



Vesteda Finance B.V.

(Incorporated with limited liability in The Netherlands with its statutory seat in Amsterdam)

€2,500,000,000

Guaranteed Euro Medium Term Note Programme

Under the guaranteed euro medium term note programme (the **Programme**) described in this base prospectus (the **Prospectus**), Vesteda Finance B.V. (the **Issuer**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Guaranteed Euro Medium Term Notes (the **Notes**) guaranteed by Custodian Vesteda Fund I B.V. (the **Guarantee** and the **Guarantor** respectively). The expression "Guarantor" shall include each additional person who becomes a Guarantor pursuant to a deed of guarantee originally dated 3 July 2014 as most recently amended and restated on 30 June 2020 (the **Deed of Guarantee**). The aggregate nominal amount of Notes outstanding will not at any time exceed €2,500,000,000 (or the equivalent in other currencies).

This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the **AFM**) in its capacity as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor that are the subject of this Prospectus and of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The period of validity of this Prospectus is up to (and including) 12 months from the date of the approval of this Prospectus and shall expire on 30 June 2021, at the latest. This Prospectus (as may be supplemented from time to time) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA) or in the United Kingdom (the UK). The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

Application may be made to Euronext Amsterdam N.V. (**Euronext**) for Notes issued under the Programme to be listed on Euronext in Amsterdam (**Euronext Amsterdam**).

References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been listed and admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**). However, unlisted Notes may also be issued pursuant to the Programme and application may be made to other exchanges for Notes issued under the Programme to be listed on such other exchanges provided that, in the case of a listing on a regulated market, a prospectus supplement or individual (drawdown or base) prospectus is published. The relevant Final Terms (as defined in "*Overview of the Programme – Method of Issue*") in respect of the issue of any Notes will specify whether or not an application will be made for such Notes to be listed on Euronext Amsterdam or on any other exchange.

Each Series (as defined in "*Overview of the Programme – Method of Issue*") of Notes will be in bearer form and will be represented on issue by a temporary global note in bearer form (each a **Temporary Global Note**) or a permanent global note in bearer form (each a **Permanent Global Note**). If the Global Notes (as defined in "*Overview of the Programme – Method of Issue*") are stated in the relevant Final Terms to be issued in new global note (**NGN**) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche (as defined in "*Overview of the Programme – Method of Issue*") to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**).

Global notes which are not issued in NGN form (**Classic Global Notes** or **CGNs**) will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the **Common Depositary**).

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

Tranches of Notes (as defined in "*Overview of the Programme – Method of Issue*") to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the **CRA Regulation**) will be disclosed in the relevant Final Terms.

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

All investments in the Notes issued under the Programme involves risks. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus.

Amounts payable on Notes may be calculated by reference to LIBOR or EURIBOR as specified in the relevant Final Terms. As at the date of this Prospectus, ICE Benchmark Administration Limited (**IBA**), as the administrator of LIBOR, and the European Money Markets Institute (**EMMI**), as the administrator of EURIBOR, are included in the European Securities and Markets Authority's (**ESMA**) register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmark Regulation**). If a benchmark (other than EURIBOR or LIBOR) is specified in the relevant Final Terms, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Prospectus or any relevant Final Terms to reflect any change in the registration status of the administrator.

This Prospectus is issued in replacement of an earlier prospectus relating to the Programme dated 7 May 2019.

Arranger for the Programme
Rabobank

	Dealers	
ABN AMRO	BNP PARIBAS	Rabobank

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OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any information incorporated by reference.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this overview.

Issuer:	Vesteda Finance B.V., a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of The Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Amsterdam, The Netherlands and its registered office at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands and registered with the Commercial Register (<i>Handelsregister</i>) of the Chamber of Commerce under number 55723322 (the Issuer).
Issuer Legal Entity Identifier (LEI):	72450072M9HBDGD2GH67
Guarantor:	Custodian Vesteda Fund I B.V., a private company with limited liability (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of The Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Amsterdam, The Netherlands and its registered office at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands and registered with the Commercial Register (<i>Handelsregister</i>) of the Chamber of Commerce under number 56605838 (the Guarantor).
Guarantor Legal Entity Identifier (LEI):	724500YVNMNZMZFQUO84
Fund:	Vesteda Residential Fund, a fund for the joint account of the participants (<i>fonds voor gemene rekening</i>).
Vesteda or Vesteda Group:	The Fund, Stichting DRF I, any Fund Entity, Stichting Administratiekantoor Vesteda, the Issuer, Vesteda Investment Management B.V., Vesteda Project Development B.V., Vesteda Services B.V., the Guarantor and their Subsidiaries for the time being.
Description:	Guaranteed Euro Medium Term Note Programme.
Risk Factors:	There are certain factors that may affect the ability of the Issuer and the Guarantor to fulfil their respective obligations under Notes issued under the Programme. These risks relate to the following (A) Fund risks, (B) Portfolio risks, (C) Business & Organisation risks, (D) Financial risks and (E) Legal and Regulatory risks and certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. See " <i>Risk Factors</i> ".

Arranger:	Coöperatieve Rabobank U.A.
Dealers:	ABN AMRO Bank N.V., BNP Paribas and Coöperatieve Rabobank U.A. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
Fiscal Agent:	BNP Paribas Securities Services, Luxembourg branch.
Paying Agent:	BNP Paribas Securities Services, Luxembourg branch.
Listing Agent:	BNP Paribas Securities Services, Amsterdam branch.
Listing and Trading:	Applications have been made to Euronext Amsterdam N.V. for the Notes to be admitted during the period of twelve months after the date hereof to listing and trading on Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V. The Notes may also be listed on further stock exchange(s) and/or markets as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series. Notes issued under the Programme may also be unlisted. The relevant Final Terms will state whether the relevant Notes are to be listed, quoted and/or traded and, if so, on or by which competent listing authority(ies) or stock exchange(s) and/or quotation system(s).
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or any other clearing system as may be specified in the relevant Final Terms.
Programme Size:	Up to €2,500,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a Series) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a Tranche) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the Final Terms).
Issuance in Series:	The Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to

identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Forms of Notes:

Notes may only be issued in bearer form.

Each Tranche of bearer Notes will (unless otherwise specified in the relevant Final Terms) initially be represented by a Temporary Global Note.

Each Temporary Global Note (i) which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the relevant Issue Date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg or (ii) which is not intended to be issued in NGN form may be deposited on or around the relevant Issue Date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or for any other agreed clearing system. A Temporary Global Note will be exchangeable as described therein for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. A Permanent Global Note is exchangeable for Definitive Notes in accordance with its terms, all as described in "*Form of Notes*" below.

Specified Currencies:

Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the relevant Final Terms).

Status of the Notes:

The Notes will constitute unsecured and unsubordinated obligations of the Issuer, and will rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for any obligations preferred by a mandatory operation of applicable law.

Status of the Guarantee:

The Notes will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated basis.

Issue Price:

Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Maturities:

Any maturity as may be agreed between the Issuer and the relevant Dealer(s) of not less than one year, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Redemption:

Notes may be redeemable at par or at such other Redemption Amount (as defined in "*Terms and Conditions of the Notes*") (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.

Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in " <i>Optional Redemption</i> " above, early redemption will only be permitted for tax reasons as described in Condition 9 (<i>Redemption and Purchase - Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Final Terms, save that Notes which are to be admitted to trading on a regulated market within the EEA or the UK, or a specific segment of a regulated market within the EEA or the UK to which only qualified investors (as defined in the Prospectus Regulation) have access or offered to the public in a Member State of the EEA or the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation will be issued with a minimum denomination of €100,000 or its equivalent in another currency.
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (<i>Covenants</i>).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 12 (<i>Events of Default</i>).
Taxation:	All payments in respect of the Notes will be made without withholding or deduction of taxes imposed by The Netherlands or any political subdivision therein or any authority therein or thereof having power to, subject to certain exemptions. In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances (including but not limited to any FATCA withholding), be required to pay additional amounts to cover the amounts so deducted or, if the Issuer elects, it may redeem the Series affected.
Governing Law:	Dutch law.
Ratings:	Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or in the UK and registered (or which has applied for registration and not been refused) under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA or in the UK but will be endorsed by a CRA which is established in the EEA or in the UK and

registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or in the UK but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK but is endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK which is certified under the CRA Regulation.

Selling Restrictions:

There are selling restrictions in relation to the United States, the EEA, the United Kingdom, France, Japan, The Netherlands and Belgium and such other restrictions as may apply in connection with the offering and sale of a particular Tranche or Series. See "*Subscription and Sale*".

Distribution:

Notes may be distributed outside the United States to persons other than U.S. persons (as such terms are defined in Regulation S under the Securities Act) by way of private or public placement and in each case on a syndicated or non-syndicated basis.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due in respect of the Notes. The Issuer and the Guarantor have identified in this Prospectus the risk factors which could materially adversely affect their businesses and ability to make payments due under the Notes. In addition, factors which are material for the purpose of assessing the risks associated with Notes issued under the Programme are also described below.

The Issuer and the Guarantor believe that the factors described below represent the material risks currently deemed to be inherent in investing in Notes issued under the Programme, but the inability of the Issuer and the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons currently unknown and/or for the reason that the Issuer and the Guarantor deem other risks, events, facts or circumstances not included in the Prospectus to be immaterial, although they could, individually or cumulatively, prove to be important and may have a significant negative impact on the Issuer, the Guarantor and/or the Notes. Accordingly, the Issuer and the Guarantor do not represent that the statements below regarding the risks of investing in any Notes are exhaustive.

Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's and the Guarantor's business, financial condition, results of operations and prospects. The Issuer and the Guarantor may face a number of these risks described below simultaneously and some risks described below may be interdependent. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

Prospective investors should carefully review the entire Prospectus and should reach their own views before making any decision on the merits and risks of investing in the Notes. Prospective investors should consult their financial, legal and tax advisers to carefully review and assess the risks associated with an investment in the Notes issued and consider such an investment decision in the context of the investor's personal circumstances.

RISK FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES OR THE GUARANTOR'S OBLIGATIONS UNDER THE GUARANTEE

A. Fund Risks

The Issuer / Guarantor structure makes that the Issuer is dependent on the ability of the performance of the Fund and the ability of the Fund entities to meet their payment obligations

The Issuer is dependent on the basis set out below on the Guarantor and other entities of the Vesteda Residential Fund, an open-ended fund for the joint account of the participants (*fonds voor gemene rekening*) under Dutch law (the **Fund**).

The Issuer acts as financing company of the Fund and the principal activity of the Issuer is the provision of loans to entities of the Fund (including the Guarantor), which the Issuer finances with funds acquired from capital markets transactions and bank loans.

The assets of the Issuer mainly consist of receivables owed by entities within the Vesteda Group. The ongoing business activities of the Issuer therefor depend on the ability of the Guarantor and other companies of the Fund to

fulfill their payment obligations vis-à-vis the Issuer or the obligation to assume losses. If individual or all entities of the Fund were unable to meet their payment obligations to the Issuer in due time, this could considerably impair the ability of the Issuer to meet its obligations arising from the Notes towards the Noteholders.

Redemption requests may lead to the sale of Fund assets at a loss

The participants of the Fund have, subject to certain conditions as set out in the terms and conditions of the Fund (the **Fund Terms and Conditions**), the possibility to issue requests to redeem participation rights in the Fund. Also, once in every seven years, the Fund is subject to the “liquidity review” by the participants of the Fund. In February 2026, the Fund will be subject to the next liquidity review. The liquidity review triggers the mechanism by which participants are given the opportunity to re-evaluate their respective participations in the Fund and to indicate if and to what extent they would like to redeem all or a portion of their participation rights or increase the number of their participation rights. If the majority of participants decide that they would like to have all their participation rights redeemed, the manager of the Fund must draw up a liquidity plan, which may include the sale of Fund assets and/or the eventual liquidation of the Fund. In addition, a liquidity period may be triggered which, amongst others, may prevent the manager of the Fund to make new investments or deleverage.

It is possible that the Fund incurs losses if it has to sell its assets to meet redemption requests of its participants as set out above. In particular, this could be the case if redemptions are large, occur during volatile market periods, at a time when the Fund’s assets have declined in value, or if the underlying assets to be sold have become undesirable or illiquid this could have material adverse effects on the Fund’s net assets, financial condition, cash flow, and results of operations and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Distributions to participants of the Fund may adversely affect the ability of the Issuer and Guarantor to meet all their respective obligations under the Notes

Subject to the retention of reserves as reasonably deemed necessary to meet the current and anticipated expenses of the Fund, including payments of principal and interest on any outstanding indebtedness (a) all the realised result less the result on property sales allocated for distribution *shall* be distributed to the Participants pro rata their respective participation rights in the Fund and (b) sale proceeds from disposals of Properties (the **Properties**, each a **Property** and together, as the context may require, the **Portfolio**) *may* be distributed to the Participants pro rata their respective participation rights in the Fund. Despite aforementioned restrictions, there can be no assurance that the making of such payments will not adversely affect the ability of the Issuer and Guarantor to meet all their respective obligations under the Notes.

B. Portfolio Risks

The strategy of the Fund may be based on inappropriate assumptions, resulting in lower (in)direct return

The Fund is, among others, dependent on demographic and economic developments in The Netherlands and on its ability to adapt its strategy and activities to these developments. As such, the strategy of the Fund is based on certain assumptions relating to, *inter alia*, economic conditions, market for rental properties, and demographic conditions in The Netherlands. Although the Fund has no reason to believe that these assumptions are inappropriate, it cannot be excluded that these assumptions turn out to be incorrect. For example, targeted rent increases may not be implemented as planned due to a lack of tenants who are willing or able to pay increased rents, or vacancy rates may increase, for example due to unfavourable demographic or economic developments. Also, the Portfolio may not meet market demands (or the Fund is slower than its competition to meet market demands) in terms of type of property or location. All these factors could result in Properties not developing as favourably as expected, having an impact on, among others, the rental income available to the Fund and the value of its Properties, which could have a material adverse effect on the Fund’s business, net assets, financial condition, cash flow, and results of operations, and could

eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

The return of the Fund can be adversely affected by negative economic and market developments in the Netherlands

The Fund invests primarily in residential real estate and, to a lesser extent, in commercial real estate solely in the Netherlands. As a result, the whole property portfolio of the Fund may be impacted by economic and other factors specifically affecting the real estate market in The Netherlands and in the regional sub-markets where its Properties are located. Rental revenues and occupancy rates, (maintenance) costs and valuations are sensitive to such factors which can sometimes result in rapid, substantial increases and decreases in rental and valuation levels. Such factors may include general economic climate, local conditions such as an oversupply of space, a reduction in demand for residential property in an area, competition from other available space or increased operating costs, political developments, government regulations and changes in planning laws or policies or tax laws, interest rate levels, inflation, wage rates, levels of employment and the availability of consumer credit. If one or more of these macro-economic indicators develop negatively from the Fund's perspective, this could have material adverse effects on the Fund's business, net assets, financial condition, cash flow, and results of operations and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Aforementioned factors may differ from those affecting the real estate markets in other European countries. Due to the relatively concentrated nature of the Fund's Properties, a number of them could experience any of the same conditions at the same time. If real estate conditions in The Netherlands decline relative to real estate conditions in other regions, the Fund's cash flows, operating results and financial condition may be more adversely affected than those of companies that have more geographically diversified portfolios of properties, and this could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

The return of the Fund can be adversely affected by climate developments in the Netherlands

Due to the changing climate, physical climate risks such as frequent droughts, extreme rainfall and rising water levels may become a reality. The physical climate risks have an impact on the liveability the Fund's Properties but also on the Portfolio as an investment. Whilst the Fund aims to gain more insight into the physical climate risks for its Portfolio and aims to use these insights to develop a policy in this respect to evaluate new acquisitions and to mitigate and/or reduce the risks to its existing Portfolio, these insights may be faulty or the measures may be ineffective. This could result in Properties not developing as favourably as expected or the incurrence of additional costs, having an impact on, among others, the rental income available to the Fund and the value of its Properties, which could have a material adverse effect on the Fund's business, net assets, financial condition, cash flow, and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

The COVID-19 outbreak and subsequent governmental measures may impact the Fund's (in)direct returns in the short and long term

In Q1 2020, the first confirmed cases of COVID-19 in China, spiralled into a pandemic and global lockdown of millions of people. In March 2020, the Dutch government announced measures to prevent further spreading of the virus, including a partial lockdown. The Dutch government also announced an economic rescue package, worth 10 to 20 billion euros, to save jobs, incomes and companies.

