This may impact the trading price of the Bonds and may also constitute a restriction to certain investors’ investment. There is no guarantee that the price of the Bonds will cover the credit risk related to the Bonds and the Issuer. In addition, there can be no assurance that, should a rating be requested in respect of the Issuer or the Bonds, an investment grade rating would be assigned.

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

1.2.7 The market value of the Bonds may be affected by the creditworthiness of the Issuer and other additional factors

The value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest, exchange rates and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such investor.

1.2.8 The Bonds may be redeemed prior to maturity

The Conditions of the Bonds provide that the Bonds are redeemable at the Issuer's option in certain limited circumstances and accordingly the Issuer may choose to redeem the outstanding Bonds. The Bonds can also be redeemed at the option of Bondholders following a change of control or an event of default as further described in the Conditions of the Bonds.

In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security bearing an effective interest rate as high as that which existed on the Bonds prior to redemption. Investors may receive a redemption amount which is lower than the issue price of the Bonds.

Potential investors should also be aware that the optional redemption right in the event of a Change of Control (as defined in the Conditions of the Bonds) can only be exercised provided that, prior to the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved respectively by the shareholders of the Issuer and the shareholders of Montea Management NV/SA in a general meeting and (ii) the Change of Control resolutions have been filed with the Clerk of the Commercial Court of Ghent, division Dendermonde (*griffie van de rechtbank van koophandel/greffe du tribunal de commerce*). The Issuer has undertaken pursuant to Condition 5.6.3 (h) to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the first general meeting of shareholders of the Issuer and of Montea Management NV/SA following the Bond Issue and to file a copy of the resolution as aforesaid immediately thereafter and by 15 June 2015 at the latest. If a Change of Control occurs prior to such approval and filing or if the shareholders do not approve such Condition, Bondholders will not be entitled to exercise the option set out in Condition 5.6.3 "*Redemption upon a Change of Control of the Issuer*". There can be no assurance that such approval will be granted at such meeting.

Moreover, potential investors should be aware that, the fact of Montea Management NV/SA ceasing to be statutory director of the Issuer, shall be deemed as a Change of Control for the purposes of Condition 5.6.3, unless the General Meeting of Bondholders decides otherwise within one month following the appointment of the new statutory director.

1.2.9 Bondholders do not have the same rights as shareholders and may be less protected in some regards

Shares and bonds are two distinct types of securities. The Bond does not represent ownership in the Issuer. The Bondholders own a share of the debt of the Issuer and are entitled to receive the interest payments on the Interest Payment Dates stipulated in the Conditions of the Bonds (see Section 5). Unlike the shareholders, the Bondholders have no voting rights in the annual meeting of shareholders.

As such the Bondholders' influence in the operation of the Issuer is limited. The shareholder owns a share of the equity of a company and has voting rights. Shareholders can influence the business activities if they own enough shares to do so, which a Bondholder cannot. Shareholders are entitled to receive dividends under certain circumstances, whereas Bondholders are not entitled to receive dividends.

1.2.10 Modification to the Conditions of the Bonds can be imposed on all Bondholders upon approval by defined majorities of Bondholders

The Conditions may be subject to modifications and waivers that can be resolved by means of a decision of the general meeting of Bondholders in accordance with the provisions of Article 568 *et seq.* of the Belgian Companies Code (see Condition 5.13 "*General meetings of Bondholders and modification of the Conditions*").

These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

1.2.11 Belgian insolvency laws

The Issuer is subject to applicable insolvency laws. In the event of an insolvency of the Issuer, the application of these insolvency laws may substantially affect the Bondholders' claims to obtain repayment in full of the Bonds, e.g. through a suspension of payments, enforcement measures or an order providing for partial repayment of the Bonds only. During an insolvency procedure the Bondholders will stop receiving interest and principal payments. Court decisions may impact the repayment of the Bond if at all.

1.2.12 The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the Clearing System

The Conditions of the Bonds and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders and that the payment obligations of the Issuer under the Bonds will be discharged by payment to the Agent in respect of each amount so paid. The Agency Agreement provides that the Agent will, after receipt by it of the relevant amounts, pay to the Bondholders, directly or through the Clearing System, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds, and in the event that the Agent were subject to insolvency or bankruptcy proceedings at any time when it held any such amounts, Bondholders would not have any further claim against the Issuer in respect of such amounts, and would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency and bankruptcy laws.

1.2.13 The Agent does not assume any fiduciary duties or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect their interests

Bank Degroof NV/SA will act as the Issuer's domiciliary, calculation, paying and listing agent. In its capacity as Agent, it will act in accordance with the Conditions of the Bonds in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Agent may rely on any information that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Agent of any amount due in respect of the Bonds or (ii) any determination made by the Agent in relation to the

Bonds or interests, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Agent on a timely basis.

1.2.14 Potential Conflicts of Interest

The Issuer may from time to time be engaged in transactions which may affect the market price, liquidity or value of the Bonds and which could be deemed to be adverse to the interests of the Bondholders.

Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Joint Lead Managers and that it might have conflicts of interests which could have an adverse effect to the interests of the Bondholders.

Within the framework of normal business relationship with its banks, the Issuer has entered into debt financings. The terms and conditions of these debt financings may differ or differ from the terms and conditions of the proposed Bonds and certain of the terms and conditions of such debt financings could be or are stricter or more extensive than the terms and conditions of the proposed Bonds. The terms and conditions of these debt financings may contain or contain financial covenants, such as a minimum equity level or the gearing ratio, different from or not included in the Conditions of the proposed Bonds.

In addition, as part of these debt financings, the lenders may have or have the benefit of security interests granted by the Issuer or its Subsidiaries, whereas the Bondholders will not have the benefit from similar security interests. This results in the Bondholders being subordinated to the lenders under such debt financings.

The Bondholders should be aware of the fact that the Joint Lead Managers, when they act as lenders to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that they are under no obligation to take into account the interests of the Bondholders. The Joint Lead Managers, as lenders of the Issuer, may have interests that are different from and/or adverse to the interests of the Bondholders during the term of the Bonds.

The Joint Lead Managers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

These diverging interests may manifest themselves amongst other things in case of an event of default for any of the credit facilities granted by the Joint Lead Managers before the maturity of the Bonds or in case of a mandatory early repayment and may have a negative impact on the repayment capacity of the Issuer. It is not excluded that these credit facilities will be repaid before the maturity of the Bonds. The Joint Lead Managers do not have any obligation to take into account the interests of the Bondholders when exercising their respective rights as lenders under the aforementioned credit

facilities. Any full or partial repayment of credit facilities granted by the Joint Lead Managers will, at that time, have a favourable impact on the exposure of the Joint Lead Manager vis-à-vis the Issuer.

Belfius Insurance NV/SA, a subsidiary of Belfius Bank NV/SA, holds 898,139 shares in the Issuer representing 13.2% of its share capital. Belfius Insurance NV/SA, represented by Dirk Vanderschrick, is also a member of the board of directors of the Issuer.

1.3 Risk factors relating to the market generally

1.3.1 The Bonds are exposed to market interest rate risk

The Bonds provide a fixed interest rate until the Maturity Date. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. The longer the maturity of bonds, the more exposed bonds are to fluctuations in market interest rates. An increase in the market interest rates can result in the Bonds trading at prices lower than the nominal amount of such Bonds.

1.3.2 The Bonds may be exposed to exchange rate risks

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

1.3.3 Risk of inflation

The inflation risk is the risk of future value of money. The actual yield of an investment in the Bonds is being reduced by inflation. The higher the rate of inflation, the lower the actual yield of a Bond will be. If the rate of inflation is equal to or higher than the nominal output of the Bonds, then the actual output is equal to zero, or the actual yield will even be negative.

1.3.4 The Bonds may be affected by the Eurozone crisis and the crisis in the global credit markets

Potential investors should be aware of the crisis affecting the Eurozone, the turbulence in the global credit markets and the general economic outlook, which has led to a general lack of liquidity in the secondary market for instruments similar to the Bonds. The Issuer cannot predict when these circumstances will change and potential investors need to be aware of the significant uncertainty about future developments in this regard. If and when the aforementioned circumstances change, there can be no assurance that conditions of general market illiquidity for the Bonds and instruments similar to the Bonds will not return in the future. This situation may also have a potential effect on the ability of the Issuer to repay the Bonds.

1.3.5 There is no guarantee to an active trading market for the Bonds: the Bonds may be illiquid

The only manner for the Bondholder to convert its investment in the Bonds into cash at its own initiative before the Maturity Date, is to sell the Bonds at the applicable market price at the moment. The price can be less than the nominal value of the Bonds.

The Issuer will file an application to have the Bonds listed on and admitted to trading on the regulated market of Euronext Brussels. The Bonds are new securities which may not be widely traded and for which there is currently no active trading market. If the Bonds are admitted to trading after their issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

The liquidity of the Bonds could also be impacted as a result of Condition 5.6.3, if the Bondholders require, in the event of a change of control as further described in the Conditions of the Bonds, the Issuer to redeem Bonds in respect of at least 85 % per cent of the aggregate principal amount of the Bonds outstanding at such time and if the Issuer does not subsequently elect to redeem all of the Bonds. In such case, 15% of the Bonds or less would remain in circulation, which would imply that fewer Bondholders would be likely to sell and purchase the outstanding Bonds and that the Bonds in respect of which the optional redemption right is not exercised may be illiquid and difficult to trade.

Therefore, investors may not be able to sell their Bonds easily or at all, or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds.

1.3.6 Legal, regulatory and compliance investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal, regulatory and compliance investment provisions, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Bonds are legal investments for it, (ii) Bonds can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Bonds. The investors should consult their legal advisers to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

1.4 Risks factors relating to taxation

1.4.1 EU Savings Directive

Under Council Directive 2003/48/EC regarding the taxation of savings income (hereinafter referred to as the **EU Savings Directive**), EU Member States are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The Belgian State elected to abandon the transitional withholding system and provides information in accordance with the EU Savings Directive as of 1 January 2010. Luxembourg and Austria announced that they will end the withholding system and instead exchange information going forward, probably as of 1 January 2015.

On 24 March 2014, the European Council adopted a directive strengthening the EU rules on the exchange of information on savings incomes, aimed at enabling the member states to better clamp down on tax fraud and tax evasion. The scope now covers new types of savings income and products that generate interest or equivalent income. It includes life insurance contracts, as well as a broader coverage of investment funds. Tax authorities, using a "look-through" approach, will be required to take steps to identify who is benefiting from interest payments. The member states will have until 1 January 2016 to adopt the national legislation necessary to comply with the directive. Potential

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

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

1.4.2 Payments made in respect of the Bonds may be subject to Belgian withholding tax

If the Issuer or any other person is required by law to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

Potential investors should be aware that, in such case, neither the Issuer, the NBB, the Agent or any other person will be liable for or otherwise obliged to pay, and the relevant Bondholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Bonds, except as provided for in Condition 5.8 "*Tax Compensation*".

1.4.3 Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Securities Note, but to ask for their own tax advisor's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus (see Section 9 entitled "*Tax*"). In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

2 IMPORTANT INFORMATION

2.1 Responsible persons

The Issuer, Montea Comm. VA, a partnership limited by shares (*commanditaire vennootschap op aandelen/société en commandite par actions*) *openbare vastgoedbeleggingsvennootschap met vast kapitaal/société d'investissement à capital fixe immobilière publique* under Belgian law, having its registered office in 9320 Erembodegem (Belgium), Industrielaan 27, enterprise number (RLE Dendermonde) 0417.186.211, represented by its statutory director Montea Management NV, a limited liability company (*naamloze vennootschap, société anonyme*), under Belgian law, having its registered office in 9320 Erembodegem (Belgium), Industrielaan 27, enterprise number (RLE Dendermonde) 0882.872.026, accepts responsibility for the information contained in the Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the importance of such information.

Market data and other statistical information used in the Prospectus have been extracted from a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications. 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, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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 Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in the Prospectus or any other information in connection with the Issuer or the offering of the Bonds. The Joint Lead Managers do 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 the Prospectus or any other information in connection with the Issuer, the offering of the Bonds or the distribution of the Bonds.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with the Prospectus and any information or representation not so contained or inconsistent with the Prospectus 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 Joint Lead Managers.

2.2 Warning

The Prospectus has been prepared to provide information on the listing of the Bonds. When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their 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 Prospectus 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.

In the event of important new developments, material errors or inaccuracies that could affect the assessment of the Bonds, and which occur or are identified between the time of the approval of the Prospectus and the time at which trading on a regulated market commences, the Issuer will have a supplement to the Prospectus published containing this information. This supplement will be published in compliance with at least the same regulations as the Prospectus, and will be published on the website of the Issuer (www.montea.com). The Issuer must ensure that this supplement is published as soon as possible after the occurrence of such new significant factor.

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

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

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

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

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

The Prospectus is to be read in conjunction with (the relevant parts of) all the documents which are incorporated herein by reference, see Section 3 entitled "*Documents Incorporated by Reference*". The Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of the Prospectus.

2.3 Important information relating to the use of the Prospectus and offer of Bonds generally

The Prospectus has been approved for the purposes of the listing of the Bonds on Euronext Brussels and the admission to trading of the Bonds on the regulated market of Euronext Brussels and 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 Prospectus has been prepared on the basis that all offers of the Bonds will be made pursuant to an exemption under the Prospectus Directive in member states of the European Economic Area (the EEA) which have implemented the Prospectus Directive (each a **Relevant Member State**), from the requirement to produce a prospectus for offers of the Bonds. Any person making or intending to make any offer in a Relevant Member State or elsewhere of the Bonds should only do so in circumstances in which no obligation arises for the Issuer or the Joint Lead Managers to produce a prospectus for such offer. The distribution of the Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that the Prospectus 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 Joint Lead Managers which is intended to permit a public offering of the Bonds or the distribution of the Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither the Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession the Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of the Prospectus and the offering and sale of 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 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 the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

2.4 Available information

This Securities Note is available in English, while the Terms and Conditions of the Bonds are available both in English and in Dutch. Only the original English language version has been approved by the FSMA and has evidential value. In case of any inconsistency, the original English language version of Chapter 5 “Terms and Conditions of the Bonds” shall prevail. The translation has been made by the Issuer, who is responsible for it. The Registration Document is available in Dutch, French and English. Printed versions of the Prospectus will be available free of charge on request from 27 May 2014, from the Issuer (+32 53 82 62 62), Bank Degroof NV/SA (+32 2 287 91 11) or Belfius Bank NV/SA (+32 2 222 12 02). The prospectus may also be consulted at the website of the Issuer (www.montea.com).

In case of any inconsistency, the original English language version of the Prospectus shall prevail.

2.5 Further information

For more information about the Issuer, please contact:

Montea Comm. VA
Industrielaan 27
9320 Erembodegem (Aalst)
Belgium
Tel: +32 (0)53 82 62 62
www.montea.com

3 DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus is composed of the Issuer's annual financial report 2013, which is a Registration Document within the meaning of Article 28 of the Prospectus Law, and this Securities Note. The Prospectus should be read and construed in conjunction with (the relevant parts of) all documents incorporated by reference (as mentioned below). The Prospectus has been approved by the FSMA in accordance with Article 23 of the Prospectus Law on 20 May 2014. The FSMA's approval does not imply any judgement on the merits or the quality of the transaction or the Issuer.

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

The documents incorporated by reference are: (i) the Issuer's annual report 2011, (ii) the Issuer's annual report 2012, (iii) the Issuer's annual report 2013 and (iv) the press releases published since 1 January 2014.

The statutory auditor of the Issuer, Ernst & Young Bedrijfsrevisoren/Réviseurs d'Entreprises (having its registered office at 1831 Diegem, Belgium, De Kleetlaan 2), represented by Christel Weymeersch, a member of the "*Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*", has audited, and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended 31 December 2013, 31 December 2012 and 31 December 2011. The Issuer confirms that it has obtained the approval from its statutory auditor to incorporate those documents.

Copies of the aforementioned documents incorporated by reference may be obtained (free of charge) from the registered offices of the Issuer and the Joint Lead Managers, or on the website of the Issuer (www.montea.com).

Annual report 2013 (*Registration Document*)

Annual report 2012 (*Dutch version*)

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Annual report 2011 (*Dutch version*)

- Risk factors	4
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Press releases

- Press release dated 7 February 2014: (in Dutch, French and English) MONTEA grows by EUR 42.2 million as a result of 4 new projects in Belgium and the Netherlands
- Press release dated 13 February 2014: (in Dutch, French and English) MONTEA: Annual financial results from 01/01/2013 to 31/12/2013
- Press release dated 19 February 2014: (in Dutch, French and English) MONTEA and WDP sign new lease agreement with Caterpillar for the site at Grimbergen
- Press release dated 13 May 2014: (in Dutch, French and English) MONTEA grows by EUR 23 million through 2 new build-to-suit projects
- Press release dated 15 May 2014: (in Dutch, French and English) MONTEA: Interim statement from 01/01/2014 to 31/03/2014

4 ESSENTIAL INFORMATION

4.1. Conflicts of interest of the Joint Lead Managers

The Joint Lead Managers may hold from time to time debt securities, shares or other financial instruments of the Issuer. In particular, Belfius Insurance NV/SA, a subsidiary of Belfius Bank NV/SA, holds 898,139 shares in the Issuer representing 13.2% of its share capital. Belfius Insurance NV/SA, represented by Dirk Vanderschrick, is also a member of the board of directors of the Issuer.

The Joint Lead Managers are lender under the facility agreements and may in the future render additional banking and commercial services to the Issuer, for which they could receive fees and commissions.

4.2. Potential conflicts of interest

The following persons could potentially have conflicts of interest in the Bond Issue if they would intend to subscribe to the Bonds and or acquire any of the Bonds subsequently:

- the statutory director of the Issuer, Montea Management NV/SA, resolving and deciding upon the issue of the Bonds;
- members of the De Pauw family, being Dirk De Pauw, Marie Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw, as shareholders of Montea Management NV/SA voting on the appointment of the directors of Montea Management NV/SA in its shareholders' meeting;
- the directors of Montea Management NV/SA and their respective permanent representatives, resolving and deciding upon the issue of the Bonds.

5 TERMS AND CONDITIONS OF THE BONDS

*The following represent the terms and conditions of the Bonds (the **Conditions**) save for the paragraph in italics that shall be read as complementary information.*

*The issue of the 3.355 per cent fixed rated Bonds due 28 May 2021 for an aggregate amount of EUR 30,000,000.- (the **Bonds**, which expression includes any further notes issued pursuant to Condition 5.15 “Further issues” and forming a single series therewith) was authorised by a resolution of the Board of Directors of Montea Management NV/SA, statutory director of Montea Comm. VA (the **Issuer**) passed on 12 May 2014.*

*The Bonds are issued in conformity with the agency agreement dated on or around the Issue Date (the **Agency Agreement**, as amended or subsequently adjusted, as the case may be), concluded between the Issuer and Bank Degroof NV/SA acting as domiciliary agent, listing agent and paying agent (the **Agent**, such term including any successor under the Agency Agreement).*

*These Conditions include a summary of provisions of the Agency Agreement as well as the clearing services agreement (Overeenkomst van dienstverlening inzake de uitgifte van gedematerialiseerde obligaties/Convention de services de clearing relatifs à l'émission d'obligations dématérialisées) relating to the Bond Issue, which is to be concluded on or around the Issue Date between the Issuer, the Agent and the National Bank of Belgium (the **Clearing Agreement**). The holders of the Bonds (the "**Bondholders**") are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Clearing Agreement applicable to them as reproduced in these Conditions. The Agency Agreement and the Clearing Agreement may be consulted during the opening hours (08.30 am – 03.30 pm) of the Agent's office at the following address: rue de l'Industrie 44, B-1040 Brussels. Such agreements solely provide for rights and obligations for the Issuer, the Agent and, as the case may be, the National Bank of Belgium (the **NBB**), and the Bondholders cannot derive any right, directly or indirectly, on the Issuer, the Agent or the NBB. In these Conditions, any reference to the Conditions is to be understood as a reference to the paragraphs below, unless the context requires a different interpretation.*

5.1 Form and Nominal Value of the Bonds

The Bonds are issued in dematerialised form in accordance with Article 468 et seq. of the Belgian Companies Code (*Wetboek van vennootschappen/Code des sociétés*) and cannot be physically delivered. The Bonds will be exclusively represented by book entry in the records of the clearing system operated by 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 any 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 regulations on clearing of financial securities, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Royal Decrees of 26 May 1994 and 14 June 1994, and the rules of the Clearing System and its annexes, as issued or modified by the NBB (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**).