The Fund has expressed its commitment that it (i) will not evict tenants, (ii) will not charge them collection costs and (iii) will extend temporary leases. The Fund also offers a custom solution to all (residential and commercial space) tenants with immediate financial problems, providing extra flexibility in terms of payment arrangements.

In terms of the annual rent increase effective 1 July 2020, Vesteda follows the advice of the Dutch Association of Institutional Investors (IVBN) to maximize the annual rent increase to CPI + max 1%. In addition, it will cap the rent increase for the regulated segment to CPI only. These measures may impact the Fund's direct returns.

Given the current situation and in particular because a number of foreign construction and maintenance workers have returned to their home countries, the Fund is in continuous discussions to rearrange and reschedule planned maintenance and construction projects. Most of the inside work is postponed and replaced by outside construction and maintenance work, that was initially planned for later this year. However, depending on the duration of the partial lockdown and the mid-to long-term macro-economic effects, delays in construction and maintenance work may occur which may impact the Fund's business, net assets, financial condition, cash flow, results of operations and sustainability goals.

At the date of this Prospectus, it is uncertain what the long-term effects of the pandemic and subsequent partial lockdown will be on the Dutch economy and the Dutch real estate market in particular. The impact will depend on whether the economy is able to make a fast recovery or will tumble into a recession. Reference is made to risk factor "*The return of the Fund can be adversely affected by negative economic and market developments in the Netherlands*" wherein the potential impact of macro-economic developments is described.

Furthermore, COVID-19 may result in higher costs for tenant turnover and higher frictional vacancy, especially in the higher rental segment and commercial spaces. In addition, outstanding receivables and loss of rent may become higher and the value of the assets may be negatively impacted which could have a material adverse effect on the Fund's business, net assets, financial condition, cash flow, and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

The return of the Fund can decrease due to negative developments in the valuation of the Portfolio

The valuation of the Portfolio of the Fund depends on various factors. These include: change of interest rates, market deterioration or unfavourable development of the (projected) rent levels or vacancy rates. In addition to this, a yield shift due a changed market perception of the risk profile of the asset class real estate may also have a negative impact on the valuation of Properties.

Valuations of the Portfolio are executed by external appraisers and express the professional opinion of the relevant appraisers on the relevant Property and are not guarantees of present or future value in respect of such Property. Moreover, valuations seek to establish the amount that a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the existing Property owner.

In case any of the abovementioned factors change or in case an external appraiser overvalues a Property, the Fund may need to adjust the current Fair Values of its investment Properties and/or pipeline developments as recorded in the Fund's balance sheet and recognise significant losses. This would have significant negative effects on its net asset value and loan to value-ratio and could have a material adverse effect on the Fund's assets, financial condition and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Limited liquidity in the Dutch real estate market can affect the Fund's financial position

As part of its strategy, the Fund aims to acquire turnkey projects and, on occasion, property portfolios which fit within its existing Property portfolio and its current management platform, and which the Fund believes might improve the quality of its Property portfolio, contribute to MSCI outperformance and ensure a stable rental growth.

However, the availability of real estate projects might be limited, for example due to increase building costs, fewer sales of real estate properties by housing corporations and developers. As a result, the restricted supply could increase competition for acquisitions that would be suitable for the Fund and result in the prices of residential properties on the Dutch market to increase. As a consequence of these factors, the Fund could be forced to pay higher prices or could only be able to acquire fewer (if any) properties. Furthermore, the Fund's acquisition of additional property projects can be financed by taking on additional debt or by issuing and offering new participations in the Fund, or by a combination thereof. If the Fund is unable to obtain the necessary capital on reasonable terms, it may be unable to make further acquisitions, or may be able to do so only to a limited extent.

The real estate market, in which the Fund invests and operates, is characterised by limited liquidity. The Fund's general ability to sell parts of its real estate portfolio depends on the state of investment markets and on market liquidity. If the Fund were required to sell parts of its real estate portfolio, including for the purpose of raising cash to support its operations, there is no guarantee that the Fund would be able to sell such parts of its portfolio on favourable terms or at all. As such, deterioration of market circumstances may have a negative impact on the volume of sales transactions and therefore adversely impact revenue from sales from disposals and the result on disposals, which could be utilized to support its operations. In addition to this, price erosion of prices for residential properties could adversely impact revenue from sales from disposals and the result on disposals. Furthermore, the Fund is continuously seeking to optimise its portfolio. If there is a deterioration of market circumstances, this may have an effect on the Fund's ability to enter into sales transactions that could help to enhance the portfolio.

In case the Fund cannot acquire or dispose of real estate projects in accordance with its strategic targets, this could have a material adverse effect on the Fund's rental growth, assets, financial condition and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Not meeting sustainability goals for the Portfolio could negatively impact the Fund

The Fund sees Corporate Sustainability and Social Responsibility (**CSSR**) as vitally important for the long-term value development of its Portfolio, the organisation as a whole and the society in which the Fund operates. In the Fund's view, its efforts in the field of CSSR improve and strengthen the Fund, both directly and indirectly, contribute to the Fund's returns on investments, enable the Fund to attract funding in the financial markets and create value for all its stakeholders. The Fund's investors are also putting more emphasis on the sustainability of their investments. As a result, the Fund has set clear and ambitious CSSR targets for its Portfolio, including a target for the Global Real Estate Sustainability Benchmark (**GRESB**) benchmark score, which are an integral part of the business plan and are therefore firmly embedded in the Fund's business operations. Investors are also embracing other goals and initiatives, such as the United Nation's Sustainable Development Goals and the United Nation's Principles for Responsible Investment.

The Fund's inability to achieve the CSSR targets for its Portfolio or its inability to meet other sustainable development and investment goals may lead to participants reassessing their investment in the Fund and redeeming their participation rights or to the Fund being unable to attract certain financing (e.g. green bonds), in the financial markets. These events could have a material adverse effect on the Fund's assets, financial condition and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

The age of the Portfolio may result in extra maintenance costs

The Properties owned by the Fund have an average age of approximately 28 years (age of the buildings as of 31 December 2019 weighted by market value) which may lead to additional need for expensive maintenance and modernisation measures. The projected cost of such measures is based on the assumption that the required permits are issued promptly and in accordance with the Fund's plans. It is possible, however, that the required permits for

such measures will not always be issued promptly. If such permits are not issued promptly, or are issued only subject to conditions, substantial delays in addressing the concerns can occur and can result in costs exceeding those projected and reduce rental income for the relevant Properties. This could have material adverse effects on the Fund's net assets, financial condition, cash flow, and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

C. Business & Organisation Risks

A decrease in quality of property management may impact the (un)realised result of the Fund

Pursuant to the terms and conditions of the Fund (the **Fund Terms and Conditions**) Vesteda Investment Management B.V. acts as fund manager of the Fund (the **Fund Manager**). The Fund Manager is *inter alia* responsible for day-to-day operations in relation to the Portfolio, which includes signing leases with tenants and maintaining the individual Properties. The net cash flow realised from the Properties may be affected by decisions made by the Fund Manager in light hereof, as costs for maintenance may be higher than budgeted or rental income may be lower than budgeted due to disappointing reletting rates. Approximately 6000 units were managed by external property managers, (this regards a portfolio that was acquired in 2018, external management of which was phased out over the course of 2019/2020). Whilst the Fund Manager, and the former external property managers are experienced in managing residential property, decisions regarding, for example, the sale of Properties, maintenance / sustainability investments in Properties, the acceptance of tenants, taken by them in past or in the future could adversely affect the value and/or cash flows of the Properties which could have material adverse effects on the Fund's net assets, financial condition, cash flow, and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Competition can impact income and valuation

The Fund is one of the largest private residential funds in The Netherlands, acquiring, developing, managing, letting and selling residential properties currently located in The Netherlands. In the low-rent sector and medium-rent sector, the housing associations are the largest landlords in The Netherlands, having social and community mandates. However, the Properties fall predominantly in the medium to high-rent sector. The Fund's market share in the medium to high-rent sector was approximately 3 per cent. as at 31 December 2019 (Source: CBS, Capital Value, 2020). An increase in competition from other residential funds, family offices or private landlords in the field of, for example, rent prices and/or service levels could, for example, have an impact on vacancy levels and thus the rental income available to the Fund and the value of its Properties, which could have a material adverse effect on the Fund's business, net assets, financial condition, cash flow, and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

The quality of the Fund's acquisitions may impact the (in)direct result of the Fund

The Fund may from time to time enter into turnkey purchase agreements combined with multi-party agreements and turnkey development and building agreements with third parties, possibly combined with a forward funding mechanism. No assurance can be given that the services under such agreements will be rendered in a timely manner or that their quality will comply with the Fund's requirements. Moreover, certain contractors may experience operational or solvency issues and certain services may become unavailable to the Fund as a result. The risk of such insolvency similarly increases the risk of the Fund being unable to recover costs in relation to any future latent defects subject to repair covenants given by the Fund to tenants, to the extent that such costs are not otherwise covered by latent defect insurance. The Fund may also be required to provide forward funding to its contractual counterparties,

giving rise to the risk associated with amounts being paid by the Fund before performance by the Fund's counterparties is complete. The Fund seeks to mitigate the aforementioned risks by, amongst others, screening third parties in order to enter into such agreements only with reputable, solvent and well-managed third parties, requiring such third parties to provide security rights (including guarantees and warranties) in respect of their performance under the agreements for the benefit of the Fund and requiring completion and repair guarantees (*afbouw- en herstelgarantie*) from reputable third-party insurance providers (such as Woningborg N.V.), or having the land component on which property will be developed transferred to the Fund upon the provision of forward funding by the Fund. The Fund has also entered into a framework agreement with Vesteda Project Development B.V. to cover the Fund's outstanding exposure in certain circumstances.

Nevertheless, and despite these mitigation strategies, any failures by such third parties may result in delays and additional expenses for the Fund which could have material adverse effects on the Fund's net assets, financial condition, cash flow, and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Furthermore, the Fund may not at all times be able to conduct a full due diligence on the properties, entities or companies in question. Accordingly, the Fund may not be in a position to examine whether the original owners of the properties, and/or the properties themselves, have obtained all required permits for new buildings, satisfied all permit conditions, received all necessary licenses and fire, health and safety certificates, or satisfied all comparable requirements. In addition, the properties may suffer from hidden defects, such as contamination, and may thus require significant modernisation investments. Accordingly, in the course of the acquisition of companies or residential and other property portfolios, specific risks may not be, or might not have been, recognised or evaluated correctly. Thus, legal and/or economic liabilities may be, or might have been, overlooked or misjudged. Although sellers typically make various warranties in purchase agreements that the Fund enters into in connection with such property acquisitions, it is possible that these warranties do not cover all risks or that they fail to cover such risks sufficiently. Additionally, a warranty made by a seller may be unenforceable and warranty claims may be unrecoverable due to the seller's insolvency or for other reasons.

The occurrence of any of these risks could have material adverse effects on the Fund's business, net assets, financial condition, cash flow, and results of operations and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Partially owned properties may be more difficult to manage and could lead to future costs

As part of its business strategy, the Fund selectively sells individual residential units to owner occupants or small capital investors in single unit sales. In general, individual residential units can be sold at a premium compared to bulk sales of residential properties and at prices exceeding their fair value (the **Fair Value**). In executing these sales, the Fund sells individual units but not necessarily all units within a building.

Management of partially sold Properties may require greater administrative resources than the management of units in Properties that are entirely owned by the Fund. For example, owners of units in a residential property may decide on measures which concern the Property as a whole by majority vote at the unit owner's assembly. If the Fund sells only individual units in a Property it currently owns, it may lose its ability to control decision making and could be forced to comply with decisions passed by a majority of the owners of other units in the relevant Property with respect to property management, such as the performance of maintenance and modernisation, which could be economically impractical and might result in the incurrence of additional costs. Since the Fund would have to bear a proportionate share of these costs, this could adversely affect the Fund's profitability, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

The Properties could be damaged and not all damage is covered by insurance

A Property can be damaged or cause damage due to various circumstances, such as fire or storms. In addition, some of the Fund's properties are located in areas with a risk of catastrophic events, such as earthquakes and flooding. The Portfolio is insured against losses due to fire and specified other risks. In addition, the Fund has a liability insurance. However, the applicable insurance policies are subject to exclusions and limitations of liability. Certain types of risks and losses (for example, losses resulting from terrorism) are normally not covered. Other types of risks and losses may become either uninsurable or not economically insurable or are not covered by the insurance policies. The Fund may, therefore, have limited or no coverage for losses that are excluded or that exceed the respective coverage limitations.

In addition, the Fund's insurance providers could become insolvent. Should an uninsured loss or a loss in excess of the Fund's insurance limits occur, the Fund could lose capital invested in the affected Property as well as anticipated income and capital appreciation from that Property. Moreover, the Fund may incur further costs to repair damage caused by uninsured risks. The Fund could also be held liable for any debt or other financial obligation related to such a Property. Thus, the Fund may experience material losses in excess of insurance proceeds, which could have a material adverse effect on the Fund's business, net assets, financial condition, cash flow, and results of operations.

Faulty IT Systems could lead to disrupted business processes resulting in higher costs or losses

The Fund's information technology systems are essential for its business operations and success, and hosting of these systems is, for a substantial part, outsourced to a third party. Any interruptions in, failures of, or damage to its information technology systems could lead to delays or interruptions in the Fund's business processes. Any malfunction or impairment of the Fund's computer systems could interrupt its operations, lead to increased costs, and may result in lost revenue. The Fund's information technology systems may be vulnerable to computer viruses, malicious security breaches and cyber-attacks from unauthorised persons that could jeopardise the Fund's confidential information (or that of its counterparts), which can potentially result in financial loss, harm to the Fund's reputation and hinder its operational effectiveness. Any default, operational or solvency issues of the hosting contractor may result in delays and additional expenses for the Fund. On 2 June 2020, the Fund implemented a new Enterprise Resource Planning system (**ERP system**) that allows Vesteda to integrate various processes that were previously performed by separate departments, in one system. Despite a successful launch, over time, it may appear that the new ERP system is not functioning optimally and that it may suffer from interruptions and both can have a negative effect on the Fund's business and reporting processes in terms of costs and/or losses, having material adverse effects on the Fund's business, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Pollution could result in unforeseen costs or losses

It is possible that the Properties the Fund owns or acquires may contain ground contamination, hazardous materials and/or other residual pollution. For example hidden environmentally detrimental materials such as asbestos may be found in Properties which creates the obligation to have such materials removed. The Fund bears the risk of cost-intensive remediation and removal of the aforementioned hazardous materials, other residual pollution, wartime ordnance, or ground contamination. The Fund is also exposed to the risk that it may no longer be able to take recourse against the polluter or the previous owners of affected Properties. The existence or even suspected existence of hazardous materials, other residual pollution or ground contamination can negatively affect the value of a Property and the Fund's ability to lease or sell such Property. All these factors could lead to the Fund incurring (in)direct costs or reputational damage that can adversely affect net income of the Fund, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Property Sales could lead to disputes and claims

In connection with Property sales, the Fund usually makes representations, warranties and negative declarations of knowledge to the purchasers with respect to certain characteristics of the relevant Properties. The resulting obligations usually continue to exist after the sale, for a period of several years. In particular, the Fund could be subject to claims for damages from purchasers, who could assert that the Fund failed to meet its obligations, or that its representations were untrue. The Fund could be required to make payments to the purchasers following legal disputes or litigation. If the Fund has provided warranties to third parties in connection with maintenance and modernisation measures and claims are asserted against the Fund because of defects, it is not always certain that the Fund will have recourse against the companies that performed the work or that the Fund will have recourse for the full amount. This could have material adverse effects on the Fund's net assets, financial condition, cash flow, and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

D. Financial Risks

Market conditions could hamper the Fund's refinancing efforts

The Fund may refinance maturing debt with other debt instruments. The Fund's ability to repay existing financial obligations by taking on new debt or by extending existing debt could be limited, for example as a result of market conditions, its business condition or the level of debt of the Fund. Given the Fund's dependence on its ability to access the financial markets for the refinancing of its debt liabilities, any worsening of the economic environment or the capital markets may reduce its ability to refinance its existing and future liabilities.