The address of the NBB is as follows: Boulevard de Berlaimont 14, 1000 Brussels.

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 Companies Code) upon submission of a certificate 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 a certificate drawn up by that financial institution will also be required).

The Bonds are denominated in Euros (**EUR** or **€**). The Bonds have a denomination of EUR 100,000 each (the **Nominal Value**) and can only be settled through the NBB System in nominal amounts equal to that denomination or integral multiples thereof.

5.2 Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 5.4 "*Negative Pledge*") unsecured obligations of the Issuer. The Bonds will at all times rank *pari passu* and without any preference among themselves, and at least *pari passu* 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 mandatory and of general application).

5.3 Definitions

In these Conditions, unless provided otherwise:

“**Agent**” has the meaning set out in the introductory paragraph of Section 5;

“**Alternative Clearing System**” has the meaning set out in Condition 5;

“**Bonds**” has the meaning set out in the introductory paragraph of Section 5;

“**Bondholder**” means, in respect of any Bond, the person entitled thereto in accordance with the Belgian Companies Code and the Clearing System Regulations;

“**Business Day**” means any day on which the TARGET System is open.

“**Change of Control**” has the meaning provided in Condition 5.6.3;

“**Change of Control Resolutions**” means one or more decisions validly taken by the general meeting of Shareholders of the Issuer and the general meeting of shareholders of its statutory director Montea Management NV/SA approving Condition 5.6.3;

“**Clearing Agreement**” has the meaning set out in the introductory paragraph of Section 5;

“**Clearing System**” has the meaning provided in Condition 5;

“**Clearing System Regulations**” has the meaning set out in Condition 5;

“**Clerk of the Commercial Court**” means the Clerk of the Commercial Court of Ghent, division Dendermonde (*griffie van de Rechtbank van Koophandel Gent, afdeling Dendermonde / greffe du tribunal de commerce de Gand, division Termonde*);

“**Consolidated EBITDA**” means, in respect of any Relevant Period, the “Operating Result before Result on Portfolio”, as the foregoing appears from the relevant consolidated financial statements (see REIT Legislation, Annex C, Chapter 2, Part I, Section 2: I – XV (*Operationeel resultaat vóór het resultaat op de portefeuille/ Résultat d'exploitation avant résultat sur portefeuille*));

“**Consolidated Gearing**” means the ratio of Consolidated Total Debt to the total assets of the Issuer Group in accordance with the calculation methods imposed by Article 53, §1 of the REIT Legislation,

as each of the foregoing appears from the relevant consolidated annual c.q. semi-annual statements, as at the accounts date of such annual c.q. semi-annual financial statements;

“**Consolidated Total Debt**” means, at any time, Total Debt calculated at Issuer Group level as defined in Article 27, § 1, 2nd indent of the REIT Legislation;

“**Control**” has the meaning set out in Article 5 to 9 (included) of the Belgian Companies Code, unless provided otherwise in these Conditions;

“**Early Redemption Amount**” has the meaning set out in Condition 5.6.3;

“**Early Redemption Date**” has the meaning set out in Condition 5.6.3;

“**Early Redemption Notice**” has the meaning set out in Condition 5.6.3;

“**Early Redemption Period**” has the meaning set out in Condition 5.6.3;

“**Early Redemption Request Notice**” has the meaning set out in Condition 5.6.3;

“**Event of Default**” has the meaning set out in Condition 5.9;

“**Finance Charges**” means, for any Relevant Period, the aggregate amount of consolidated financial charges of the Issuer Group less consolidated financial income of the Issuer Group, not taking into account the negative or positive valuation on financial instruments (IAS 39) expressed in the profit and loss account, as each of the foregoing appears from the relevant consolidated financial statements (XX, Financial earnings, XXI net interest costs, XXII other financial costs as referred to in Annex C Chapter 1 Section 2 of the REIT Legislation);

“**Financial Indebtedness**” means any present or future indebtedness (whether being principal, premium, interest or other amount) for or in respect of

- (a) money borrowed,
- (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, debentures, debenture stock, loan capital, loan stock, certificates of deposit, commercial paper or other securities offered, issued or distributed, either by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash in whole or in part for a consideration other than cash,
- (d) the amount of any liability in respect of any lease or hire purchase contract which could, in accordance with IFRS, 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),
- (f) any amount of any liability under an advance or deferred purchase agreement if the primary reason behind the entry into of that agreement is to raise finance, or
- (g) amounts raised under any other transactions having the commercial effect of a borrowing and which is treated as a borrowing under IFRS;

“**Financial Statements**” means (i) the Issuer’s audited annual consolidated financial statements; and (ii) its half-yearly consolidated financial statements;

“**FSMA**” means the Belgian Financial Services and Markets Authority;

“**Gearing**” means, the ratio of Total Debt to the total assets of the Issuer, in accordance with the calculation methods imposed by the REIT Legislation, as each of the foregoing appears from the relevant statutory annual c.q. semi-annual statements, as at the accounts date of such annual c.q. semi-annual financial statements;

“**Global Fair Value of the Real Estate Asset**” has the meaning provided to the term “*totale reële waarde van het vastgoed/juste valeur globale des biens immobiliers*” in article 57 of the REIT Legislation;

“**Interest Cover**” means the ratio of Consolidated EBITDA to Finance Charges in respect of any Relevant Period, in accordance with the calculation methods imposed by Article 55 of the REIT Legislation, as each of the foregoing appears from the relevant consolidated financial statements;

“**Interest Payment Date**” has the meaning set out in Condition 5.5.1;

“**Interest Period**” means:

- (a) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date; and
- (b) each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Issue Date**” means 28 May 2014;

“**Issuer**” means Montea Comm.VA/SCA a Belgian partnership limited by shares (*commanditaire vennootschap op aandelen/société en commandite par actions*) having its registered seat at Industrielaan 27, 9320 Erembodegem (Belgium) and registered with the Crossroads Bank for Enterprises under number (RLE Dendermonde) 0417.186.211;

“**Issuer Group**” means the Issuer and each of its Subsidiaries from time to time;

“**Long Stop Date**” means 15 June 2015;

“**Maturity Date**” means 28 May 2021;

“**Nominal Amount**” means EUR 100,000 per Bond;

“**Nominal Interest Rate**” has the meaning set out in Condition 5.5.1;

“**Nominal Value**” has the meaning set out in Condition 5;

“**Openbare GVV / SIRP**” means a openbare gereguleerde vastgoedvennootschap / société immobilière réglementée publique as provided for by the Bill of Parliament DOC 53 n° 3497/001 voted into law on 22 April 2014 (*Wet betreffende de gereguleerde vastgoedvennootschappen / Loi relative aux sociétés immobilières réglementées*)

“**Permitted Restructurings**” has the meaning set out in Condition 5.10 (g);

“**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 liable for such Financial Indebtedness;

“**REIT Legislation**” means the Royal Decree of 7 december 2010 with regard to REITs (*Koninklijk Besluit van 7 december 2010 met betrekking tot vastgoedbevaks/Arrêté Royal du 7 décembre 2010 relatif aux sicafis*), as amended from time to time, or, upon modification of the regulatory status of the Issuer into a *Openbare Gereguleerde Vastgoedvennootschap / Société Immobilière Réglementée publique*, the corresponding provisions contained in the *Wet betreffende de gereguleerde vastgoedvennootschappen / Loi relative aux sociétés immobilières réglementées* and the Royal Decrees implementing this Law, as amended from time to time;

“**Relevant Date**” means, in connection with any Bond, the last of the following dates:

- (a) the date at which payment is due in respect of the Bond; and
- (b) if an amount payable in respect of the Bond is improperly withheld or refused, (i) the date at which payment of the unpaid amount is made in full or (ii) if prior to such date, the date at which the Issuer notifies the Bondholders pursuant to Condition 5.14, that payment is to be made, as long as such payment is made as provided in the Conditions;

“**Relevant Financial Indebtedness**” means any present or future Financial Indebtedness of the Issuer or any Subsidiary in the form of, or represented by, bonds, notes, or other transferable securities (*effecten/valeurs mobilières*) which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market;

“**Relevant Period**” means each period of 12 months ending on the last day of a financial year of the Issuer and each period of 12 months ending on the last day of the first half of the financial year of the Issuer;

“**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;

“**Shareholders**” refers to holders of Shares;

“**Shares**” means any ordinary (whether called or uncalled) shares of the capital of the Issuer conferring to its shareholders voting rights in the general assembly of the Issuer’s Shareholders;

“**Subscription Period**” means the period between 20 May 2014 and 23 May 2014 (included);

“**Subsidiary**” (*dochtervennootschap/filiale*) of a company shall have the meaning as set forth in Article 6, 2° of the Belgian Companies Code;

“**Total Debt**” has the meaning provided to the term debt charge (*schuldenlast/endettement*) in Article 27 § 1, second, third and fourth indent of the REIT Legislation;

“**TARGET System**” means Transeuropean Automated Real-Time Gross Settlement Express Transfer System 2 (TARGET2), or any successor thereto;

“**Taxes**” has the meaning set out in Condition 5.8.

5.4 Negative pledge

So long as any Bond remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or have outstanding any Security upon or with respect to the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any existing or future Relevant Financial Indebtedness, or to secure any guarantee or indemnity in respect of any existing or future Relevant Financial Indebtedness, unless at the latest at such time, 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. 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 Bank Degroof NV/SA / Belfius Bank NV/SA on behalf of the Bondholders or through any other structure which is customary in the debt capital markets (whether by way of supplement, guarantee agreement, deed or otherwise).

For the purpose of this Condition 5.4, a Bond will be considered as outstanding (a) if it was issued but not entirely redeemed pursuant to these Conditions or (b) as long as the Agent did not perform the payment relating to such Bond to the Bondholders via the Clearing System, Euroclear or Clearstream, Luxembourg, pursuant to these Conditions.

The prohibition contained in this Condition 5.4 “*Negative Pledge*” does not apply to Security existing prior to any entity becoming a Subsidiary (provided that such Security Interest 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 indebtedness was not subsequently increased).