Due to lack of market or other circumstances refinancing of existing loans at competitive terms is more difficult, and therefore high interest rate charges may be incurred. Obtaining new financing may even prove to be impossible due to lack of market or other circumstances. This may cause inability to repay existing financing which may result in default situations. The outbreak of COVID-19 may impact market prices and access to the capital markets in general to a certain extent.

This could have a material adverse effect on the Fund's business, net assets, financial condition, cash flow and results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Increase of interest rates may result in higher costs and cash flow risks

The current economic environment is characterised by low interest rates. If the current low-interest rate environment is followed by one in which high rates prevail, the Fund's financing costs, including costs for hedging instruments, may increase substantially. In addition, fluctuations in interest rates can create cash flow risks. This is the case when refinancing of the existing borrowings cannot be arranged at competitive terms due to lack of market or other circumstances or, when interest charges cannot be hedged at competitive terms. Fluctuations in interest rates affect the value of hedging instruments, which affect the Fund's equity, and, to a lesser extent, the Fund's results of operations, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

A downgrade of the Fund's Credit Rating could negatively impact the Fund's ability to attract future funding

In 2014, the Fund changed its financing strategy to satisfy a significant portion of its future financing needs through the issuance of unsecured corporate bonds and by way of private placements. The Fund sought and obtained a corporate investment grade rating of "BBB" from S&P Global Ratings Europe Limited (**S&P**). S&P's improved the rating with a stable outlook in April 2016 to "BBB+" and in May 2020 re-confirmed at "BBB+/Stable/A-2". Issuers

with such rating are considered by S&P's to have satisfactory capacity to meet financial commitments, but to be more subject to adverse economic conditions. In January 2019, S&P granted a short-term rating of A-2 to the Fund and this is re-confirmed in May 2020.

If the Fund were to lose its investment grade rating, future issuances of Notes may become significantly more expensive or may not be possible in the targeted amounts. S&P's could downgrade the Fund if, for example, the Fund's debt-to-debt plus equity ratio increases to 40% or more – due to, for example, a large debt-financed acquisition, or much higher renovation capex than anticipated combined with a return to negative revaluations in the Dutch residential market – or if the Fund were unable to render sufficient values of its assets unencumbered or if the residential real estate market in The Netherlands deteriorates.

If any of the risks described above were to materialise, it could have material adverse effects on the Fund's business, net assets, financial condition, cash flow and results of operations and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Default of counterparties may result in funding issues for the Fund

The Fund's counterparties, including the banks where the Fund maintains accounts with credit amounts and in particular its hedging counterparties, may not be able to fulfil their obligations under the respective agreements due to a lack of liquidity, operational failure, bankruptcy or other reasons. Such an event could result in existing credit agreements being terminated and/or outstanding credit amounts to become due and payable which could have material adverse effects on the Fund's business, net assets, financial condition, cash flow and results of operations and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Breaching of covenants may result in termination of financing agreements

The Fund's lenders and Noteholders are entitled to terminate their financing agreements if the Fund breaches provisions under its respective financing agreements and is not in a position to cure such breaches. The loan agreements and Notes require, in particular, that the Fund complies with certain financial covenants, such as a maximum LTV-Ratio and minimum debt-service or interest cover ratios. A failure to comply with such financial covenants or other provisions of the financing agreements and the terms and conditions of Notes could have severe consequences, including but not limited to termination of the applicable financing agreements or instruments and other financing agreements or instruments as a result of cross-default provisions. This could have material adverse effects on the Fund's net assets, financial condition, cash flow, and results of operations and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

E. Legal and Regulatory Risks

Regulation of the mid-rental segment can negatively affect the Fund's (in)direct returns

The cost of living and increasing housing production is one of the main topics in the public and political debate in the Netherlands and consequently there is a great deal of public and political pressure to implement regulatory measures. Local authorities in the largest cities in The Netherlands (Amsterdam, Utrecht, Rotterdam, Den Haag) have already implemented measures for new-build projects. These measures include a maximum initial rental price, a minimum operating period and a maximum annual rental price indexation. On top of these measures related to new-build projects, the Dutch national government is proposing further legislation that will give local authorities instruments to implement additional regulations aimed at solving affordability issues. These measures only apply at

moments of tenant turnover. It is not yet clear if and which measures will actually be implemented. The political debate is still in full swing with an uncertain outcome.

In addition, local authorities can now make additional adjustments to housing regulations for new private rentals in the mid-segment through income requirements. The goal is to ensure that the middle-income group can apply for affordable housing. The Hague is frontrunner in terms of regulating the mid-rental segment. When renting a home with a maximum of 185 WWS points, tenants are now required to have a housing permit. This housing permit will only be granted to single-person households with a maximum income of €57,032 or multi-person households with a maximum income of €67,032. Other large cities are likely to follow suit.

New measures may lead to higher administrative burdens, make it harder to find enough tenants because the target group capped by maximum income is smaller and negatively impact projected IRRs on Properties. This could have material adverse effects on the Fund's net assets, financial condition, cash flow, and results of operations and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

Failure to comply with applicable (financial) laws and regulations could lead to the Manager's AIFMD license being revoked

The Directive 2016/61/EU on Alternative Investment Fund Managers (**AIFMD**) entails harmonised requirements for entities engaged in the management and administration of alternative investment funds (**AIF**) addressed to professional investors in the EU. The Fund qualifies as an AIF and the Fund Manager obtained a license from the AFM (the **AIFMD License**) and qualifies as an Alternative Investment Fund Manager. In order to retain its AIFMD License, the Fund Manager has to comply with the requirements of the AIFMD and the Wft which range from, among others, capital requirements, risk and liquidity management, the appointment of a single depositary to rules regarding disclosure to investors and reporting to competent authorities. Failure to comply with all applicable laws and regulations could result in fines and ultimately in the AFM revoking the Manager's AIFMD License. In that case the Fund can (temporarily) not be managed, which could have material adverse effects on the Fund Manager and therefore negatively affect the Fund's business, net assets, financial condition, cash flow, and results of operations, and could eventually impair the ability of the Issuer to meet its obligations arising from the Notes towards the Noteholders.

Changes in/complying with legislation may lead to higher costs or lower (in)direct returns

The Fund is subject to varying degrees of local, regional and national laws, regulations and codes, covering environmental (e.g. reduction of nitrogen pollution), safety, construction and maintenance standards and tenants' rights, and other laws, regulations and codes that affect the property market in particular and businesses in general. Any changes in any such laws or regulations may have an adverse effect on the value of the Properties or require the Fund to incur additional costs (for example in order to modernise a Property), may delay the construction of new Properties or adversely affect the management of its Properties. Furthermore, having to comply with legislation may lead to higher costs or lower (in)direct returns. This may in particular be the case with complying with environmental laws and regulations. For example, the Dutch government has prescribed that the total energy transition from natural gas to alternative energy sources should be completed by 2050. The Fund will explore and apply new innovations to improve sustainability on a limited scale to offer safe, comfortable and energy-efficient houses, but will only apply such innovations when they have demonstrated sufficient proof of added value. Large investments in the Portfolio will be based on proven concepts only. Although the Fund is therefore prudent in its investments, investment decisions may be based on false assumptions and innovations may, at a later stage, have less added value than initially assumed. This could result in additional costs and investments which could adversely affect the results of operations and financial condition of the Fund, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

In addition, the Fund Terms and Conditions are governed by Dutch law as applicable at the relevant time. No assurance can be given as to the impact of any possible change to Dutch law or administrative practice in The Netherlands after the date of this Prospectus. Specifically, it is possible that a change in Dutch law or administrative practice may impact the management of the Fund under the Fund Terms and Conditions and lead to increased cost. Aforementioned changes could adversely affect the results of operations and financial condition of the Fund, and could eventually impair the ability of the Issuer and the Guarantor to meet their obligations arising from the Notes and the Guarantee, respectively, towards the Noteholders.

The Guarantee will be subject to certain limitations on validity and enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability

The Guarantee given by the Guarantor provides Noteholders with a direct claim against the Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of the Guarantee would be subject to certain generally available defences including those relating to corporate benefit, fraudulent conveyance or transfer, voidable preference, corporate purpose and capital maintenance and similar laws.

If a Dutch company grants a guarantee and that guarantee is not in the company's corporate interest, the guarantee may be voidable pursuant to section 2:7 Dutch Civil Code (*Burgerlijk Wetboek*) if the beneficiary knew or should have known that the guarantee was not in the company's corporate interest. In such case the guarantee could be voided by the Dutch company, its receiver and its administrator (*bewindvoerder*) and, as a consequence, would not be valid, binding and enforceable against it. In determining whether the granting of such guarantee is in the interest of the relevant company, the Dutch courts would consider the text of the objects clause in the articles of association of the company and whether the company derives certain commercial benefits from the transaction in respect of which the guarantee was granted. In addition, if it is determined that there are no, or insufficient, commercial benefits from the transaction for the company that grants the guarantee, then such company (and any bankruptcy receiver) may contest the enforcement of the guarantee and it is possible that such challenge would be successful. Such benefit may, according to Dutch case law, consist of indirect benefit derived by the company as a consequence of the interdependence of the company with the group of companies to which it belongs. In addition, it is relevant whether, as a consequence of the granting of the guarantee, the continuity of such company would be foreseeably endangered by the granting of such guarantee. It remains possible that even where strong financial and commercial interdependence exists, the transaction may be declared void if it appears that the granting of the guarantee cannot sufficiently serve the realisation of the relevant company's objects.

A guarantee granted by a Dutch legal entity may, under certain circumstances, also be nullified by any of its creditors (or a receiver in its bankruptcy), if (i) the guarantee was granted without an obligation to do so (*onverplicht*), (ii) the creditor concerned was prejudiced as a consequence of the guarantee and (iii) at the time the guarantee was granted both the legal entity and, unless the guarantee was granted for no consideration (*om niet*), the beneficiary of the guarantee knew or should have known that one or more of the entities' creditors (existing or future) would be prejudiced.

If a court were to find the Guarantee given by the Guarantor void, unenforceable or otherwise ineffective as a result of local laws or defences holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the Issuer.

If the Fund would lose its tax transparency status, this would result in the Fund becoming liable to Dutch corporate income tax, increasing the costs of the Fund

The Fund qualifies as a transparent fund for joint account for Dutch corporate income tax (*vennootschapsbelasting*) and Dutch dividend withholding tax (*dividendbelasting*) purposes, provided all relevant parties act in accordance with the Fund Terms and Conditions.

The tax transparency of the Fund for Dutch corporate income tax and Dutch dividend withholding tax purposes has been confirmed by the Dutch tax authorities in private letter rulings.

If the Fund should lose its tax transparency, this would make the Fund an entity liable to Dutch corporate income tax. The Dutch corporate income tax rate for 2020 is 16.5% for the first €200,000 of taxable income and 25% for taxable income exceeding €200,000. In addition, loss of tax transparency would make the Fund in principle liable to Dutch dividend withholding tax on distributions. The statutory Dutch dividend withholding tax rate in 2020 is 15%.

The Fund would, for example, lose its tax transparency if certain amendments were made to the Fund Terms and Conditions in relation to the alienation of participation rights or if the participants in the Fund would not act in line with the Fund Terms and Conditions in relation to the alienation of participation rights. This may result in an extra risk for the Guarantor which may affect its ability to repay certain intercompany loans granted by the Issuer to the Guarantor and hence the Issuer's ability to repay the Notes.

A renegotiation of the Advance Pricing Agreement with the Dutch tax authorities for 2024 and onwards and may result in and increase of the (handling) fee for the services provided by the Issuer

The Issuer, acting as the financing company for the Fund, is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. As such, the Issuer is deemed to carry out a business undertaking by law and is subject to Dutch corporate income tax on its worldwide income.

It is agreed in an Advance Pricing Agreement concluded with the Dutch tax authorities that the net taxable income of the Issuer will consist of the (handling) fee earned by the Issuer for its intercompany financing activities minus tax deductible expenses allocable to the intercompany financing activities. In principle, the (handling) fee is calculated as a fixed percentage rate that is added to the interest rate on the outstanding loan amounts of the Issuer.

In principle the Advance Pricing Agreement will remain in force until the end of December 2023. After this date, the (handling) fee for the services provided by the Issuer to the Fund should be renegotiated with the Dutch tax authorities and may increase. This may result in an additional risk for the Guarantor which may affect their ability to repay certain intercompany loans granted by the Issuer to each of the Guarantor and hence the Issuer's ability to repay the Notes.

If the VAT fiscal unity that the Issuer belongs to ceases to exist, the services provided by the Manager of the Fund become subject to value added tax, increasing the costs of the Fund

The Fund together with Custodian Vesteda Fund I B.V., the Fund Manager and Vesteda Project Development B.V. are considered as one VAT entrepreneur (VAT fiscal unity, the **VAT Fiscal Unity**). The Dutch tax authorities confirmed the existence of the VAT Fiscal Unity in a formal decision. To form a VAT fiscal unity, the entities must be sufficiently connected in an economic, financial and organisational manner. If this is not (or no longer) the case, the services provided by the Fund Manager to the Fund may become subject to Dutch value added tax as provided for in the Dutch Value Added Tax Act 1968 (*Wet op de omzetbelasting 1968*) and any other tax of a similar nature (**VAT**), unless exemptions are applicable. This may result in an additional risk for the Guarantor which may affect their ability to repay certain intercompany loans granted by the Issuer to each of the Guarantor and hence the Issuer's ability to repay the Notes.

All members of a VAT fiscal unity are jointly and severally liable for Dutch VAT due by any member of the fiscal unity. In its capacity of custodian for the Fund, the Guarantor is accountable for VAT liabilities of the VAT Fiscal Unity for which it can be held liable.

See the section *Vesteda Group and the Fund – Corporate Profile and Business* for a description of the group structure of the Fund.

RISK FACTORS CONCERNING THE NOTES

A. Risks related to the structure of an issuance of Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned as an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes and could affect the market value of an investment in the relevant Notes.

Notes issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing Notes. Furthermore, the longer the remaining term of the Notes, the greater the price volatility as compared to more conventional interest-bearing Notes with comparable maturities. Such volatility could have a material adverse effect on the value of and return on any such Notes.

Regulation and reform of benchmarks, including LIBOR, EURIBOR and other interest rates and other types of benchmarks

Various benchmarks (including interest rate benchmarks such as the London Inter-Bank Offered Rate (**LIBOR**) and the Euro Interbank Offered Rate (**EURIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The Benchmark Regulation applies, subject to certain transitional provisions, to the provision of benchmarks (including LIBOR and EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation will, among other things, (i) require benchmark

administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

The Calculation Agent, who will determine the fall-back rate in accordance with Condition 7(c) or Condition 7(d), may be considered an ‘administrator’ under the Benchmark Regulation. For example, this is the case if it is considered to be in control over the provision of the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Calculation Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario. This would mean that the Calculation Agent has control over the (i) administration of the arrangements for determining such rate, (ii) collection, analysis or processes of input data for the purposes of determining such rate and (iii) determination of such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Calculation Agent to be considered an ‘administrator’ under the Benchmark Regulation, the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Calculation Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario may be a benchmark (index) within the meaning of the Benchmark Regulation. This may be the case if the Screen Rate Determination and/or the determined rate of interest on the basis of the Screen Rate Determination and any adjustments made thereto by the Calculation Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include the Calculation Agent in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. As a result, a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR, or any other interest rate benchmark was available, may apply to the Notes until the time that registration, authorised registration or endorsement of the relevant administrator has been completed or as substitute or successor rate for the relevant Reference Rate is available.

The Benchmark Regulation could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or terms of the benchmark are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to

reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR and EURIBOR will continue to be supported going forwards. This may cause LIBOR and EURIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if LIBOR, EURIBOR or any other benchmark were (permanently) discontinued or otherwise unavailable, the rate of interest on Notes which reference LIBOR, EURIBOR or any other benchmark will be determined for the relevant period by the fall back provisions set out in Condition 7(c) or Condition 7(d), depending on the manner in which the relevant benchmark rate is to be determined under the Conditions of the Notes as completed by the Final Terms. This could result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR, EURIBOR or any other benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR, EURIBOR or any other interest rate benchmark rate.

Pursuant to the applicable fall-back provisions contained in Condition 7(c) or Condition 7(d), the Calculation Agent will determine the Rate of Interest, which may lead to a conflict of interests of the Issuer (being responsible for the compensation of the Calculation Agent), the Calculation Agent and Noteholders including with respect to certain determinations and judgments that the Calculation Agent may make pursuant to Condition 7 that may influence the amount receivable under the Notes. The Calculation Agent and the Issuer might have conflicts of interests that could have an adverse effect on the interests of the Noteholders as the Calculation Agent has discretionary power in deciding the Rate of Interest in accordance with the fall-back provisions. Potential investors should be aware that the Issuer may be involved in general business relationship or/and in specific transactions with the Calculation Agent as the latter party may hold from time to time debt securities, shares or/and other financial instruments of the Issuer. Consequently, the Issuer and the Calculation Agent might have conflicts of interests that could have an adverse effect to the interests of the Noteholders in respect of the determination of the interest rate as a result of a benchmark and/or replacement or amendment of a benchmark.

Finally, any significant change to the setting or existence of LIBOR, EURIBOR or any other relevant benchmark could affect the ability of the Issuer to meet its obligations under the Notes.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such

holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

Therefore, if such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green assets. Any failure to use the net proceeds of any Series of Green Bonds in connection with green projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

The Issuer may issue Notes under the Programme where the use of proceeds is specified in the relevant Final Terms to be for the financing and/or refinancing of projects and activities that promote climate and other environmental purposes, in accordance with certain prescribed eligibility criteria as in such case shall be set out in item 4 of Part B ('Reasons for the offer') of the relevant Final Terms (any Notes which have such a specified use of proceeds are referred to as **Green Bonds**).

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes (**Eligible Assets**) (any Notes which have such a specified use of proceeds are referred to as Green Bonds). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Eligible Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Assets.

The Issuer has requested a sustainability rating agency or sustainability consulting firm to issue an independent opinion (each a **Second Party Opinion**) confirming that any Green Bonds are in compliance with the Green Bond Principles, as published by the International Capital Market Association (which serves as the secretariat to the Green Bond Principles) (the **Green Bond Principles**) or the Green Loan Principles, as published by the Loan Market Association (the **Green Loan Principles**) or with any other green or sustainability principles as published from time to time. The Green Bond Principles and Green Loan Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market. While the Green Bond Principles and the Green Loan Principles do provide a high level framework, there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to potential investors that any projects or uses the subject of, or related to, any Eligible Assets will meet all any or all investors' expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Assets.

Although applicable green projects and activities are expected to be selected in accordance with the categories recognised by the Green Bond Principles and Green Loan Principles, and are expected to be developed in accordance

with applicable legislation and standards, no assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

Further, although the Issuer may agree at the issue date of any Green Bonds to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of green projects and activities (as specified in the relevant Final Terms) and intends to comply with such agreements, it would not be an event of default under the Green Bonds if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in the relevant Final Terms and/or (ii) the Second Party Opinion were to be withdrawn.

Any failure to use the net proceeds of any Series of Green Bonds in connection with green projects and activities, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green assets which may cause one or more of such investors to dispose of the Green Bonds held by them which may affect the value, trading price and/or liquidity of the relevant Series of Green Bonds.

In the event that any such Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Assets. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Assets in, or substantially in, the manner described in this Prospectus, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Assets will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Assets. Neither the Issuer, the Guarantor nor the Dealers make any representation as to the suitability for any purpose of any Second Party Opinion or whether any Green Bonds fulfil the relevant environmental criteria. Prospective investors should have regard to the eligible green bond projects or activities and eligibility criteria described in the relevant Final Terms. Each potential purchaser of any Series of Green Bonds should determine for itself the relevance of the information contained in this Prospectus and in the relevant Final Terms regarding the use of proceeds and its purchase of any Green Bonds should be based upon such investigation as it deems necessary. No Dealer shall be responsible for monitoring the use of proceeds of any Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Assets as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

B. Risks related to all Notes

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The Conditions contain provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of the Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

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

The value and return of the Notes could be materially adversely impacted by a change in Dutch law or administrative practice and the jurisdiction of the courts of the Netherlands

The structure of the issue of the Notes and the ratings which may be assigned to them are based on Dutch and European law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to the laws of the Netherlands, the official application, interpretation or administrative practices in The Netherlands after the date of this Prospectus. Such changes in laws may include amendments to a variety of tools which may affect the rights of holders of securities issued by the Issuer, including the Notes. Any such change could materially adversely impact the value of any Notes affected by it.

Prospective investors should note that the courts of the Netherlands shall have jurisdiction in respect of any disputes involving any series of Notes. Noteholders may take any suit, action or proceedings arising out of or in connection with the Notes against the Issuer in any court of competent jurisdiction. The laws of the Netherlands may be materially different from the equivalent law in the home jurisdiction of prospective investors in its application to the Notes and the application of the laws of the Netherlands may therefore lead to a different interpretation of, amongst others, the conditions of the Notes than the investor may expect if the equivalent law of his home jurisdiction were

applied. This may lead to the Notes not having certain characteristics as the investor may have expected and may impact the return on the Notes.

Dutch Withholding Tax Act 2021

Under current law, payments under the Notes and the Coupons are not subject to withholding tax in the Netherlands. However on 27 December 2019, the Conditional Withholding Tax Act 2021 (*Wet bronbelasting 2021*) was published in the Dutch Official Gazette (*Staatsblad 2019, 513*). This legislation will enter in to effect (*in werking treden*) on 1 January 2021. As of this date the Dutch conditional withholding tax may apply on certain (deemed) payments of interest made to an affiliated (gelieerde) entity of the Issuer if such entity (i) is considered to be resident of a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person and there are one or more artificial arrangements or transactions, or (iv) is a hybrid entity, or (v) is not resident in any jurisdiction, all within the meaning of the Dutch Withholding Tax Act 2021. The conditional withholding tax rate will be 21.7% in 2021. However, this rate might be increased.

If interest payments to the Noteholders or the Couponholders were to be affected and, as such, withholding on payments to Noteholders or Couponholders were to arise, the Issuer does not have to pay additional amounts under Condition 11(a) (Taxation).

No gross-up

Under the Terms and Conditions of the Notes, all payments of principal and interest in respect of the Notes by the Issuer or the Guarantor will be made without withholding or deduction for, or on account of, any withholding taxes imposed by The Netherlands (or any political subdivision or any authority in The Netherlands having power to tax). In the event that any such withholding or deduction is required by law, the Issuer or (as the case may be) the Guarantor will pay additional amounts to cover the amounts so deducted, however, in certain circumstances set out in the Terms and Conditions of the Notes, the Issuer or (as the case may be) the Guarantor will not pay any additional amounts to the holders of the Notes.

C. Risks related to the market

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, where no key information document required by the PRIIPs Regulation for making the Notes available to retail investors in the EEA is prepared, the liquidity of the Notes may be limited. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been prepared to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed trading market.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in "Terms and Conditions of the Notes"). This presents risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

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.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Notes, this will adversely affect the value of the Fixed Rate Notes, as an equivalent investment issued at the current market interest rate may be more attractive to investors.

The Notes are subject to market risks related to credit ratings assigned to the Issuer or any Notes and credit ratings are not conclusive for all the risks associated with an investment in those Notes

The value of the Notes may be affected by the creditworthiness and the credit rating of the Issuer, the credit rating of the Notes and a number of additional factors, such as market interest 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 Notes are traded.

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. 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 Notes.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out in "Overview of the Programme" above.

Any of the factors indicated above could adversely impact the trading price of the Notes. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

IMPORTANT NOTICE

This Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation in relation to the Issuer and the Guarantor and for the purpose of giving information with regard to the Issuer, the Guarantor and affiliates taken as a whole (**Vesteda**) and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor that are the subject of this Prospectus or of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

The Issuer and the Guarantor (the **Responsible Persons**) accept responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and the Guarantor the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area (the **EEA**) or the United Kingdom (the **UK**) (each, a **Relevant State**) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant State of Notes which are the subject of an offering contemplated in this Prospectus as completed by the Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, this Prospectus. Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the AFM.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers or the Arranger (as defined in "*Overview of the Programme*"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act (Regulation S)). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "*Subscription and Sale*".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Prospectus as supplemented from time to time nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

Certain alternative performance measures (as defined in the ESMA Guidelines on Alternative Performance Measures) (Alternative Performance Measures or APMs) are included in this Prospectus. See "*Glossary*" below for more information.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the Stabilising Manager(s)) (or person(s) acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

All references in this Prospectus to "euro", "EUR" and "€" refer to the lawful 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 by the Treaty on European Union, those to "U.S. dollars", "dollar", "U.S.\$", "\$" and "USD" refer to the lawful currency of the United States of America, and those to "Sterling", "£" and "GBP" refer to the lawful currency of the United Kingdom.

IMPORTANT – PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Directive 2016/97/EU (the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET

The relevant Final Terms in respect of any Tranche of Notes may include a legend entitled "MiFID II Product Governance / Target Market" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made at the time of each issue whether, for the purposes of the MiFID II Product Governance rules under Commission Delegated Directive (EU) 2017/593 (the MiFID II Product Governance Rules), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules. For the avoidance of doubt, the Issuer is not subject to the MiFID II Product Governance Rules and will not make or be responsible for any target market assessment.

SUITABILITY OF INVESTMENT

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement or Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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.

Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

SUPPLEMENTS TO THE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Prospectus pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on Euronext Amsterdam, shall constitute a supplement to this Prospectus as required by Article 23 of the Prospectus Regulation.

The Issuer and the Guarantor have given an undertaking to the Dealers that if at any time during the duration of the Programme there arises or is noted a significant new factor, material mistake or material inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and/or the Guarantor, and/or the rights attaching to the Notes and/or the Guarantee, the Issuer shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

If the terms of this Programme are modified or amended in a manner which would make this Prospectus inaccurate or misleading, a new prospectus will be prepared. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents listed below, which have previously been published and filed with the AFM, shall be incorporated in and form part of this Prospectus and are correct as of their date:

- (a) the articles of association (*statuten*) of the **Issuer** and the **Guarantor**, including the translations thereof which can be obtained from <https://www.vesteda.com/media/3765/20120718-vfbv-doi-searchable.pdf> and <https://www.vesteda.com/media/3764/20190425-cvfi-aoa-searchable.pdf>;
- (b) the independent auditor's reports and audited non-consolidated annual financial statements for the financial year ended **2018** and **2019** of the Issuer which can be obtained from <https://www.vesteda.com/media/3430/jaarrekening-2018-vesteda-finance-bv-def-incl-acc-verklaring.pdf> and <https://www.vesteda.com/media/3645/jaarrekening-2019-vesteda-finance-bv.pdf>;
- (c) the independent auditor's reports and audited non-consolidated annual financial statements for the financial year ended **2018** and **2019** of the Guarantor which can be obtained from <https://www.vesteda.com/media/3427/jaarrekening-2018-cvf-i-bv-juridisch-def-incl-acc-verklaring.pdf> and <https://www.vesteda.com/media/3646/jaarrekening-2019-cvf-i-bv.pdf>;
- (d) the independent auditor's reports and audited consolidated annual financial statements for the financial year ended **2018** and **2019** of the Fund, set out at respectively pages 95 to and including 137 of the Fund's 2018 annual report and pages 84 to and including 130 of the Fund's 2019 annual report (the **2019 Fund Annual Accounts**) which can be obtained from https://vestedareport.com/FbContent.ashx/pub_0/downloads/v190401144200/EN_2018_Vesteda%20Annual%20Report.pdf and https://vestedareport.com/FbContent.ashx/pub_0/downloads/v200408111514/EN_2019_Vesteda_Annual_Report.pdf; and
- (e) the Terms and Conditions of the Notes contained in previous prospectuses dated **5 July 2017**, pages 34 to 59 (inclusive) which can be obtained from <https://www.vesteda.com/media/3746/vesteda-emtn-prospectus-2017.pdf>; dated **20 June 2018**, pages 39 to 63 (inclusive) which can be obtained from <https://www.vesteda.com/media/3424/vesteda-emtn-prospectus-2018.pdf>; and dated **7 May 2019**, pages 40 to 68 which can be obtained from <https://www.vesteda.com/media/3425/vesteda-emtn-prospectus-2019.pdf>, prepared in connection with the Programme.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Any statements on the Issuer's competitive position included in this Prospectus (including in a document which is incorporated by reference herein) and where no external source is identified are based on the Issuer's internal assessment of generally available information. The Issuer will, in connection with the listing of the Notes on Euronext Amsterdam, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes to be listed on Euronext Amsterdam.

This Prospectus and any supplement will only be valid for listing Notes on Euronext Amsterdam or any other exchange during the period of 12 months from the date of this Prospectus.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form below.

For the purposes of the Conditions, references to the European Economic Area include the United Kingdom.