5.5 Interest

5.5.1 Interest rate and Interest Payment Dates

Subject to an increase as described in Condition 5.5.2 “*Shareholders Resolutions Step-Up or Shareholders Resolutions Step-Down*”, each Bond bears a nominal annual interest rate of 3.355 per

cent (the **Nominal Interest Rate**)⁵. Each Bond bears interest from the Issue Date (included) at the Nominal Interest Rate payable annually in arrears on 28 May of each year (the **Interest Payment Date**), with the first Interest Payment Date falling on 28 May 2015. Interest in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the actual number of days spent (on the basis of one year of 365 days or 366 for bissextile years).

5.5.2 Shareholders Resolutions Step-Up or Shareholders Resolutions Step-Down

If by not later than 15 June 2015:

- (a) the Change of Control Resolutions are not passed, approved or adopted; or
- (b) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court,

then, with effect from the Interest Period starting on the first Interest Payment Date following 15 June 2015, the then prevailing Interest Rate shall be increased by 0.50 per cent (50 basis points) until the last day of the Interest Period during which the Change of Control Resolutions were approved and filed with the Clerk of the Commercial Court pursuant to Article 556 of the Belgian Companies Code (the **Shareholders Resolutions Step-Up**).

If following a Shareholders Resolutions Step-Up, the Change of Control Resolutions have been approved and filed with the Clerk of the Commercial Court, the then prevailing Interest Rate shall be decreased by 0.50 per cent (50 basis points) until the last day of the Interest Period during which the Change of Control Resolutions were approved and filed with the Clerk of the Commercial Court pursuant to Article 556 of the Belgian Companies Code (the **Shareholders Resolutions Step-Down**).

If a Shareholders Resolutions Step-Up and, subsequently, a Shareholders Resolutions Step-Down occur before the same next Interest Payment Date, the interest rate shall neither be increased as a result of either such event.

5.5.3 Accrual of interest

Each Bond will cease to bear interest from and including the date of its redemption or repayment unless payment of principal is improperly withheld or refused at such date or unless default is otherwise made in respect of payment. In such event each Bond will continue to bear interest at the rate specified in Condition 5.5.1 (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

5.6 Redemption and purchase

5.6.1 Final redemption

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds have a maturity of 7 (seven) years and will be redeemed at their Nominal Amount on the Maturity Date.

5.6.2 Redemption for taxation reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any Interest Payment Date, subject to serving a prior notice of not less than 30 nor more than 60 days to the Bondholders before such redemption (which notice shall be irrevocable), if:

⁵The interest rate will be determined at the closing of the Subscription Period and will be equal to the sum of (i) the IRS reference rate at this date of the closing of the Subscription Period (as published on Reuter page ISDAFIX2 at 11:00 am GMT +1) and (ii) a spread to be determined on this date depending on the order book and the prevailing market conditions.

- (i) the Issuer has or will become obliged to pay additional amounts pursuant to Condition 5.8, as a result of (a) any change in, or amendment to, the laws or regulations of, or applicable in, the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, or (b) any change in the application or official interpretation of such laws or regulations, which change, amendment, application or interpretation becomes effective on or after the Issue Date, and
- (ii) such obligation as referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it.

In such case, the Bonds will be redeemed at their Nominal Amount, together with interest accrued up to the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 5.6.2, the Issuer shall deliver, and shall ensure that is delivered, to the Agent:

- (i) a certificate signed by the statutory director (*statutaire zaakvoerder/gérant statutaire*) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change, amendment, application or interpretation.

At the date of redemption mentioned in the notice, the Issuer will have to redeem the Bonds as referred to in the notice, in accordance with the regulations set out in this Condition 5.6.2.

5.6.3 Redemption upon a Change of Control of the Issuer

- (a) *Redemption at the option of the Bondholders.* In the event that a Change of Control (as defined hereunder) occurs, the Issuer shall, at the option of the holder of each Bond, redeem such Bond, as herein provided, at the Early Redemption Date and at the Early Redemption Amount.
- (b) *Early Redemption Notice.* Within 10 Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders (an **Early Redemption Notice**). The Early Redemption Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 5.6.3.

The Early Redemption Event Notice shall also specify:

- (a) to the fullest extent permitted by applicable law, all information material to the Bondholders concerning the Change of Control;
- (b) the last day of the Early Redemption Period;
- (c) the Early Redemption Amount; and
- (d) the Early Redemption Date.

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) *Early Redemption Request Notice.* In order to exercise such option, the relevant Bondholder will deliver, at any time during the Early Redemption Period, to the financial intermediary where the Bonds are held, a duly completed and signed notice of exercise that shall be in conformity in substance, form and content with the model in Schedule 1 (an **Early Redemption Request**

Notice). By delivering an Early Redemption Request Notice, the Bondholder shall undertake to hold the Bonds up to the date of effective redemption of the Bonds.

- (d) *Payments.* Payment in respect of any such Bond being the subject of the Early Redemption Request Notice 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 to the financial intermediary at which the Bonds are held.
- (e) *Notice irrevocable.* The Early Redemption Request Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds being the subject of such Early Redemption Request Notice delivered as aforesaid on the Early Redemption Date.
- (f) *Redemption at the option of the Issuer.* If, as a result of this Condition 5.6.3, holders of the Bonds submit Early Redemption Request Notices in respect of at least 85 % per cent of the aggregate principal amount of the Bonds outstanding at such time, the Issuer may, having given a notice of not less than 10 (ten) nor more than 20 (twenty) Business Days to the Bondholders in accordance with Condition 5.13, redeem all of the Bonds then outstanding at the relevant Early Redemption Amount.
- (g) For the purposes of this Condition 5.6.3:
 - A “**Change of Control**” shall be deemed to have occurred if:
 - (iv) an offer is made by any person to all (or as nearly as may be practicable all) shareholders (or all (or as nearly as may be practicable all) such shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled (such entitlement being unconditional and not being subject to any discretion of the offeror as to whether to exercise it or not) to acquire as a result of such offer, post completion thereof, shares or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast at a general meeting of the Issuer, whereby the date on which the Change of Control shall be deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Belgian Royal Decree of April 27, 2007 on takeover bids); or
 - (v) any person or group of persons acting in concert, within the meaning of Article 513 of the Belgian Companies Code, gain(s) Control of the statutory director (*statutaire zaakvoerder/gérant statutaire*) (or any of the statutory directors, as the case may be) of the Issuer; or
 - (vi) Montea Management NV/SA ceases to be statutory director of the Issuer, unless, in this latter case, within the month following the appointment of the new statutory director (a) the Issuer convenes a General Meeting of Bondholders in accordance with Condition 5.13, and (b) at such General Meeting of Bondholders the decision is taken, to waive the right of early redemption of the Bondholders pursuant to this Condition 5.6.3, with the quorum and majority requirements as set out in Article 574 of the Belgian Companies Code, it being understood that the Issuer, its Subsidiaries, any member of the Family Pierre De Pauw (defined as Dirk De Pauw, Marie

Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw and their respective descendants) and any significant shareholder (i.e. any shareholder having to disclose a major holding pursuant to the Law of 2 May 2007 on the public disclosure of significant participations in issuers the shares of which are admitted to trading on a regulated market and holding various provisions) shall in any event not be entitled to vote at such meeting should they hold Bonds; For the purpose of this paragraph (iii), the Change of Control will be deemed to occur only after such General Meeting of Bondholders has decided not to waive the right of early redemption of the Bondholders or in case a General Meeting of Bondholders has not been convened after the expiration of a period of one month following the appointment of the new statutory director; Moreover, for the purpose of this paragraph (iii) no Change of Control shall be deemed to have occurred (a) in case Montea Management NV/SA is replaced as the statutory director of the Issuer by a legal entity controlled by one or more members of the Family Pierre De Pauw, or (b) in case Montea Management NV/SA ceases to be the statutory director of the Issuer as a result of the transformation of the Issuer from a *commanditaire vennootschap op aandelen/société en commandite par actions* into another corporate form;

provided however that “person” as used in the definition of “Change of Control” shall not include any person that is a relative of a member of the Family Pierre De Pauw (defined as Dirk De Pauw, Marie Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw and their respective descendants) or that is owned for at least 50 % or controlled by (or affiliated with) one or more members or one or more relatives of one or more members of the Family Pierre De Pauw.

- The “**Early Redemption Date**” means the 10th (tenth) Business Day after the end of the Early Redemption Period.
 - The “**Early Redemption Period**” means the period starting on the date of the Change of Control and ending 30 (thirty) Business Days after such date, or in case of a later date, 30 (thirty) Business Days after the date on which the Early Redemption Notice is delivered to the Bondholders as set out in Condition 5.6.3.
 - The “**Early Redemption Amount**” means an amount equal to the Nominal Amount of the Bond plus any accrued but unpaid interest of such Bond up to (but excluding) the Early Redemption Date.
- (h) Bondholders should note that the exercise by any of them of the option set out in this Condition 5.6.3 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 public takeover bid to the Shareholders of the Issuer or (b) the occurrence of the change of control within the meaning of Article 5 et seq. of the Belgian Companies Code, (i) the Change of Control Resolutions have been approved and (ii) such resolutions have been filed with the Clerk of the Commercial Court. Pursuant to Condition 5.10 (h), the Issuer has undertaken that the Change of Control Resolution relating to the Issuer be passed at the first general meeting of Shareholders following the Bond Issue and to file a copy of the resolution as aforesaid immediately thereafter and by 15 June 2015 at the latest. If the Issuer is notified by the FSMA of a formal filing of a proposed public takeover bid to the Shareholders of the Issuer, or a Change of Control occurs, prior to such approvals and filings, the Bondholders will not be entitled to exercise the option set out in Condition 5.6.3. There can be no assurance that such approvals will be granted at such shareholders meetings. Reference is

however made to the increase of Interest Rate included in Condition 5.5.2 “*Shareholders Resolutions Step-Up or Shareholders Resolutions Step-Down*”.

5.6.4 Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiaries of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

5.6.5 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 transferred to the Agent for cancellation.

5.6.6 Multiple notices

If more than one notice of redemption is given pursuant to this Condition 5.6 entitled “*Redemption and purchase*”, the first of such notices shall prevail.

5.7 Payments

5.7.1 Principal, premium and interest

Any payment of principal, interests or ancillary costs in respect of the Bonds shall be made through the Agent and the Clearing System in accordance with the Clearing System Regulations.

The calculation for all payments mentioned below will be made by the Issuer only, without any intervention by the Agent.