1. Introduction

- (a) **Programme:** Vesteda Finance B.V. (the **Issuer**) has established a Euro Medium Term Note Programme (the **Programme**) for the issuance of up to €2,500,000,000 in aggregate principal amount of notes (the **Notes**) guaranteed by Custodian Vesteda Fund I B.V. (the **Guarantor** and the expression "Guarantor" shall include each additional person who becomes a Guarantor pursuant to the Deed of Guarantee (as defined below)).
- (b) **Final Terms:** Notes issued under the Programme are issued in series (each a **Series**) and each Series may comprise one or more tranches (each a **Tranche**) of Notes. Each Tranche is the subject of a final terms (the **Final Terms**) which supplements these terms and conditions (the **Conditions**). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **Agency Agreement:** The Notes are the subject of an issue and paying agency agreement dated 30 June 2020 (the **Agency Agreement**) between the Issuer, the Guarantor, BNP Paribas Securities Services, Luxembourg branch, as fiscal agent (the **Fiscal Agent**), which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the **Paying Agents**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) **Deed of Guarantee:** The Notes are the subject of an amended and restated deed of guarantee originally dated 3 July 2014 as most recently amended and restated on 30 June 2020 (the **Deed of Guarantee**) entered into or acceded to, as the case may be, by the Guarantor.
- (e) **The Notes:** All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands and www.vesteda.com and copies may be obtained from the registered office of the Issuer at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands.
- (f) **Summaries:** Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. The holders of the Notes (the **Noteholders**) and the holders of the related interest coupons, if any, (the **Couponholders** and the **Coupons**, respectively) are bound by, and are entitled to the benefit of, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Guarantee applicable to them. Copies of the Agency Agreement and the Deed of Guarantee are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Definitions and Interpretation

(a) *Definitions:* In these Conditions the following expressions have the following meanings:

Accrual Yield has the meaning given in the relevant Final Terms;

Additional Business Centre(s) means the city or cities specified as such in the relevant Final Terms;

Additional Financial Centre(s) means the city or cities specified as such in the relevant Final Terms;

Business Day means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in Amsterdam, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

Business Day Convention, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **Following Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **FRN Convention, Floating Rate Convention or Eurodollar Convention** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day

in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

- (e) **No Adjustment** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

Calculation Agent means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

Calculation Amount has the meaning given in the relevant Final Terms;

Coupon Sheet means, in respect of a Note, a coupon sheet relating to the Note;

Day Count Fraction means, in respect of the calculation of an amount for any period of time (the **Calculation Period**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **Actual/Actual (ICMA)** is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
 - (iii) if **Actual/365** or **Actual/Actual (ISDA)** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (iv) if **Actual/365 (Fixed)** is so specified, means the actual number of days in the Calculation Period divided by 365;
 - (v) if **Actual/360** is so specified, means the actual number of days in the Calculation Period divided by 360;
 - (vi) if **30/360** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M₂ is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vii) if **30E/360** or **Eurobond Basis** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (viii) if **30E/360 (ISDA)** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

D₁ is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

Dutch Civil Code means the Dutch Civil Code (*Burgerlijk Wetboek*);

Early Redemption Amount (Tax) means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

Early Termination Amount means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

EURIBOR means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

Extraordinary Resolution has the meaning given in the Agency Agreement;

Final Redemption Amount means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

First Interest Payment Date means the date specified in the relevant Final Terms;

Fixed Coupon Amount has the meaning given in the relevant Final Terms;

Fund Entity means the manager of the Fund, any Custodian and any other person holding (directly or indirectly) assets and/or liabilities on behalf of the Fund;

Guarantee means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

Guarantee of the Notes means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

Indebtedness means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with generally accepted accounting principles in force prior to 1 January 2019 have been treated as an operating lease); and
- (d) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

Interest Amount means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

Interest Commencement Date means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

Interest Determination Date has the meaning given in the relevant Final Terms;

Interest Payment Date means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

Interest Period means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

ISDA Definitions means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

Issue Date has the meaning given in the relevant Final Terms;

LIBOR means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

Margin has the meaning given in the relevant Final Terms;

Maturity Date has the meaning given in the relevant Final Terms;

Maximum Redemption Amount has the meaning given in the relevant Final Terms;

Minimum Redemption Amount has the meaning given in the relevant Final Terms;

Optional Redemption Amount (Call) means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

Optional Redemption Amount (Put) means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

Optional Redemption Date (Call) has the meaning given in the relevant Final Terms;

Optional Redemption Date (Put) has the meaning given in the relevant Final Terms;

Participating Member State means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

Payment Business Day means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

- (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

Principal Financial Centre means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

Put Option Notice means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

Put Option Receipt means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

Rate of Interest means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

Redemption Amount means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

Reference Banks has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

Reference Price has the meaning given in the relevant Final Terms;

Reference Rate means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms or another rate as specified in the Final Terms;

Regular Period means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year

to but excluding the next Regular Date, where **Regular Date** means the day and month (but not the year) on which any Interest Payment Date falls; and

- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **Regular Date** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Relevant Date means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

Relevant Financial Centre has the meaning given in the relevant Final Terms;

Relevant Financial Covenant Test Date means each day which is (i) the last day of each financial year of the Issuer and (ii) the last day of the first half of each financial year of the Issuer;

Relevant Indebtedness means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

Relevant Screen Page means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Time has the meaning given in the relevant Final Terms;

Reserved Matter means any proposal (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment; (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or the Guarantor or any other person or body corporate formed or to be formed; (c) to change the currency in which amounts due in respect of the Notes are payable; (d) to modify any provision of the Guarantee of the Notes; (e) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or (f) to amend this definition;

Security means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

Specified Currency has the meaning given in the relevant Final Terms;

Specified Denomination(s) has the meaning given in the relevant Final Terms;

Specified Office has the meaning given in the Agency Agreement;

Specified Period has the meaning given in the relevant Final Terms;

StAK means Stichting Administratiekantoor Vesteda, a foundation established under the laws of The Netherlands;

Subsidiary means (i) in relation to any person incorporated in The Netherlands, a company which is a subsidiary of that person within the meaning of Article 2:24a Dutch Civil Code and (ii) in relation to any person incorporated outside The Netherlands, an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and **control** for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise;

Talon means a talon for further Coupons;

TARGET2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

TARGET Settlement Day means any day on which TARGET2 is open for the settlement of payments in euro;

Treaty means the Treaty establishing the European Communities, as amended;

Vesteda Group means the Fund, Stichting DRF I, any Fund Entity, Stichting Administratiekantoor Vesteda, the Issuer, Vesteda Investment Management B.V., Vesteda Project Development B.V., Vesteda Services B.V., the Guarantor and their Subsidiaries for the time being; and

Zero Coupon Note means a Note specified as such in the relevant Final Terms.

(b) *Interpretation.* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;

- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. The minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

4. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes constitute direct, general, unsubordinated and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. The rights under the Deed of Guarantee (i) form an integral part of the Notes, (ii) are of interest to a Noteholder only if, to the extent that, and for as long as, it holds a Note and (iii) can only be transferred together with all other rights under the relevant Note.
- (c) *Status of the Guarantee:* The Guarantee of the Notes constitutes direct, general, unsubordinated and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Covenants**

- (a) *Negative Pledge:* So long as any Note remains outstanding, neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.
- (b) *Financial Covenants:* So long as any Note remains outstanding, the Issuer shall ensure that at any time:

- (i) the ratio of the EBITDA to Total Interest shall not be less than 1.8:1; and
- (ii) the Loan to Value Ratio shall not exceed 50 per cent.
- (c) *Encumbrance of Vesteda Group Assets*: For so long as any Note remains outstanding, the Issuer shall ensure that the Encumbered Assets Ratio shall not exceed 30 per cent.
- (d) *Definitions*

In this Condition 5 (*Covenants*) the following expressions have the following meanings:

Book Value means the book value of the Properties determined in accordance with the Vesteda Accounting Principles;

Custodian means the custodian (*bewaarder*) of the Fund, as at the date hereof, Custodian Vesteda Fund I B.V.;

EBITDA means, for any Relevant Period, the consolidated earnings of the Vesteda Group before the deduction of Interest Charges and corporation tax on the overall income of the Vesteda Group payable in respect of the financial period to which the relevant profit and loss accounts relate, after adding back any of those items listed at (a) to (c) (inclusive) below and after making the required adjustments to exclude items referred to at (d) to (f) (inclusive) below:

- (a) any amount attributable to amortisation of goodwill, or other intangible assets and any deduction for depreciation;
- (b) the amortisation or the writing off of costs associated with any Notes issued under this Programme (including costs written off as a result of the prepayment of existing indebtedness and the financing costs associated therewith);
- (c) fair value adjustments and other non-cash provisions;
- (d) any losses or gains arising from the sale of any Property;
- (e) items treated as extraordinary income/charges under the Vesteda Accounting Principles; and
- (f) any amount attributable to the writing up or writing down of any assets of the Vesteda Group after 31 December 2016;

Encumbered Assets means the aggregate Book Value of the Total Assets of the Vesteda Group that are subject to any security determined in accordance with the Vesteda Accounting Principles;

Encumbered Assets Ratio means the ratio of (i) the Encumbered Assets to (ii) the aggregate sum of the Total Assets of the Vesteda Group;

Fund means Vesteda Residential Fund, a fund for the joint account of the participants (*fonds voor gemene rekening*);

GAAP means the generally accepted accounting principles in The Netherlands, including IFRS;

Interest Charges means any interest (including the interest element of any payment made under finance leases or hire purchase agreements, but excluding amortisation of financing costs and excluding interest

related to land lease (*erfpacht*) liabilities), commission, fees, discounts and other finance charges payable, less any interest earned by the Vesteda Group (excluding, for the avoidance of doubt, any interest earned but not received on loans made by a member of the Vesteda Group to any entity which is not a member of the Vesteda Group during such period);

Loan to Value Ratio means, in respect of any Relevant Period, the total amount of, without double counting, (i) any debt owed by the Vesteda Group and (ii) any guarantees and indemnities granted or joint and several liabilities assumed by the Vesteda Group, in each case, at the end of such Relevant Period (including any amounts, guarantees or indemnities outstanding under or in respect of any Notes issued by the Issuer, but excluding any lease liabilities related to land lease (*erfpacht*) liabilities) divided by the then current Book Value of the Properties;

Properties means all the land and buildings owned by any member of the Vesteda Group from time to time;

Relevant Period means each period of twelve months ending on the last day of the Vesteda Group's financial quarter;

Total Assets means the total assets of a certain person as defined and used in the financial statements of such person and, if such term is no longer used as a defined term in the financial statements, the term which succeeds the term total assets;

Total Interest means the Interest Charges in respect of any Relevant Period and in respect of the Vesteda Group on a combined basis;

Vesteda Accounting Principles means the accounting principles, standards, conventions and practices, from time to time and at any time generally accepted in The Netherlands, and which implement the requirements of Dutch Civil Code, GAAP and of any other legislation or regulation, compliance with which is required by law in connection with the preparation of accounts of the Fund, or compliance with which is generally adopted and practised by companies such as the Fund in The Netherlands in effect from time to time and consistently applied by the Fund.

Any reference in this Condition 5 to "earnings", "taxes", "asset", "cost", "provision", "loss", "gain", "interest", "commission", "fees", "discounts", "finance charges" and "debt" shall be deemed to include any "earnings", "taxes", "asset", "cost", "provision", "loss", "gain", "interest", "commission", "fees", "discounts", "finance charges" and "debt" for the account of the Fund to the extent relating to the assets from time to time held by any member of the Vesteda Group.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it

has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
 - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the

Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

- (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is (permanently) unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

provided, however, that if the Calculation Agent is (permanently) unable to determine a rate in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate last determined in relation to the Notes in respect of a preceding Interest Period.

- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (i) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day

are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being not applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by one managing director 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 (2) an opinion of independent tax/legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) *(A) Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(B) Issuer Refinancing Call: If Issuer Refinancing Call is specified in the relevant Final Terms as being applicable, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the relevant Final Terms to the Noteholders in accordance with Condition 18 (*Notices*); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Fiscal Agent,

(both of which notices shall be irrevocable), at any time, or from time to time, on or after the date specified in the relevant Final Terms (being three months prior to the Maturity Date of the Notes) redeem the Notes then outstanding in whole or, if so specified in the relevant Final Terms, in part on such redemption date (the **Refinancing Repurchase Date**) at their nominal amount together, if appropriate, with interest accrued to (but excluding) the Refinancing Repurchase Date. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Refinancing Repurchase Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Refinancing Repurchase Date, or by the Refinancing Repurchase Date so delayed.

- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c)(A) (*Redemption at the option of the Issuer*), Condition 9(c)(B) (*Issuer Refinancing Call*) or Condition 9(f) (*Make-whole Redemption by the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c)(A) (*Redemption at the option of the Issuer*), Condition 9(c)(B) (*Issuer Refinancing Call*) or Condition 9(f) (*Make-whole Redemption by the Issuer*), shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date.

In order to exercise the option contained in this Condition 9(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

If the Put Option – Change of Control is specified in the relevant Final Terms, the following provisions will apply. If there occurs a Change of Control (as defined below) and within the Change of Control Period (as defined below) a Rating Downgrade (as defined below) in respect of that Change of Control occurs (together called a **Put Event**), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 9(b) (*Redemption for Tax Reasons*)) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Optional Redemption Date (Change of Control) (as defined below) at its nominal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date (Change of Control).

Rating Agency means any of S&P Global Ratings Europe Limited, Fitch Ratings Limited and Moody's Investors Service Limited and their respective successors or affiliates or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control (i) if within the Change of Control Period any rating previously assigned to the Issuer by any two Rating Agencies (if three Rating Agencies have assigned a rating to the Issuer) or by any Rating Agency (if only one or two Rating Agencies have assigned a rating to the Issuer) is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a noninvestment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Issuer by any two Rating Agencies shall be below an investment grade rating (as described above)) lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lower or equivalent rating), or (ii) if at the time of the Change of Control there is no rating assigned to the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating (as described above) to the Issuer (unless the Issuer is unable to obtain such a rating within such period having used all reasonable endeavours to do so and such failure is unconnected with the occurrence of the Change of Control) provided, in each case, that a Rating Downgrade otherwise arising by virtue of a particular change in rating, or failure to obtain an investment grade rating (as described above) shall be deemed not to have occurred in respect of

a particular Change of Control if the Rating Agency making the change in or withdrawing the rating, or failing to award an investment grade rating (as described above), to which this definition would otherwise apply does not announce publicly or confirm in writing to the Issuer that the withdrawal, reduction or such failure was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

A **Change of Control** shall be deemed to have occurred:

- (a) at each time any participant or participants in the Fund (**Relevant Participant(s)**) acting in concert or any person or persons acting on behalf of any such Relevant Participant(s), at any time acquire(s) or hold(s) more than 50 per cent. of the voting rights exercisable in the Fund; or
- (b) at each time (whether or not approved by the Management Board of the Issuer) that any person or persons (**Relevant Person(s)**) acting in concert or any person or persons acting on behalf of any such Relevant Person(s) (other than StAK), at any time directly or indirectly acquire(s) or come(s) to own (A) more than 50 per cent. of the issued ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of shareholders of the Issuer.

Change of Control Period means the period ending 90 days after the occurrence of the Change of Control.

The **Optional Redemption Date (Change of Control)** is the seventh day after the last day of the Put Period.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 9(e).

In order to exercise the option contained in this Condition 9(e) in relation to a Change of Control, the holder of a Note must deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent, on any Business Day falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

- (f) *Make-whole Redemption by the Issuer:* If the Issuer Make-Whole Call is specified in the relevant Final Terms as being applicable, the Issuer may, having given:
 - (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 18 (*Notices*); and
 - (ii) not less than 15 days before the giving of notice referred to in (i) above, notice to the Fiscal Agent, the Quotation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a **Make-whole Redemption Date**)) redeem, in whole or in part, the Notes then outstanding at any time prior to their Maturity Date at their relevant Make-whole Redemption Amount. Any such notice of redemption may, at

the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Make-Whole Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Make-Whole Redemption Date, or by the Make-Whole Redemption Date so delayed.

Calculation Date means the third Business Day prior to the Make-whole Redemption Date.

Make-whole Redemption Amount means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes to maturity or, if Issuer Refinancing Call is specified in the relevant Final Terms, to the first date on which such the Issuer Refinancing Call may be exercised (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) whereby such remaining scheduled payments of principal and interest shall be discounted to the relevant Make-whole Redemption Date on either an annual, a semi-annual or quarterly basis (as specified in the relevant Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and
 - (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,
- as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Fiscal Agent and such other parties as may be specified in the Final Terms.

Make-whole Redemption Margin means the margin specified as such in the relevant Final Terms.

Make-whole Redemption Rate means the average of the four quotations, or such other number of quotations specified in the Final Terms, given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time (CET)) (**Reference Dealer Quotation**).

Quotation Agent means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-whole Redemption Amount, in each case as such Quotation Agent is identified in the relevant Final Terms.

Reference Dealers means each of the four banks, or such other number of banks, as specified in the relevant Final Terms, selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Reference Security means the security specified as such in the relevant Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 18 (*Notices*).

Similar Security means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of Notes, the relevant provisions of Condition 9(d) shall apply *mutatis mutandis* to this Condition 9(f).

- (g) *Issuer Residual Call*: Unless the Issuer has at any time notified the Noteholders that it is exercising the Issuer Make-whole Call set out Condition 9(f) in respect of the Notes, if Issuer Residual Call is specified in the relevant Final Terms as being applicable and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Series issued, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the relevant Final Terms to the Noteholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes then outstanding at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), at the Residual Call Early Redemption Amount specified in the relevant Final Terms, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption.
- (h) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (g) above.
- (i) *Early redemption of Zero Coupon Notes*: Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(i) or, if none is so specified, a Day Count Fraction of 30E/360.

- (j) *Purchase*: The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (k) *Cancellation*: All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. Payments

- (a) *Principal*: Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which

euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and **(provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to laws:* All payments in respect of the Notes are subject in all cases to any applicable tax or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the **Relevant Coupons**) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and **(provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(f) (*Make-whole Redemption by the Issuer*), Condition 9(g) (*Issuer Residual Call*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
 - (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
 - (ii) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or

- (iii) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
- (iv) as a result of the entry into force of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) on 1 January 2021.

The Issuer or the Guarantor shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (**FATCA withholding**) as a result of a holder, beneficial owner or an intermediary that is not an agent of the Issuer or the Guarantor not being entitled to receive payments free of FATCA withholding. Neither the Issuer, nor the Guarantor, the Paying Agent nor any other person will be required to pay additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Issuer, the paying agent or any other party.

- (b) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than The Netherlands, references in these Conditions to The Netherlands shall be construed as references to The Netherlands and/or such other jurisdiction.

12. Events of Default

If any of the following events occurs and is continuing:

- (a) *Non-payment of principal:* the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof; or
- (b) *Non-payment of interest:* the Issuer fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (c) *Breach of Covenants:* any of the ratio of the EBITDA to Total Interest or the Loan to Value Ratio or the Encumbered Assets Ratio (each as specified in Condition 5(b) (*Financial Covenants*)) is not met for a period of 45 days following the Relevant Financial Covenant Test Date; or
- (d) *Breach of other obligations:* the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Guarantee of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent; or
- (e) *Cross-default of Issuer, Guarantor or Subsidiary:*
 - (i) any Indebtedness of any entity within the Vesteda Group (excluding Vesteda Project Development B.V.) is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the relevant entity within the Vesteda Group (excluding Vesteda Project Development B.V.) or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or

- (iii) any entity within the Vesteda Group (excluding Vesteda Project Development B.V.) fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €25,000,000 (or its equivalent in any other currency or currencies); or

- (f) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of any amount/an aggregate amount in excess of €50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer, the Guarantor or any of their respective Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (g) *Insolvency etc.*: (i) suspension of payments (*surseance van betaling*) or bankruptcy (*faillissement*) proceedings are initiated or applied for by the Issuer, the Guarantor, any of their respective Subsidiaries or a third party and, in the case of a third party application, not discharged within 45 days, (ii) the Issuer, the Guarantor or any of their respective Subsidiaries are declared bankrupt or a suspension of payments is declared, (iii) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer, the Guarantor or any of their respective Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Subsidiaries, (iv) the Issuer, the Guarantor or any of their respective Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (v) the Issuer, the Guarantor or any of their respective Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Subsidiary of the Issuer or a Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (h) *Winding up etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of their respective Subsidiaries (otherwise than, in the case of a Subsidiary of the Issuer or a Subsidiary of the Guarantor, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (i) *Analogous event*: any event occurs which under the laws of The Netherlands has an analogous effect to any of the events referred to in paragraphs (f) to (h) above; or
- (j) *Failure to take action etc.*: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Deed of Guarantee admissible in evidence in the courts of The Netherlands is not taken, fulfilled or done; or
- (k) *Unlawfulness*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Guarantee; or
- (l) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Note may, by written notice addressed by the holder thereof to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

13. **Prescription**

Claims for principal and interest shall become void unless the relevant Notes or relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

14. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer and the Guarantor shall at all times maintain a Fiscal Agent; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

17. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single Series with the Notes.

18. **Notices**

Notices to the Noteholders shall be valid if published in a leading newspaper published in The Netherlands (which is expected to be *Het Financieele Dagblad*) and, for so long as any Tranche of Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Noteholders of that Tranche will be deemed to be validly given if published in such manner as may be required by applicable laws, rules and regulations from time to time. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

19. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the **first currency**) in which the same is payable under these Conditions or such order or judgment into another currency (the **second currency**) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

20. **Rounding**

- (a) For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by the laws of The Netherlands.
- (b) *Submission to Jurisdiction:* In relation to any legal action or proceedings arising out of or in connection with the Notes and the Coupons, the Issuer irrevocably submits to the jurisdiction of the court of first instance (*Rechtbank*) in Amsterdam, The Netherlands. This submission is made for the exclusive benefit of the Noteholders and shall not affect their right to take such action or bring such proceeding in any other courts of competent jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

If the Global Notes are stated in the relevant Final Terms to be issued in NGN form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for the central banking system for the euro (the **Eurosystem**) monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global notes which are issued in CGN form may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the **Common Depositary**), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (**Alternative Clearing System**) as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note, and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

3.4 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, **Definitive Notes** means, in relation to any Global Note, the definitive Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.5 Exchange Date

Exchange Date means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the

specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes and permanent Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments and Record Date

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 6(d)(v) and Condition 7(c) will apply to the Definitive Notes only. If the Global Note is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 6(g) (*Non-Business Days*).

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of five years from the date the relevant payment first became due.

4.3 Meetings

The holder of a permanent Global Note shall (unless such permanent Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note may elect for direct enforcement rights against the Issuer and the Guarantor under the terms of direct rights set out in the Global Note to come into effect in relation to the whole or a part of such Global Note in favour of the persons entitled to such part of such Global Note as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note will become void as to the specified portion.

4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

5 Electronic Consent and Written Resolution

While any Global Note is held on behalf of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than two-thirds in nominal amount of the Notes outstanding (an **Electronic Consent** as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by accountholders in the clearing system with entitlements to such Global Note or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "commercially reasonable evidence" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes.

If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms if so required pursuant to applicable law.

Green Bonds

Eligible Assets

If so specified in the relevant Final Terms, the Issuer will apply the net proceeds from an offer of Notes in accordance with the Issuer's green finance framework as amended from time to time (the **Vesteda Green Finance Framework**) which can be obtained from <https://www.vesteda.com/en/corporate/investment/debt/green-bond-programme>. Such Notes may also be referred to as **Green Bonds**. If such Green Bonds will be issued, the relevant Final Terms will specify for which Eligible Assets (as defined below) the proceeds of the Green Bonds will be used.

As at the date of this Prospectus, the Vesteda Green Finance Framework provides that the Issuer intends to use the net proceeds of the green finance instruments issued under the Vesteda Green Finance Framework to exclusively finance or refinance, in whole or in part, assets which contribute to achieving Vesteda's sustainability goals (**Eligible Assets**), which may consist of energy efficient residential buildings and refurbished residential buildings, as further described in the Vesteda Green Finance Framework.

Process for evaluation and selection

The use of proceeds in the Vesteda Green Finance Framework is aligned with the business model and CSSR strategy of Vesteda. The corresponding Eligible Assets are expected to comply with local laws and regulations, including any applicable regulatory environmental and social requirements, and are evaluated from a sustainability perspective by the Program Manager Sustainability of Vesteda.

Management of proceeds

The Treasurer of Vesteda will manage the net proceeds of green finance instruments issued under the Vesteda Green Finance Framework on a portfolio basis. As long as the green finance instruments are outstanding, it is intended to exclusively allocate an amount equivalent to net proceeds of these instruments to a portfolio of Eligible Assets which meet the eligibility criteria and evaluation and selection process set out in the Vesteda Green Finance Framework.

If an Eligible Asset is divested or does no longer meet the definition of Eligible Assets as outlined in the Vesteda Green Finance Framework, Vesteda will remove this asset from the portfolio and will strive to replace it with another Eligible Asset as soon as reasonably practicable. Vesteda aims to ensure that the total value of issued green finance instruments does not exceed the value of its portfolio of Eligible Assets.

Pending the allocation of the net proceeds of issued green finance instruments to the portfolio of Eligible Assets, or in case insufficient Eligible Assets are available, Vesteda commits to manage the unallocated proceeds in line with its treasury criteria.

The allocation of the net proceeds of issued green finance instruments to the portfolio of Eligible Assets will be reviewed and approved by Vesteda's Risk Committee on at least an annual basis, until full allocation of the net proceeds of issued green finance instruments.

Reporting

On at least an annual basis and until full allocation, Vesteda will prepare a report to update investors on the allocation of the net proceeds of issued green finance instruments. See "*General Information*" for further details about where to obtain such information, the Vesteda Green Finance Framework and the Second Party Opinion.

External review

Vesteda has commissioned Sustainalytics B.V. (**Sustainalytics**) to provide a Second Party Opinion for the Vesteda Green Finance Framework. Sustainalytics has reviewed the Vesteda Green Finance Framework and issued a Second Party Opinion confirming the alignment of the framework with both the Green Bond Principles and the Green Loan Principles.

Vesteda appointed Sustainalytics to provide a post-issuance review addressing the allocation of the net proceeds of issued green finance instruments on an annual basis until full allocation, or in case of significant changes in the allocation of proceeds.

Vesteda obtained external certification for the Green Bonds issued under the Vesteda Green Finance Framework in line with the recognised international standards of the Climate Bonds Initiative.

VESTEDA GROUP AND THE FUND – CORPORATE PROFILE AND BUSINESS

Fund Profile

Introduction

Vesteda is an entrepreneurial and service-oriented institutional residential investor with a sizeable and varied portfolio of approximately 27,290 residential units in The Netherlands per 31 December 2019. Vesteda is internally managed, cost-efficient and has in-house property management for the majority of its portfolio.

For institutional investors

Units in the Fund are not listed on any stock exchange. The Fund's participants principally comprise financial institutions, including pension funds, banks and insurance companies. At year-end 2019, a total of 22 different entities participated in the Fund. The Fund offers participants access to the Dutch housing market, in accordance with the three key principles: limited risk, stable distributions to participants and a sustainable investment.

Key characteristics:

Vesteda

- Established in 1998 as Vesteda Woningen (Vesteda Residential Fund) as a spin-off of the residential portfolio of Dutch pension fund ABP
- Single fund manager
- Open-end core residential real estate fund
- Broad institutional investor base with a long-term horizon
- Conservative risk profile
- Limited use of leverage (target <30%)
- Active investor relations policy
- Internally managed: no management fee structures and carried interest arrangements
- In-house property management
- Governance in accordance with best practice guidelines, including INREV, with the emphasis on transparency and alignment of interests
- AIFMD (Alternative Investment Fund Managers Directive) Licence obtained in 2014
- Transparent for tax purposes (fund for the joint account of participants; FGR fund structure)
- GRESB (the ESG Benchmark for Real Assets) score of five out of five stars and third ranking in the peer group of 16

Assets

- Vesteda offers sustainable housing and operates in a socially responsible manner
- Located only in The Netherlands, all in residential and related real estate
- Diversified portfolio consisting of approximately 500 residential complexes in economically strong regions

- Focus on the mid-rental segment: monthly rents of between €737 and approximately €1,200

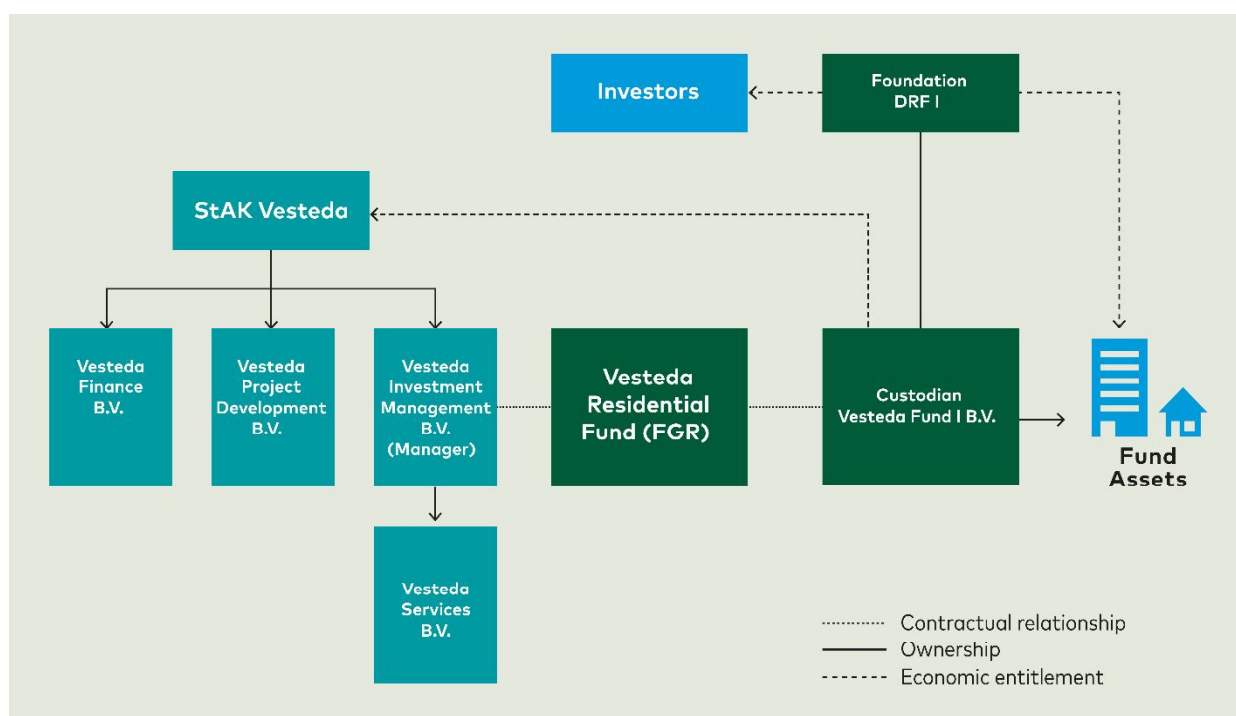
Targets

- Tenant satisfaction score of at least 7.0
- Ensure that 99% of the portfolio has green energy labels (A, B, or C) by 2024
- Outperformance of the three-year MSCI IPD Netherlands Residential Benchmark

Legal structure

Vesteda has the legal structure shown below, as set out in the Fund Terms and Conditions.

Structure of the Fund



The Issuer acts as financing company of the Fund and the principal activity of the Issuer is the provision of loans to entities of the Fund (including the Guarantor), which the Issuer finances with funds acquired from capital markets transactions and bank loans.

The assets of the Issuer mainly consist of receivables owed by entities within the Vesteda Group. The ongoing business activities of the Issuer therefore depend on the ability of the Guarantor and other companies of the Fund to fulfill their payment obligations vis-à-vis the Issuer or the obligation to assume losses.