5.7.2 Payments

Any payment in respect of any such Bond in accordance with Condition 5.7.1 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.

5.7.3 Payments in accordance with tax laws and other applicable laws

Any payment in respect of the Bonds is subject in all cases to any applicable fiscal or other laws, regulations and directives, without prejudice to the provisions of Condition 5.8.

5.7.4 Agents

In accordance with the Agency Agreement, the Issuer reserves the right 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 domiciliary agent (and the domiciliary agent will at all times be a participant in the Clearing System) who will also assume the tasks of a paying agent and (ii) if required, appoint from time to time an additional paying agent, with a specified office in a European Union member state that will not be obliged to withhold or deduct taxes (pursuant to the EU Savings Directive, any other European Union directive, regulation, decision or any law implementing this Directive or complying with, or introduced in order to conform to, such Directive). Notice of any change in agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 5.14.

5.7.5 No charges

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

5.7.6 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.

5.7.7 Payments on Business Days

If the due date for payment of any amount in respect of any Bond is not a Business Day, the holder shall be entitled to payment of the amount due the next succeeding Business Day and shall not be entitled to any further interest or any other payment in respect of any such delay.

5.8 Tax compensation

All payment of interests and principal in respect of the Bonds are made by and on behalf of the Issuer without withholding or deduction of taxes, obligations, charges or any public charges of any nature (the **Taxes**), being imposed, received, withheld, levied in or by Belgium or by any other Belgian authority granted of such imposition power, unless the withholding or deduction is imposed by the law. In such case, the Issuer will pay additional amounts which are necessary in order for the Bondholders to receive the payments they should have received if such withholding or deduction was not made. However, such additional amounts shall not be paid in the following cases:

- a) Other cause due to taxes: to a Bondholder, or to a third party acting on behalf of the Bondholder, who is liable to such taxes, rights and public charges by reason of its connection with Belgium other than the mere holding of the Bonds; or
- b) Payment to individuals: where the withholding or the deduction is imposed pursuant to the EU Savings Directive, or any other European Union directive, regulation, decision or any law implementing this Directive or complying with, or introduced in order to conform to, such Directive or any other agreement on the taxation of savings income concluded by an EU Member State with dependant territories or EU associates; or
- c) Non-eligible investor: to a Bondholder who, at the Issue Date of the Bonds, was not an eligible investor in the sense of Article 4 of the Royal Decree of 26 May 1994 on the collection and refunding of the withholding tax, or was an eligible investor on the Issue Date of the Bonds, but for reasons within its control, either ceased to be an eligible investor or, at any relevant time stopped being an eligible investor or, on or after the Issue Date, did not satisfy the conditions necessary to be exempted from withholding taxes pursuant to the Law of 6 August 1993 on transactions in certain securities; or
- d) Conversion into registered securities: the Bondholder who is liable for taxes by virtue of the conversion of Bonds, at his request, into registered securities which cannot be held or cleared via the Clearing System; or
- e) Non-presentation of tax return: the deduction or withholding of taxes that could be avoided by the Bondholder by presenting to the Agent a tax return of non-resident or any other means of similar exemption.

5.9 Events of Default

If any of the following events (each an **Event of Default**) occurs, any Bondholder may require, by notice in writing given to the Issuer at its registered office with a copy to the Agent, that its Bonds be declared immediately due and repayable at par, together with accrued interest (if any) to the date of payment, without further formality unless such event shall have been remedied prior to the receipt of such notice by the Issuer. If, pursuant to this Condition 5.9, the Bondholders delivered the notices to the Issuer (according to the procedure above) for a cumulated nominal amount of at least 85% of the Bonds outstanding at such time, all Bonds will be declared immediately due and payable as set out in Condition 5.9.

Any of the following events will constitute an Event of Default:

5.9.1 Non-payment

The Issuer fails to pay the Nominal Amount, the interests or any other amount due in respect of the Bonds, and such failure continues for a period of 10 (ten) Business Days following the date at which such payment is due.

5.9.2 Other obligations

The Issuer defaults in the performance or observance of any of its obligations under the Bonds (other than those relating to Condition 5.9.1 and fails to remedy such failure within a period of 20 (twenty) Business Days from the notification by a Bondholder to the Issuer or within the specific remedy period provided in the relevant Condition.

5.9.3 Cross acceleration

- a) 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 (howsoever described);
- b) Any commitment for any Financial Indebtedness of the Issuer or any Subsidiary is cancelled or suspended by a creditor of the Issuer or any Subsidiary as a result of an event of default (howsoever described);
- c) No Event of Default will occur under this Condition 5.9.3 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) or (b) above is less than EUR 5,000,000.

5.9.4 Enforcement Proceedings

An executory attachment (*uitvoerend beslag/saisie exécutoire*) or other similar process is enforced upon or against all or any part of the property, assets or revenues of the Issuer or any Subsidiary, provided that the aggregate amount of the Financial Indebtedness in respect of which such executory attachment is enforced amounts to at least EUR 5,000,000 or its equivalent and is not discharged or stayed within 60 Business Days.

5.9.5 Security Enforced

Any Security, created or assumed by the Issuer or any of its Subsidiaries in respect of any of its property or assets, 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) which is not discharged or stayed within 60 Business Days provided that no Event of Default will occur under this Condition 5.9.5 if the aggregate amount of Financial Indebtedness in respect of which such Security becomes enforceable and steps are taken to enforce it is less than EUR 5,000,000.

5.9.6 Insolvency

- (a) The Issuer or any Subsidiary is declared bankrupt or is unable or admits inability to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of current or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- (b) The value of the assets of the Issuer or any Subsidiary is less than its liabilities (taking into account contingent and prospective liabilities) unless that situation is remedied within 20 (twenty) Business Days from the earlier of (a) a Bondholder giving notice to the Issuer of such default and (b) the Issuer becoming aware of the failure to comply;
- (c) A moratorium is declared pursuant to Article 16 of the Act relating to the Continuity of Enterprises in respect of any indebtedness of the Issuer or any Subsidiary. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

5.9.7 Insolvency proceedings

- (a) Any corporate action, legal proceeding or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness pursuant to Article 16 of the Act relating to the Continuity of Enterprises, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or any Subsidiary;
 - (ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer or any Subsidiary;
 - (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any Subsidiary;or any analogous procedure or step is taken in any jurisdiction;
- (b) Paragraph (a) shall not apply to any winding-up petition which is frivolous or vexatious and against which appropriate steps of defense have been taken within 20 Business Days of commencement.

5.9.8 Reorganisation, change of business

- a) The Issuer or any of its Subsidiaries changes the nature of its activities into activities that are not permitted under the REIT Legislation; or
- b) A reorganisation of the Issuer or its Subsidiaries occurs which leads to a transfer of all or an important part of the assets of the Issuer or its Subsidiaries except for Permitted Restructurings.
- c) For the avoidance of doubt, it is hereby acknowledged that the modification of the regulatory status of the Issuer into a *Openbare GVV/SIRP* shall not qualify as an Event of Default.

5.9.9 Failure to list the Bonds

The Bonds are not admitted to trading on the regulated market of Euronext Brussels by 28 June 2014 at the latest, unless the Issuer obtained the effective listing of the Bonds on another Regulated Market of the European Economic Area, and at the latest at the end of this period.

5.9.10 Delisting of the Bonds

The Bonds are struck or withheld from the listing on the regulated market of Euronext Brussels for 15 (fifteen) consecutive Business Days following a breach by the Issuer, unless the Issuer obtained the effective listing of the Bonds on another Regulated Market of the European Economic Area, and at the latest at the end of this period.

5.9.11 Illegality

It becomes illegal for the Issuer to perform all or a part of its obligations in respect of the Bonds as a result of a legislative or regulatory amendment or a judicial decision affecting the Issuer.

5.9.12 Loss of accreditation

The Issuer loses the benefit of its status as a *Openbare vastgoedbeleggingsvennootschap met vast kapitaal / société d'investissement immobilière à capital fixe publique* or, upon the modification of its regulatory status into a *Openbare GVV / SIRP*, of its status as a *Openbare GVV / SIRP*, except if the Issuer within 60 Business Days from such loss acquires a regulatory status under a “fiscally transparent” regime that (i) is substantially similar or (ii) does not result in a material adverse effect for the Bondholders.

5.10 Undertakings

As long as any Bond remains outstanding, the Issuer undertakes to:

- (a) Not to be subject, in general, to a tax authority other than Belgium, with the exception of its current and future foreign permanent establishments or taxable presence within the European Economic Area;
- (b) Once the Bonds are admitted to negotiation on the regulated market of Euronext Brussels (on or before the Issue Date), (i) to provide the exchange with all documents, information and undertakings and to publish all communications or any other material considered as useful for the realisation and maintenance of such admission and (ii) to ensure the maintenance of such admission as long as the Bonds remain in circulation; if the Bonds are not or are no longer admitted to negotiation on the regulated market of NYSE Euronext Brussels, the Issuer will immediately take all reasonable measures in respect of the admission of the Bonds for the negotiation on a regulated market of the European Economic Area;
- (c) To maintain or to obtain all the necessary authorisations, consents, licenses, approvals, exemptions, registrations (i) for the Issuer to duly issue the Bonds, to enjoy the rights granted and respect the obligations arising from them, (ii) to ensure that such obligations are legal, valid and enforceable and (iii) to ensure that the Bonds are admitted as evidence in front of Belgian courts;
- (d) Ensure that (i) the Gearing and (ii) the Consolidated Gearing, is below 65 per cent, in accordance with the REIT Legislation. However, should the REIT Legislation increase this ratio, the Issuer shall still respect this Condition 5.10 (d);
- (e) Ensure that the Interest Cover exceeds 1.5:1;
- (f) Not to create or have outstanding and, as far as any Subsidiary is concerned, procure that no Subsidiary creates or has outstanding any Security, upon or with respect to the whole or any part of their present or future business, undertakings, assets or revenues (including any uncalled capital) which together with any other Security granted by the Issuer or any of its

Subsidiaries would encumber assets whose global value would exceed 20% of the Global Fair Value of the Real Estate Assets owned by the Issuer and its Subsidiaries;