Vesteda Residential Fund

The Fund is a mutual fund for the joint account of the participants. Investors may participate in the Fund by taking an interest in the Fund. The Fund is transparent for tax purposes. For this reason, participants can participate in the Fund via an entity with its own legal and tax structure. Participants always join or exit the fund through the fund manager, Vesteda Investment Management B.V. (**Fund Manager**), in accordance with the Fund Terms and

Conditions. The rights and obligations of the Fund Manager, the supervisory committee of the Fund and the participants are set out in the Fund Terms and Conditions.

StAK Vesteda

Participants' rights and obligations in respect of the Fund Manager, Vesteda Project Development B.V. and Vesteda Finance B.V., are exercised through Stichting Administratiekantoor Vesteda (**StAK Vesteda**). Participants are granted a power of attorney to attend and exercise voting rights in the general meeting of shareholders of these three companies by StAK Vesteda at their request.

Vesteda Investment Management B.V. (the Fund Manager)

The Fund Terms and Conditions instruct the Fund Manager to manage the Fund under the specified conditions. The Fund Manager is responsible for day-to-day operations and implementation of the strategy of the Fund. The managing board and the staff of the Fund are employed by the Fund Manager.

Vesteda Finance B.V., Vesteda Project Development B.V. and Vesteda Services B.V.

Vesteda Finance B.V. undertakes Vesteda's unsecured financing activities on behalf of the Fund. Vesteda Project Development B.V. is responsible for development projects in the committed pipeline and certain selected acquisition projects. Vesteda Services B.V. will in the future act as an intra-group service provider.

Custodian Vesteda Fund I B.V.

Custodian Vesteda Fund I B.V. is the legal owner of the properties of the Fund, while the Fund is the beneficial owner. Custodian Vesteda Fund I B.V. acts in accordance with all instructions regarding the Fund's assets given by the Fund Manager, and shall be entitled to acquire, dispose, transfer or otherwise deal with any Fund assets on the instruction of the Fund Manager.

Foundation DRF I

Foundation DRF I (Foundation Dutch Residential Fund I) is the depositary receipt holder of the shares to Vesteda Investment Management B.V., Vesteda Project Development B.V. and Vesteda Finance B.V., issued by Stichting Administratiekantoor Vesteda. Foundation DRF I also holds all the shares in Custodian Vesteda Fund I B.V.

Strategy and long-term objectives

Strategic and portfolio objectives

Vesteda's mission and vision are translated into strategic and portfolio objectives.

Strategic objectives

Tenants: Provide high-quality and convenient housing to mid-rental segment tenants in urban areas at affordable prices

- increase tenant satisfaction
- clear and consistent communication to tenants
- provide affordable homes in the mid-priced rental segment for middle-income households

Participants: Provide long-term investors with an attractive risk-return profile in a pure-play Dutch core residential property fund

- provide its participants with good returns, transparency and service
- continuously improve the dialogue with all participants and potential new participants
- provide stable IRR
- GRESB 5 star rating

Portfolio: Improve the quality and sustainability of Vesteda's portfolio to ensure the stable rental income growth and MSCI outperformance

- continuous focus on the quality and structure of Vesteda's portfolio which is the basis for outperformance and stable rental income growth
- identify opportunities for targeted investments at asset level to optimise the product and the Fund's offering to ensure future growth potential and added quality
- targeting an annual rental income growth of 2.5-3.0% (including inflation)
- with regards to the sustainability of the Portfolio, a focus on climate mitigation and adaptation by constantly looking for the latest innovations, but only apply them when they have demonstrated sufficient proof of added value

Organisation & staff: Being a service oriented organisation, supported by smart technology; operated at attractive cost levels and regarded as an employer of choice, and:

- to become a high-performance organisation
- Implement a new ERP system

Funding: Provide a robust and well-diversified, flexible, and green funding structure with low leverage and low cost of largely fixed-rate debt

- to have a well-diversified fully unsecured funding structure, consisting of a combination of bank debt, private placements, public bonds and Euro Commercial Paper
- to further improve Vesteda's funding profile by attracting new diversified funding at attractive interest rates

Key developments

Tenants

Introduction

The demand for rental homes remained high in 2019. Due to the successful (re)letting of Vesteda's standing portfolio and newly-acquired properties, Vesteda was able to achieve an occupancy rate of 98.4% in 2019, compared with 97.5% in 2018. The like-for-like rental growth was 3.6%, which represents the solid growth of Vesteda's portfolio.

In 2019, the former Delta Lloyd portfolio was managed by external real estate managers under the supervision of a Vesteda area manager. Vesteda will gradually phase in the external operational management in the first half year of 2020. This will allow Vesteda to have direct contact with these tenants and to improve the tenant satisfaction of this portfolio.

Affordable housing in the mid-rental segment remains an important topic in the public and political debate. Vesteda considers it its duty to take responsibility in this respect, among other things by stimulating sufficient supply of high-quality mid-rental segment housing. Good examples of Vesteda's contribution are the Amstel tower and Schinkelhof complexes in Amsterdam, where Vesteda offers affordable homes in a primary location. In addition to this, Vesteda once again voluntarily capped the annual average rent increase for the free rental segment to CPI plus 1.5% in 2019, just as done in 2018 (CPI + 2%).

The annual benchmark survey and Vesteda's weekly in-house research provide Vesteda with ample feedback and suggestions from its tenants to continue to optimise its services and processes.

Focus on tenant satisfaction.

Investing in sustainable relationships with tenants

At home with Vesteda: that is our mission. Vesteda constantly asks itself if Vesteda is doing the right things and listen to the feedback from tenants. Clear and transparent communications contribute to this effort, whether this is digital or a face-to-face interview.

Complaints management and a service-oriented organisation

Prevention is always better than a cure. In addition to Vesteda's constant improvement of the complaint handling process itself, Vesteda sees opportunities to improve tenant satisfaction by preventing complaints through optimised maintenance plans and by solving maintenance issues faster.

Affordability and keyworkers

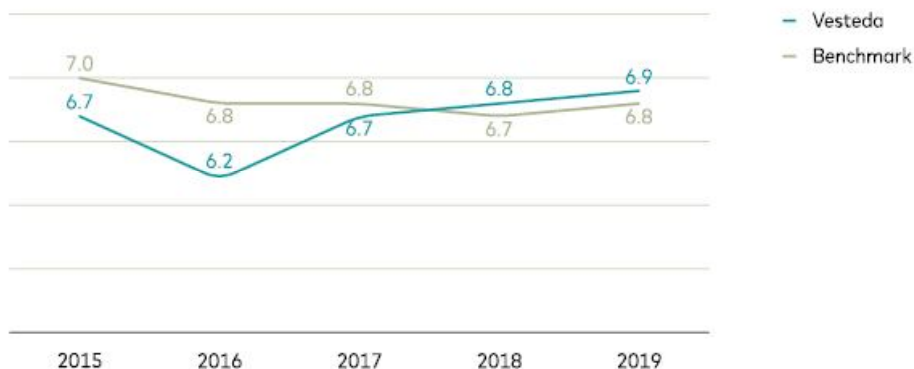
Key workers are a group for whom affordability is under particular pressure. Key workers, such as teachers, police officers and healthcare workers, are essential for healthy functioning cities. A lack of affordable housing in and around cities can force these professionals to go elsewhere. Vesteda's portfolio offers these key workers suitable homes in urban areas in the Netherlands.

Tenant satisfaction surveys

Benchmark tenant satisfaction

The score for overall tenant satisfaction is comparable to the Net Promoter Score. The Net Promoter Score is a method used to measure client loyalty. The image below shows Vesteda's score on overall satisfaction together with the benchmark over the past five years.

Benchmark tenant satisfaction (score out of 10)



Source: Customeyes/ Vesteda

Vesteda's current tenant satisfaction score was 6.9 in 2019, which was a slight improvement on the 2018 score (6.8) and was higher than the Customeyes benchmark score. The tenant satisfaction score has improved in recent years. Vesteda will continue to focus on improving tenant satisfaction. Vesteda's goal is to outperform the benchmark each year. By improving service levels, Vesteda aims to become a preferred landlord in the residential market.

Vesteda wants its tenants to feel at home with Vesteda. The improvement of services for tenants remains important. Vesteda believes that satisfied tenants are less likely to move and that they contribute to the well-being of other tenants, which in turn enhances social cohesion and the performance of Vesteda's assets. From the tenant satisfaction surveys, Vesteda has learned what areas of the services provided require extra attention.

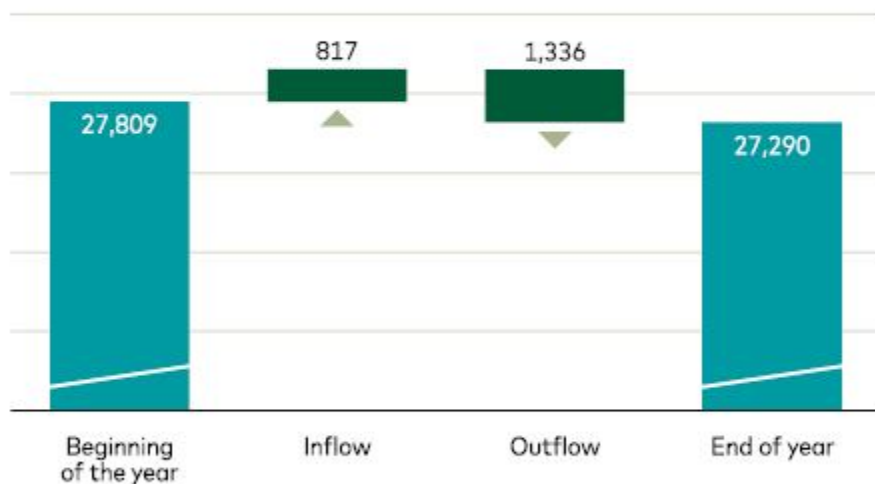
Vesteda's goal for 2020 is to further improve tenant satisfaction and to make sure that the tenants of the former Delta Lloyd portfolio are also happy with Vesteda's services.

Portfolio

Units

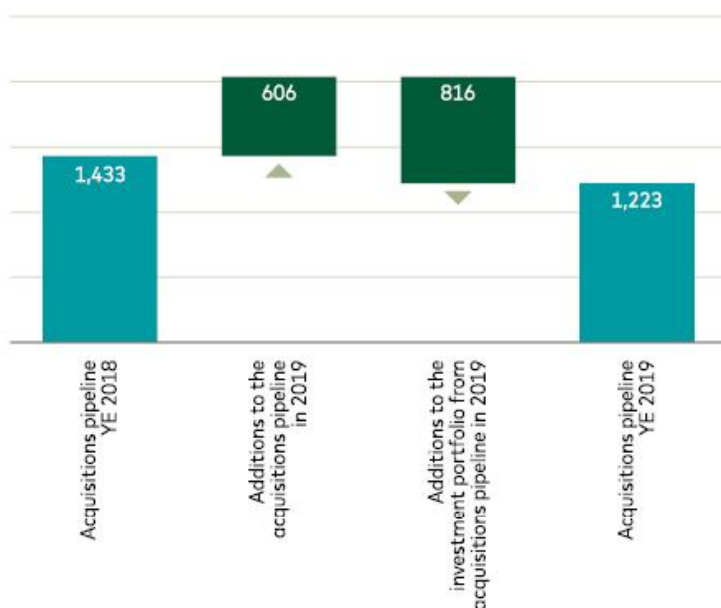
The total number of residential units was 27,290 at year-end 2019, a 2% decline compared with year-end 2018. In 2019, in total 817 homes were added to the investment portfolio (816 new-build homes and 1 transformation unit) and 1,336 units were sold. The net outflow was a result of two portfolio sales which exceeded the inflow from new-build homes from the pipeline in 2019.

Changes in investment portfolio (number of units)



The total committed pipeline at year-end 2019 was 1,223 units, compared with 1,433 units at year-end 2018. In 2019, in total 816 new-build homes were added to the investment portfolio and seven new-build projects were signed, adding 606 units to the committed pipeline.

Acquisition pipeline (number of units)



Segmentation

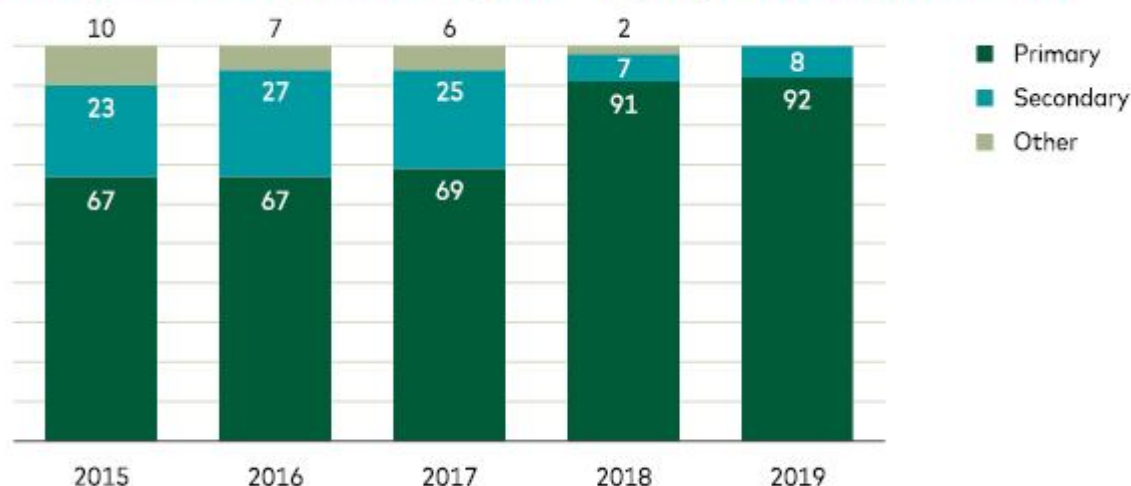
At year-end 2019, 92% of the investment portfolio was located in Vesteda's primary regions. The portfolio disposals we completed in 2019 reduced our exposure in other regions nearly to 0%.

In 2019, Vesteda updated its regional segmentation and added a study on the accessibility of jobs in the Netherlands as an additional criterion in our decision-making. Urban areas have grown significantly in recent decades due to the

fact that they offer employment, shopping amenities, leisure, schools, hospitals, etc. Mobility is the key dynamic of urbanisation. The most accessible areas in and around cities, those that offer fast connections to work, city life and leisure will be the most popular areas of the future.

As a result of Vesteda's redefinition of the regions, Vesteda upgraded or downgraded 93 out of a total of 380 municipalities. This new segmentation led to a reduction in the total number of primary regions. The increase in % of Primary regions in 2019 is due to two portfolio sales and the inflow of new-build homes in these regions.

Composition of the investment portfolio by region (% weight in value)



Vesteda is playing its part in delivering affordable homes in the mid-priced rental segment. As a socially responsible investor, Vesteda recognises that finding an affordable home is a growing problem, especially for low-income and middle-income households. The only way to remedy these shortages, including all the knock-on effects of these shortages, is to build more homes. Enlarging the supply of mid-priced rental homes will help to create a balanced housing market and attractive and livable cities. In line with Vesteda's strategy of focusing on the mid-rental segment of the market, last year Vesteda introduced a new rental segment, the mid regulated rental segment. Under the right conditions, this gives Vesteda the opportunity to invest in attractive and affordable homes for the long term.

Furthermore, one of the other measures Vesteda took was to cap the annual rent increase in 2019, similar to what was done in 2018. However, Vesteda still saw a shift in its overall portfolio from the mid-rental segment to the higher segment due to an increase in market rents in large cities in the Netherlands.

Composition of the investment portfolio by rental segment (% weight in value)



Acquisitions and property sales

Last year was another strong year for the Dutch residential real estate market. Investors continued to pursue residential real estate buying opportunities. Several large existing portfolios were sold at record low yields.