- (g) Not to enter into any demerger, merger, contribution of branches of activities or a generality of assets, or any corporate action assimilated to these (hereafter jointly referred to as **Restructuring**), except for (i) intra group Restructurings on a solvent basis at the level of the Subsidiaries of the Issuer, (ii) for Restructurings on a solvent basis involving the Issuer and one or more companies operating in the real estate sector (be it a Subsidiary or not) to the extent the Issuer is the absorbing or acquiring entity and (iii) for mergers involving the Issuer and another *vastgoedbevak/sicafi* or *Gereguleteerde Vastgoedvennootschap/Société Immobilière Réglementée*, whereby such *vastgoedbevak/sicafi* or *Gereguleteerde Vastgoedvennootschap/Société Immobilière Réglementée* or a newly incorporated *vastgoedbevak/sicafi* or *Gereguleteerde Vastgoedvennootschap/Société Immobilière Réglementée* is the absorbing entity, provided, in this latter case, that such merger has been approved by a General Meeting of Bondholders (prior to the filing of any merger proposal), with the quorum and majority requirements as set out in Article 574 of the Companies Code, it being understood that the Issuer, its Subsidiaries, any member of the Family Pierre De Pauw (defined as Dirk De Pauw, Marie Christine De Pauw, Bernadette De Pauw, Dominika De Pauw and Beatrijs De Pauw and their respective descendants) and any significant shareholder (i.e. any shareholder having to disclose a major holding pursuant to the applicable legislation) shall in any event not be entitled to vote at such meeting should they hold Bonds (Restructurings mentioned under (i), (ii) and (iii) above are referred to as **Permitted Restructurings**);
- (h) Use its best endeavours to (i) procure that the Change of Control Resolutions be passed at the next general meeting of the Shareholders of the Issuer and (ii) file a copy of the resolutions as aforesaid promptly thereafter with the Clerk of the Commercial Court and by 15 June 2015 at the latest;
- (i) Not to incur or allow to remain outstanding any Personal Security covering any Financial Indebtedness of any person which is not a member of the Issuer Group;
- (j) Promptly inform the Bondholders of the occurrence of any Event of Default (and the steps, if any, being taken to remedy it).

5.11 Compliance with undertakings

The Issuer shall include in its consolidated annual and semi-annual financial statements a statement that the Gearing, Consolidated Gearing and Interest Cover comply with the applicable ratios and thresholds as set out in Condition 5.10, as at the account date of the relevant Financial Statements.

5.12 Statute of limitations

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

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

5.13 General meetings of Bondholders and modification of the Conditions

5.13.1 General meetings of Bondholders

A general meeting of Bondholders may be convened in order to take certain decisions in respect of the Bonds, including the amendments of certain Conditions, subject to the consent of the Issuer.

All meetings of Bondholders will be held in accordance with the provisions of Article 568 *et seq.* of the Belgian Companies Code with respect to Bondholders' meetings. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders holding not less than one fifth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Companies Code and subject to the consent of the Issuer, 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 Companies Code and to modify or waive any provision of these Conditions.

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.

Convening notices for meetings of Bondholders shall be made in accordance with Article 570 of the Belgian Companies Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Journal (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium.

5.13.2 Modification and Waiver

The Agency Agreement, any agreement supplemental to the Agency Agreement and these Conditions may be amended without the consent of the Bondholders to correct a manifest error, a minor error or a formal or a technical error or to comply with mandatory provisions of law. In addition, the Issuer shall only permit any modification of, or 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.

5.13.3 General meetings of the Issuer and right to information of the Bondholders

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

5.14 Notices to the Bondholders

Notices to the Bondholders shall be valid (i) if delivered by the Issuer or on its behalf by the Agent to the Clearing System for communication by it to the Clearing System Participants and (ii) if published on its website (at the Issue Date of the Bonds: www.montea.com). Any such notice shall be deemed to have been given on the latter of (i) the date and the timing of its delivery to the Clearing System and (ii) the publication on the Issuer's website. The Issuer shall bear all fees, costs and expenses in relation to the drafting, delivery and publication of such notices.

The Issuer shall ensure that all notices are duly published in order to respect the rules and regulations of any stock exchange or any other competent authority where the Bonds are listed. Any notice shall be deemed to be given on the date of the publication or, when required to be published in several newspapers or in several ways, at the date of the first publication in one of these newspapers or in one of these ways.

With respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be communicated by an announcement to be inserted at least fifteen (15) days prior to the meeting, in the

Belgian Official Journal (*Belgisch Staatsblad/Moniteur belge*) and in a press organ having general circulation in Belgium. The convening notice will contain decision proposals to be submitted to the general meeting.

5.15 Further issues

Subject to Condition 5.4, the Issuer may, without the consent of the Bondholders, issue further notes, bonds or debentures either having the same terms and conditions in all respects as the Bonds and so that such further issue shall be consolidated and form a single series with the Bonds, or upon such terms as to interest, premium, redemption, status and otherwise as the Issuer may determine at the time of their issue.

5.16 Governing law and jurisdiction

5.16.1 Governing law

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.

5.16.2 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 Bonds.

6 CLEARING

The Bonds are accepted within the Clearing System under the ISIN Code BE0002214808 and under the Common Code 107080813. They are consequently subject to the Clearing System Regulations. The number of Bonds in circulation will be mentioned at any time in the registry of the Issuer's registered securities opened in the name of the Clearing System. It is possible to have access to the Clearing System via Clearing System participants whose license will allow them to hold securities such as the Bonds.

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

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

The Agent performs the obligations of domiciliary agent as provided in the Clearing Agreement and the Agency Agreement. The Issuer and the Agent have no responsibility regarding the compliance of the Clearing System or its participants with their obligations pursuant to the applicable rules and procedures.

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

The Issuer is responsible for paying a fee related to the listing of the Bonds on the regulated market of Euronext Brussels of EUR 500 per year to maturity, whereby every year commenced is charged as a full calendar year.

7 DESCRIPTION OF THE ISSUER

7.1 General

For a description of the Issuer, we refer to the Registration Document, as well as to all additional information incorporated in the Prospectus by reference (See Section 3 entitled “*Documents incorporated by reference*”).

7.2 Important changes since the approval by the FSMA of the Annual Report 2013 as Registration Document

7.2.1 New acquisitions, investments and lease contracts

The Issuer’s press release of 15 May 2014 contains all information about acquisitions, investments and lease contracts since 1 January 2014.

7.2.2 *Gereguleerde Vastgoedvennootschap/Société Immobilière Réglementée*

The Issuer, in view of its status as a *vastgoedbevak/sicafi*, is currently classified under Belgian law as a self-managed "collective investment undertaking". It will therefore be considered as a manager of an "alternative investment fund" (AIF) under the AIFMD, which will be implemented in Belgium as of 22 July 2014.

The Issuer proposes to apply for a license as a *Openbare Gereguleerde Vastgoedvennootschap / Société Immobilière Réglementée Publique* as provided for by the Bill of Parliament DOC 53 n° 3497/001 voted into law on 22 April 2014 *Wet op de gereguleerde vastgoedvennootschappen / Loi relative aux sociétés immobilières réglementées (GVV/SIR Law)*. As a result of such modification of regulatory status, the Issuer will not qualify as an AIF and will, while remaining under the current regulatory supervision of the FSMA, not be subject to the AIFMD regulatory framework

The license application procedure requires an authorization by the FSMA and the approval by the FSMA of a press release and information memorandum to be published discussing *inter alia* the impact of the modification of regulatory status.

The license application procedure also requires amendments to the articles of association of the Issuer, especially with regard to its corporate object. In essence, this object shall exclusively consist of

- making real estate available to users, either directly or through companies in which it participates as allowed by the specific legal provisions applicable to its status;
- all activities with regard to the construction, reconstruction, renovation, development, acquisition, disposal, management and exploitation of such real estate; and
- holding securities and other financial instruments qualifying as real estate pursuant to the definition of article 2, 5°, vi to x of the *GVV/SIR Law*;

in view of a strategy aiming at the long term holding of its real estate. The activities of the Issuer shall consist of an active management of its portfolio, including the development and the daily management of the real estate under its own responsibility. Any other activity must have added value to such real estate or the users thereof.

Upon the approval by the extraordinary shareholders’ meeting of the Issuer of the modification of its regulatory status, the shareholders shall have an exit right. Such exit right consists of their right to sell

their shares to the Issuer at a price per share equal to the highest of (i) the latest closing price before the publication of the convening notice of the extraordinary shareholders' meeting, and (ii) the average closing price during the 30 calendar day period preceding the date of the effective extraordinary shareholders' meeting approving the amendments to the articles of association.

Pursuant to article 77 of the GVV/SIR Law, a specific information memorandum shall be prepared by the Issuer for approval by the FSMA, detailing *inter alia* the impact of the modification of regulatory status. The statutory director of the Issuer aims for a modification of its regulatory status to be effective no later than 22 July 2014.

7.2.3. SIIC status in France

In France, the Issuer qualifies as a listed real estate investment company ('*Société d'Investissement Immobilier Cotée*' or 'SIIC'). The ability to meet the conditions required for this status depends, amongst other things, upon the Issuer's ability to successfully manage its activities and the assets allocated to such activities. Changes may occur in the Issuer's shareholding structure, which are beyond its control, such that the conditions for the SIIC regime are no longer fulfilled. The loss of its status as a SIIC would have a material adverse effect on the Issuer's business, results of operations, profitability, financial condition and prospects. The modification of the regulatory status of the Issuer into a *Openbare GVV/SIRP* should not affect its SIIC-status under French tax law.

For more information, see 1.1.3.3.

7.2.4. Application for FBI status in The Netherlands

In September 2013, the Issuer filed a request with the Dutch Tax Administration for the qualification of its Dutch subsidiaries Montea Nederland N.V. and Montea Almere N.V. as '*Fiscale Beleggingsinstelling*' or 'FBI' as provided by article 28 of the Dutch corporate income tax law (*Wet vennootschapsbelasting 1969*) in view of its Dutch real estate investments. This request is currently pending before the Dutch Ministry of Finance. The Issuer has also applied for a Dutch corporate income tax fiscal unit between Montea Nederland N.V. and Montea Almere N.V.

In January 2014, Montea Nederland N.V. incorporated Montea Rotterdam N.V. The Dutch Tax Administration has been requested to add Montea Rotterdam N.V. to the corporate income tax fiscal unit Montea Nederland N.V. The decision regarding the application for the FBI status with respect to Montea Nederland N.V. and Montea Almere N.V. will also cover the status of Montea Rotterdam N.V.

8 USE OF PROCEEDS

The net proceeds from the issue and sale of the Bonds, after deduction of the transaction fees and expenses of approximately EUR 300,000, amount to approximately EUR 29,700,000.

The net proceeds from the issue of the Bonds will be applied by the Issuer to finance its growth and to diversify its sources of financing. With this new Bond issue, the Issuer also wants to extend the lifetime and to diversify the expiration dates of its different sources of financing as well as reduce its average cost of finance.

The net proceeds may be applied for the general corporate purposes of the Issuer, such as, but not limited to, financing and operating activities, capital expenditures, acquisitions and refinancing of existing indebtedness; the Issuer in that context may repay outstanding loans under existing revolving credit facilities, including with affiliates of the Joint Lead Managers, in order not to let the proceeds of the Bonds unused if there is no immediate project to be financed, but may redraw on those facilities as soon as necessary for the financing of its growth.

More specifically, the Issuer intends to use two thirds of the net proceeds to redeem short term financing and one third to finance the ongoing works of its built-to-suit projects.

As of the date of the Prospectus, the Issuer cannot predict with certainty all of the particular uses for the balance of proceeds from the issue of the Bonds, or the amounts that it will actually spend or allocate to specific uses. The amounts and timing of actual expenditures will depend upon numerous factors. The Issuer's management will have significant flexibility in applying the balance of net proceeds from the issue of the Bonds and may change the allocation of these proceeds as a result of these and other contingencies.

9 TAX

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

9.1 EU Savings Directive

Under Council Directive 2003/48/EC regarding the taxation of savings income (hereinafter referred to as the **EU Savings Directive**), EU Member States are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The Belgian State elected to abandon the transitional withholding system and provides information in accordance with the EU Savings Directive as of 1 January 2010. Luxembourg and Austria announced that they will end the withholding system and instead exchange information going forward, probably as of 1 January 2015.

On 24 March 2014, the European Council adopted a directive strengthening the EU rules on the exchange of information on savings incomes, aimed at enabling the member states to better clamp down on tax fraud and tax evasion. The scope now covers new types of savings income and products that generate interest or equivalent income. It includes life insurance contracts, as well as a broader coverage of investment funds. Tax authorities, using a "look-through" approach, will be required to take steps to identify who is benefiting from interest payments. The member states will have until 1 January 2016 to adopt the national legislation necessary to comply with the directive. Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

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

9.2 Taxation in Belgium

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

Prospective purchasers are urged to consult their own tax advisers as to the consequences under the tax laws of their countries of citizenship, residence, ordinary residence or domicile and the tax laws of

Belgium of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts thereunder.

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

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

9.2.1 Belgian withholding tax

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

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

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

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

- (a) Belgian resident corporate investors subject to Belgian corporate income tax;
- (b) Institutions, associations or companies referred to in article 2, §3 of the law of 9 July 1975 on the control of insurance companies, other than those referred to in (i) and (iii), without prejudice to the application of article 262, 1° and 5° of the Belgian Income Tax Code 1992 (the ITC 1992);
- (c) State regulated institutions (institutions parastatales/parastatalen) for social security or institutions equated therewith, referred to in article 105, 2° of the Royal Decree implementing ITC 1992 (RD/ITC 1992);
- (d) Non-resident investors whose holding of the Bonds is not connected to a professional activity in Belgium, referred to in article 105, 5° of the RD/ITC 1992;

- (e) Investment funds recognised in the framework of pension savings, referred to in article 115 of the RD/ITC 1992;
- (f) Investors referred to in article 227, 2° of the ITC 1992 which are subject to non-resident income tax in accordance with article 233 of the ITC 1992 and which have used the income generating capital for the exercise of their professional activities in Belgium;
- (g) The Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 of the ITC 1992;
- (h) Investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants (such as *fonds de placement/beleggingsfondsen*) and the units of which are not publicly offered in Belgium or traded in Belgium;
- (i) Belgian resident companies, not referred to under (i), whose activity exclusively or principally consists of the granting of credits and loans.

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

Participants in the Clearing System must keep the Bonds which they hold on behalf of non-Eligible Investors in a non-exempt securities account (an N-Account). In such instance, all payments of interest are subject to the 25% withholding tax. This withholding tax is withheld by the NBB from the interest payment and paid to the Belgian Treasury.

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

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

These adjustment mechanics are such that parties trading the Bonds on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis.

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

These identification requirements do not apply to Bonds held with Euroclear or Clearstream, Luxembourg or their sub-participants outside Belgium, acting as Participants in the Clearing System,

provided that these institutions or sub-participants only hold X-accounts and are able to identify the holders for whom they hold Bonds in such accounts.

9.2.2 Belgian income tax and capital gains

Belgian resident individuals

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

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

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

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

Belgian resident companies

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

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

Belgian legal entities

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

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

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

Organisations for Financing Pensions

Interest and capital gains derived by organisations for financing pensions within the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are subject to Belgian corporate income tax but on a limited basis. 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.

Non-residents

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

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

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

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

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

9.2.3 Belgian taxation on stock exchange transactions

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

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

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

10 SUBSCRIPTION AND SALE

According to the terms of a placement agreement which was executed prior to the beginning of the Subscription Period (the **Placement Agreement**), Bank Degroof NV/SA and Belfius Bank NV/SA (in their capacity as Joint Lead Managers) have agreed with the Issuer, subject to certain terms and conditions, to place the Bonds with third parties, without a firm commitment on the amount, at the price and according to the terms and conditions specified below. The Placement Agreement entitled the Joint Lead Managers to terminate their obligations under certain conditions. This solely provided for rights and obligations of the Issuer and the Joint Lead Managers, and the Bondholders cannot derive any right, directly or indirectly, from the Issuer or the Joint Lead Managers.

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

10.1 Subscription Period and procedure

The Bonds were offered for subscription through a private placement starting from 20 May 2014 at 9:00 (CET) and ending on 23 May 2014 at 16:00 (CET) (the **Subscription Period**), which was closed early on 20 May 2014 (see Section 10.9 entitled “*Early closing and allocation of the Bonds*” for more information about the early closing).

The investors who, after having consulted the private placement memorandum (**PPM**), wished to subscribe to the Bonds were invited to subscribe with Bank Degroof NV/SA and Belfius Bank NV/SA. Subscriptions could also be submitted via other financial intermediaries. In this case, the investors are invited to seek information about the fees that such financial intermediaries would charge.

The investors were notified of the number of Bonds which were allocated to them by the Joint Lead Managers or by the financial intermediary through which they had introduced their demand in accordance with the arrangements in place between parties.

Subscriptions were irrevocable.

The minimum amount of subscription in the primary market was EUR 100,000. There was no maximum amount of subscription. The Bonds can only be subscribed in nominal amounts equal to the denomination of EUR 100,000 or integral multiples thereof.

Regarding the costs incurred by investors who subscribe to the Bonds, see Section 10.7 entitled “*Fees incurred by the investors*”.

10.2 Conditions of the Bond Issue

The Bond Issue was subject to a limited number of customary conditions for this type of transaction (which are listed and defined in the Placement Agreement) and negotiated between the Joint Lead Managers and the Issuer, including the terms of the best effort obligation of the Joint Lead Managers to place the Bonds with investors at the issue price.

Furthermore, the Placement Agreement provided that the Joint Lead Managers had the right to immediately terminate their obligations in the following events:

- (a) the occurrence of a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in the reasonable

opinion of the Joint Lead Managers acting in good faith be likely to prejudice the success of the Bond Issue or the placement of the Bonds;

- (b) the occurrence of a Material Adverse Change (as defined in the Placement Agreement) which, in the reasonable judgment of the Joint Lead Managers acting in good faith, made it impracticable or inadvisable to conduct the placement of the Bonds in the manner contemplated in the Placement Agreement, or
- (c) a breach by the Issuer of any provision of the Placement Agreement or of the Terms and Conditions of the Bonds or any event rendering untrue or incorrect any of the warranties or representations contained in the Placement Agreement which, in the reasonable opinion of the Joint Lead Managers acting in good faith, would have been likely to prejudice the success of the Bond Issue or the placement of the Bonds.

If the conditions for the Bond Issue were not fulfilled by the Issue Date, the Bonds would not be issued. In this event, any amounts paid for the subscription of the Bonds would have been repaid to the investors no later than 7 (seven) Business Days after the date set as the Issue Date. The investors could not claim any interest on these amounts.

The Bond Issue and the obligations of the Joint Lead Managers could also be terminated if the conditions of the Bond Issue, as agreed between the Joint Lead Managers and the Issuer under the Placement Agreement, were not met.

10.3 Listing of the Bonds

Subject to the approval by the FSMA of the listing Prospectus, application will be made for the Bonds to be admitted to trading on the regulated market of Euronext Brussels as from the Issue Date.

10.4 Pricing of the Bonds

The issue price amounts to 100% of the Nominal Amount of the Bonds (the **Issue Price**).

The gross yield of the Issue Price for investors is the Nominal Interest Rate. The gross yield was calculated on the basis of the Issue Price, the payment of interests during the term of the Bond and the redemption amount at maturity, all of these flows were discounted.

Regarding the costs incurred by investors who subscribe to the Bonds, see Section 10.7 entitled “*Fees incurred by the investors*”.

10.5 Nominal amount of the Bond Issue

The total nominal amount of the Bond Issue amounts to EUR 30,000,000, represented by dematerialised securities in denominations (Nominal Value) of EUR 100,000.

The amount of the Bond Issue could be reduced, or the Bond Issue could be cancelled by the Issuer, in particular in the event the expected minimum principal amount of EUR 30,000,000 was not placed or if market conditions hampered the placement of the Bonds.

The Issuer has applied the following criteria to determine the aggregate nominal amount of the Bonds: (i) market conditions impacting the placement of the Bonds, (ii) the financing needs of the Issuer, which could have evolved during the Subscription Period of the Bonds, (iii) the daily changes in the level of the interest rate and of credit spread of the Issuer, (iv) the level of investors’ demand for Bonds as recorded daily by the Joint Lead Manager, and (v) the occurrence or not of certain events during the Subscription Period of the Bonds which enabled the Issuer and/or the Joint Lead Manager

to proceed to an early closure of the Subscription Period or not proceed with the Bond Issue in accordance with Section 10.2 entitled “*Conditions of the Bond Issue*”.

The total amount of the Bond Issue was notified as soon as possible after the end of the Subscription Period.

10.6 Date and payment details

The payment of the Issue Price of the Bonds occurs on the Issue Date, which is 28 May 2014. Payment can only occur by means of debiting a current account.

On the Issue Date, the Clearing System credits the securities account designated by the Agent with the total amount of issued Bonds, in accordance with the Clearing System Regulations or the rules of the Alternative Clearing System.

The same day, the Agent credits the accounts of each participant to the Clearing System with the amount of Bonds subscribed (by their intermediary) by the investors for subsequent distribution, in accordance with the NBB System Rules or the rules of the Alternative Clearing System.

10.7 Fees incurred by the investors

No tax on stock exchange transactions was due for the subscription on the primary market.

Expenses and taxes incurred by the subscribers or purchasers of Bonds included:

- (i) registration and custody fees of Bonds on securities account, incurred by the subscribers (it being understood that the normal rate in effect at Bank Degroof NV/SA and Belfius Bank NV/SA will be applicable); and
- (ii) the tax on stock exchange transactions other than the initial subscription: 0.09% with a maximum of EUR 650 per transaction and per party (see Section 9.2.3 of the Securities Note entitled “*Belgian taxation on stock exchange transactions*”).

10.8 Financial service

The financial service will be provided free of charge by the Agent. Investors should inform themselves about the costs other financial institutions may charge for these transactions.

In addition, the Bondholders, in exercising their right to demand early redemption of the Bonds in the event of a Change of Control (pursuant to Condition 5.6.3 “*Optional Redemption upon a Change of Control*”) or upon the occurrence of an Event of Default (pursuant to Condition 5.9) through a financial intermediary (other than the Agent), may incur additional fees and expenses charged by such financial intermediary.

10.9 Early closing and allocation of the Bonds

Early closing of the Subscription Period could occur at any time as from the first day (including during the day) of the Subscription Period. In the event of early closing, the investors were informed of the date and time of such early closing by the Joint Lead Managers or the financial intermediary through which they have introduced their demand in accordance with the arrangements in place between parties.

The Subscription Period was closed early by the Issuer with the approval of the Joint Lead Managers on 20 May 2014, since the nominal amount of the Bonds reached EUR 30,000,000.

The investors were informed of the number of Bonds that were assigned to them on 20 May 2014. In general, investors' attention was drawn to the fact that it was possible, in case of oversubscription, that they did not obtain the full amount to which they had subscribed to and that their subscription would in this case be reduced.

10.10 Results of the Bond Issue

The results of the Bond Issue (including the net proceeds of the Bonds) were notified to the investors on 20 May 2014, by the Joint Lead Managers or by the financial intermediary through which the investors have introduced their demand in accordance with the arrangements in place between parties.

10.11 Bond Issue timetable

The main steps of the timetable of the Bond Issue were as follows:

- 20 May 2014, 9:00 (CET): opening of the Subscription Period;
- 23 May 2014 16:00 (CET): closing of the Subscription Period (unless in case of early closing);
- As soon as possible and at the latest on 23 May 2014 or, if applicable, after the early closing: notification of the results of the Bond Issue to the investors;
- 28 May 2014: Issue Date of the Bonds;
- 28 May 2014: Payment of the Issue Price.

The dates and times of the Bond Issue and the periods mentioned in the above timetable and in the Private Placement Memorandum were subject to change. If the Issuer was to decide to change the dates, times and periods, the Issuer would have informed the investors.

10.12 Costs

Investors should inform themselves about the ancillary or related costs the financial intermediaries, via which they have subscribed the Bonds, charge for these transactions.

10.13 Transfer of the Bonds

Subject to the application of regulations regarding transferability of securities and to compliance with any restriction applicable to the Bond Issue, the Bonds are freely transferable.

10.14 Selling restrictions

10.14.1 General

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

10.14.2 European Economic Area

The offering of the Bonds in any member state of the European Economic Area which has implemented the Directive 2003/71/EC of the European Parliament and the Council of 4 November

2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (the “**Prospectus Directive**”), as amended by Directive 2010/73/EU, is made through a private placement and does not qualify as a public offering, in the meaning of the Prospectus Directive, since the Bonds have a denomination of EUR 100,000 per Bond.

10.14.3 United Kingdom

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

10.14.4 United States

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

In addition, until 40 days after the commencement of the offering, an offer or sale of the Bonds within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

11 GENERAL INFORMATION

- (a) Application has been made for the Bonds to be listed as from the Issue Date on Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels as from the Issue Date. Bank Degroof NV/SA has been appointed as listing agent for that purpose.
- (b) The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the Bond Issue. The Bond Issue was authorised by resolutions passed by the Board of Directors of Montea Management NV, the statutory director of the Issuer, on 12 May 2014.
- (c) There has been no significant change in the financial or trading position of the Issuer since 31 December 2013 and no material adverse change in the prospects of the Issuer since 31 December 2013. The Issuer has published its quarterly report (Interim statement from 01/01/2014 to 31/03/2014 on 15 May 2014. It is available on the Issuers website: http://www.montea.com/sites/montea/files/docs/news/press_release_31-03-2014.pdf.
- (d) The Issuer, in view of its status as a *vastgoedbevak/sicafi*, is currently classified under Belgian law as a "collective investment undertaking". It will therefore be considered as an "alternative investment fund" under the AIFMD, which will be implemented in Belgium by the AIFM Law. The statutory director of the Issuer proposes to apply for the regulatory accreditation as a *Openbare Gereguleerde Vastgoedvennootschap / Société Immobilière Réglementée Publique* as provided for by the Bill of Parliament DOC 53 n° 3497/001 voted into law on 22 April 2014 *Wet op de gereguleerde vastgoedvennootschappen / Loi relative aux sociétés immobilières réglementées*.
- (e) The Bonds have been accepted for clearance through the clearing system of the National Bank of Belgium. The Common Code of the Bonds is 107080813. The International Securities Identification Number (ISIN) of the Bonds is BE0002214808. The address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels.
- (f) During the life of the Bonds, copies of the following documents will be available, during usual business hours (08.30 am – 05.00 pm) on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer,
 - a. the Articles of Association of the Issuer;
 - b. the annual report and audited financial statements of the Issuer for the years ended 31 December 2011, 31 December 2012 and 31 December 2013, together with the related audit reports;
 - c. the annual reports that will be published before the Maturity Date;
 - d. a copy of the Prospectus (Registration Document and Securities Note);
 - e. a copy of the Agency Agreement and the Clearing Agreement; and
 - f. all reports, letters and other documents, balance sheets, valuations or statements by any expert any part of which is included or referred to in the Prospectus.
- (g) The statutory auditor of the Issuer, Ernst & Young Bedrijfsrevisoren/Réviseurs d'Entreprises (having its registered office at 1831 Diegem, Belgium, De Kleetlaan 2), represented by Christel Weymeersch, a member of the "*Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*", has audited, and rendered unqualified audit reports on the consolidated annual financial statements for the years ended 31 December 2011, 31 December 2012 and 31 December 2013.
- (h) No rating has been assigned to the Issuer or the Bonds.

SCHEDULE 1: EARLY REDEMPTION REQUEST NOTICE FORM

IMPORTANT : this notice should not be sent directly to the Issuer or to the Agent, but should be sent instead by the Bondholder to the financial intermediary through which it holds its Bonds (the « Financial Intermediary »), pursuant to Condition 5.6.3 (i) of the Securities Note (Redemption upon a Change of Control of the Issuer).

The Financial Intermediary will be responsible for sending this notice to the Agent at the following address:

Bank Degroof (The Agent)
Corporate Action Service
44 rue de l'Industrie
B-1040 Brussels
Fax : +32.(0)2.233.91.05
E-mail : corpack@degroof.be

Montea Comm. VA.
Industrielaan 27
B-9320 Erembodegem

Minimum EUR 30,000,000

3.355 per cent. Bonds due 28 May 2021

(issued in the denomination of EUR 100,000 and as described in the Prospectus date 20 May 2014)
ISIN Code BE0002214808

By returning this Early Redemption Request Notice duly completed to the Financial Intermediary in order to have it transmitted by the latter to the Agent of the above-mentioned Bonds, the undersigned Bondholder irrevocably exercises his right of early redemption of the Bonds in accordance with Condition 5.6.3 of the Securities Note "*Redemption upon a Change of Control of the Issuer*", for a total nominal amount of EUR _____⁶ on the Early Redemption Date falling on _____⁷

The undersigned Bondholder hereby confirms (i) that he/she holds the amount of Bonds as mentioned above and (ii) that he/she agrees not to sell or transfer such amount of Bonds before the Early Redemption Date.

Coordinates of the Bondholder requesting an early redemption⁸ :

Name and first name or Company: _____
Address: _____
Telephone number: _____

Payment instructions⁹ :

Please carry out the payment relating to the Bonds as mentioned above by transfer on the following bank account :

⁶ Please specify the relevant amount.

⁷ Please complete as appropriate

⁸ Please specify the coordinates

⁹ Please specify the instructions

Name of the bank: _____
Address of the branch: _____
Account number: _____

The undersigned Bondholder confirms that payment in respect of the Redeemed Bonds shall be made against debit of his/her securities account number _____ [NUMBER] with _____ [NAME AND ADDRESS OF BANK] for the above-mentioned nominal amount of the Bonds in dematerialised form.

All notices and communications relating to this Early Redemption Request Notice Form should be sent to the address specified above.

Terms used and not otherwise defined in this Early Redemption Request Notice Form have the meanings given to them in the Terms and Conditions of the Bonds.

Signature of the Bondholder: _____ Date of the signature: _____

REMARK : The Agent can under no circumstances be held liable towards any Bondholder or any other person in case of loss or damage resulting from an act, default or omission of such Agent in respect of those Bonds as long as this loss or damage does not result from an act of fraud or negligence of the Agent.

This Early Redemption Request Notice is not valid (i) if all the paragraphs to be completed are not duly completed and (ii) if it is not duly signed and sent. Once duly sent, this Early Redemption Request Notice is irrevocable.

Bondholders are advised to check with the relevant Financial Intermediary when such Financial Intermediary would require to receive the completed Early Redemption Request Notice to arrange to deliver the Early Redemption Request Notice and the Bonds to be redeemed to the account of the Agent for the account of the Issuer by the relevant Early Redemption Date.