The competition for new-build high-quality residential product remains fierce. Furthermore, rising construction costs, due in part to tightening sustainability requirements, high land prices and the nitrogen crisis are making it difficult for new-build projects to get off the ground. Yield compression in larger cities seems to be bottoming out, while we are still seeing yield compression in smaller cities and municipalities around larger cities. Vesteda continues to target quality rather than volume and remains selective regarding acquisitions.

Portfolio inflow 2019

In 2019, Vesteda added a total of 817 residential units to its investment portfolio, including 1 transformation unit. The table below provides an overview of the new-build additions to the investment portfolio in 2019.

New-build additions to the investment portfolio in 2019

Residential building	Location	Total number of units	Apartments/Family houses	Region	Rental segment	Quarter of completion/delivery
De Boulogne 1	Utrecht	45	Apartments	Primary	Mid	Q1
De Boulogne 2	Utrecht	24	Apartments	Primary	Mid	Q1
De Belvedere 2	Utrecht	16	Apartments	Primary	Mid	Q1
De Belvedere 3	Utrecht	32	Apartments	Primary	Mid	Q1
De Belvedere 4	Utrecht	27	Apartments	Primary	Mid	Q1
De Rossfeld	Utrecht	65	Apartments	Primary	Mid	Q1
Koningoord	Berkel Enschot	33	Family houses	Primary	Mid	Q1
Parijsh	Culemborg	42	Family houses	Secondary	Mid	Q1
Keijzershof	Pijnacker	26	Family houses	Primary	Mid	Q1
Hooghkamer	Voorhout	55	Family houses	Secondary	Reg/Mid	Q1/Q4
De Enter	Amsterdam	96	Apartments	Primary	Mid/High	Q1
Willemstoren	Rotterdam	76	Apartments	Primary	Mid/High	Q2
De Lanen	Rosmalen	39	Family houses	Primary	Mid	Q2
Helenahof	Arnhem	55	Apartm. & Fam. houses	Primary	Mid	Q2/Q3
De Draai	Heerhugowaard	31	Family houses	Secondary	Mid	Q3
Kolenpark	Groningen	139	Apartments	Primary	Mid	Q3
Hoog Dalem	Gorinchem	15	Family houses	Primary	Mid	Q4
Total new-build additions to the portfolio		816				

Pipeline year-end 2019

In 2019, Vesteda added a total of seven new-build projects, totaling 606 residential units to its pipeline. The total committed pipeline at year-end 2019 was 1,223 units, with an estimated market value at completion of €381 million. All projects are an excellent fit with Vesteda's portfolio strategy in terms of region, rental segment and energy label. The majority of the projects are located in urban expansion sites of larger cities in the Netherlands, where Vesteda can benefit from the promising continued development of the areas.

Composition of the pipeline at year-end 2019

Residential building	Location	Total number of units	Apartments/Family houses	Region	Rental segment	Completion/delivery
Bensdorp	Bussum	40	Apartments	Primary	Mid	2020
Hoog Dalem	Gorinchem	25	Family houses	Primary	Mid	2020
De Generaal	Rijswijk	120	Apartments	Primary	Mid	2020
Noorderhaven	Zutphen	126	Apartm. & Fam. Houses	Secondary	Mid	2020
De Toren	Hoorn	72	Apartments	Primary	Mid	2020
Zuidpoort	Veenendaal	34	Family houses	Primary	Mid	2020
Koningsoord	Berkel Enschoot	32	Family houses	Primary	Mid	2020
Punt Sniep	Diemen	202	Apartments	Primary	Mid	2020
Willemsbuiten	Tilburg	83	Apartments	Primary	Mid	2021
Westerwal	Groningen	171	Apartments	Primary	Mid	2021
Onder de Linden	Oosterhout	39	Family houses	Primary	Mid	2020
Tromppark	Dordrecht	40	Family houses	Primary	Mid	2021
Westergouwe	Gouda	71	Family houses	Primary	Mid	2021
The Ox	Amsterdam	168	Apartments	Primary	Reg/Mid	2022
Total committed pipeline		1,223				

Property sales in 2019

Vesteda divested 1,336 units that no longer met our key investment criteria, in one large portfolio transaction, one smaller portfolio transaction and several individual unit sales. Most of these assets were located in the central and southern parts of the Netherlands. Furthermore, Vesteda took advantage of the current attractive market conditions to reduce our stake in what it sees as more volatile and higher risk properties that require high operating and capital expenditures and have limited rental upside.

Performance

Rental income

The total market rent was 2.1% above the theoretical rent at year-end 2019. The reversionary potential declined compared to prior year, as in 2018 the Delta Lloyd portfolio led to a significant increase in the reversionary potential.

The total theoretical rent at year-end 2019 was lower than at year-end 2018, due to the fact that Vesteda had more outflow than inflow in the portfolio in 2019.

Market rent and theoretical rent

(€ million, year-end)	2019	2018	2017	2016	2015
Market rent	337	350	264	250	243
Theoretical rent	330	332	260	251	244

Average monthly rent per unit

(€, year-end)	2019	2018	2017	2016	2015
Average monthly rent	968	945	910	882	856

Occupancy

The occupancy rate (in units) increased from 97.5% at year-end 2018 to 98.4% at year-end 2019. Demand remained high, which enabled us to record a strong reletting performance. Tenant turnover slightly increased to 12.8%, from 12.4% in 2018.

Occupancy (% , year-end) and tenant turnover (%)



Rental Income

In 2019, the gross/net ratio improved to 23.3%, compared with 25.6% in 2018, driven by the portfolio sales programme over the past two years, which gave Vesteda a qualitatively better portfolio. This combined with the inflow of new developments and the addition of the Delta Lloyd portfolio in 2018, has enabled Vesteda to realise efficiency benefits due to its size and composition.

Rental income

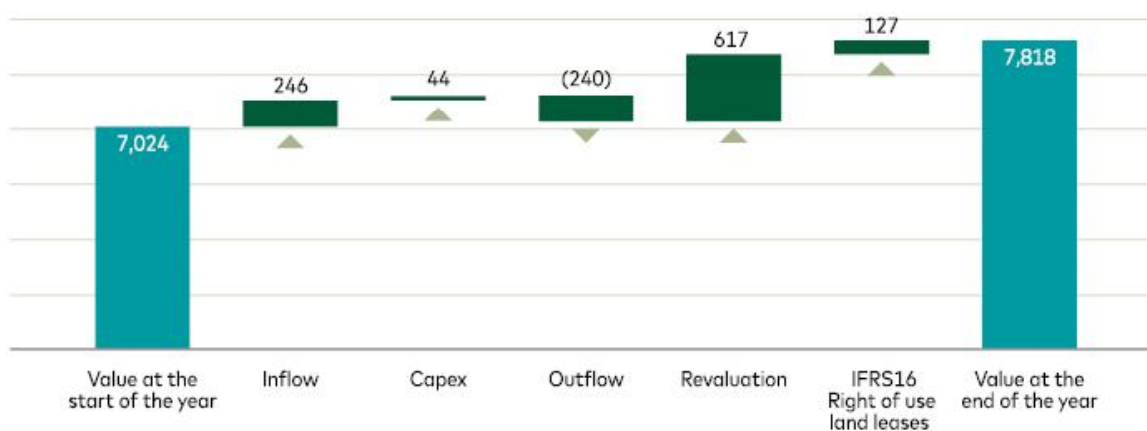
(€ million)	2019	2018	2017	2016	2015
Gross rental income	329	281	247	242	237
Net rental income	252	210	184	182	176
Gross/net ratio	23.3%	25.6%	25.7%	24.9%	25.5%

Market value

The table below shows the value of the investment portfolio, which increased to €7.8 billion as at 31 December 2019 (including IFRS16), 11% higher than at year-end 2018, with a lower number of units. This higher valuation was largely driven by market developments and lower yields. In addition to this, the quality and value of the inflow¹ was higher than the quality and the value of the outflow. Vesteda also made value-add investments in the sustainability or quality of our homes.

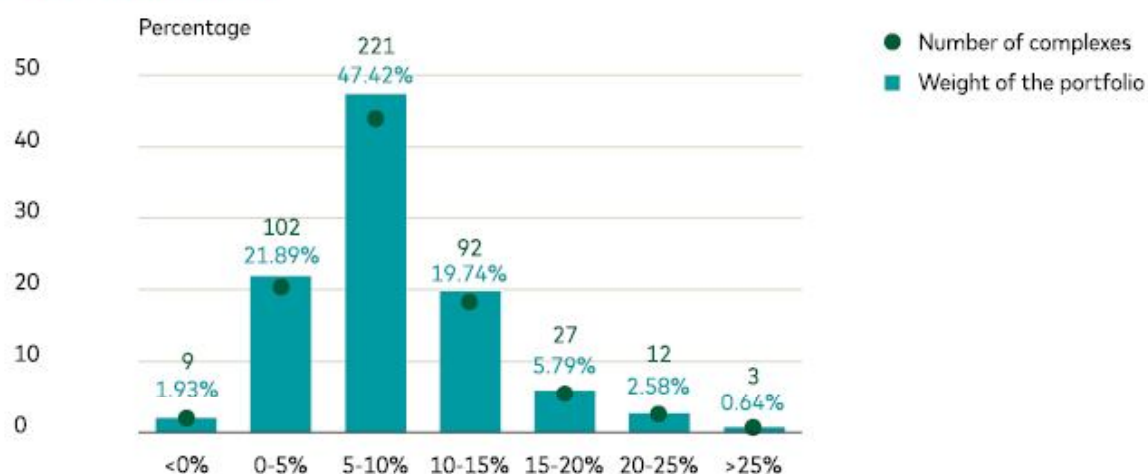
¹ 'Inflow' comprises of 'Transfer from property under construction' in the financial statements of the Fund.

Changes in market value (€ million)



The revaluation of the total portfolio was 8.7% in 2019. This positive result was driven by the primary region (8.8%), across all rental segments, except for the regulated mid segment which saw slightly lower revaluation gains.

Revaluation in 2019



Average value per residential unit

The average value per residential unit in the portfolio increased by 13.9% to €278 thousand at year-end 2019. This increase was largely the result of the revaluation of 8.7%. The valuation increase was also partly driven by the new portfolio mix effect, due to the addition of new units with a higher value and the divestment of units with a lower value.

Average market value per unit

(€ thousand, year-end)	2019	2018	2017	2016	2015
Average value per residential unit	278	244	213	186	160

Gross initial yield

The gross initial yield on the portfolio, defined as the theoretical rent at year-end divided by the value of the portfolio

at year-end (excl. IFRS16), declined for the fourth consecutive year. In 2019, the gross initial yield declined by 40 basis points to 4.3%. This decline in yield was the result of favorable market conditions and increased competition, which was also reflected in the positive revaluation of the portfolio.

Gross initial yield

(%)	2019	2018	2017	2016	2015
Gross initial yield	4.3	4.7	5.4	5.9	6.6

Participants

The increased prices and values of (residential) real estate have resulted in historically high total returns on equity in recent years. However, the high valuation gains have simultaneously put pressure on the fund's direct returns.

Number of issued participations

The total number of issued participation rights remained unchanged in 2019 at 35,897,595. In 2019, Vesteda welcomed Euler Hermes, Stichting Pensioenfonds ING and VCRF Holding as new participants in the fund following secondary transactions with existing participants.

List of institutional investors (participants)

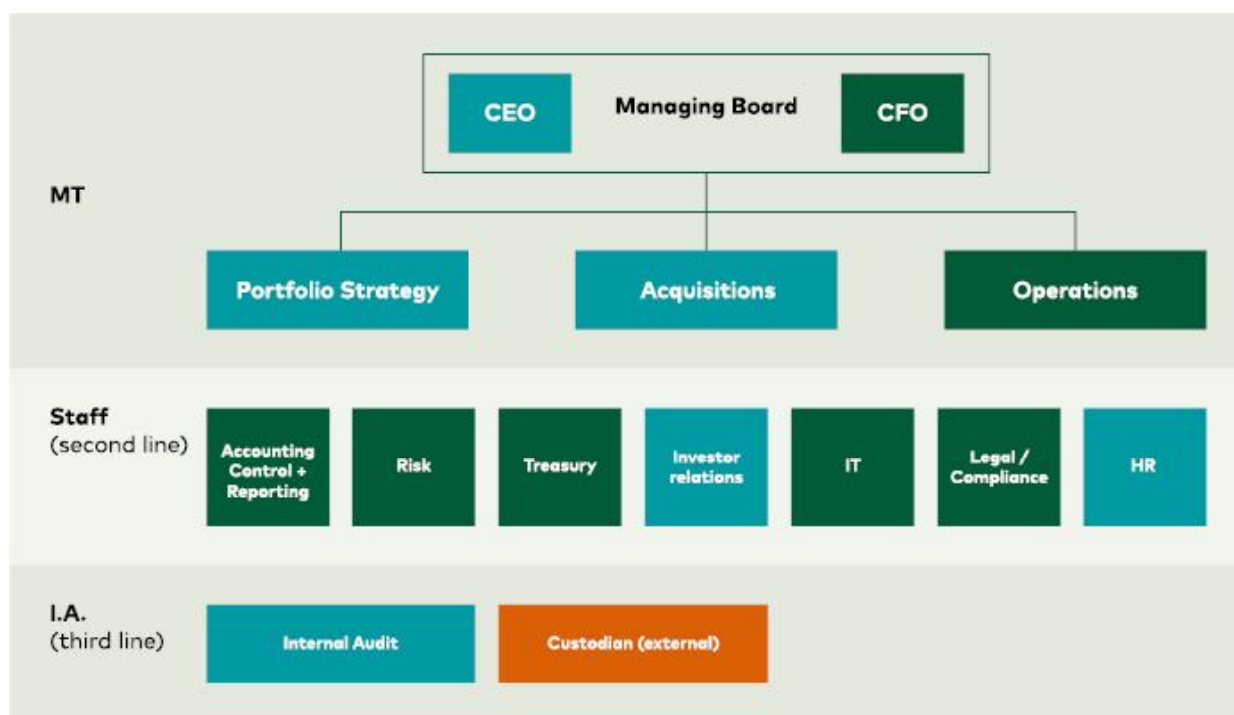
At year-end 2019, Vesteda's participant base consisted of the following institutional investors (in alphabetical order):

- Allianz Benelux
- APG Strategic Real Estate Pool
- ASR Levensverzekering
- ASR Schadeverzekering
- ASR Utrecht Real Estate Investment Netherlands
- AZ Jupiter 10
- Euler Hermes
- Nationale-Nederlanden Levensverzekering Maatschappij
- Non-disclosed Asian institutional investor
- PGGM Private Real Estate Fund
- REI Diaphane Fund (used to be Bouwfonds Nationale Nederlanden)
- Stichting Bedrijfstakpensioenfonds voor de Media PNO
- Stichting Pensioenfonds ABP
- Stichting Pensioenfonds Delta Lloyd
- Stichting Pensioenfonds ING
- Stichting Pensioenfonds Openbaar Vervoer
- Stichting Pensioenfonds PGB

- Stichting Pensioenfonds voor Fysiotherapeuten
- Stichting Pensioenfonds Xerox
- Stichting Spoorwegpensioenfonds
- Stichting TKPI European Real Estate Fund
- VCRF Holding

Organisation and staff

Organisational structure



Vesteda is an internally managed fund with in-house property management. At year-end 2019, Vesteda employed a total of 194 FTEs.

In 2019, Vesteda continued to prepare ourselves for the launch of the new ERP system, that went live on 2 June 2020. As part of these preparations, Vesteda allocated a number of Vesteda staff to this project and hired interim staff to ensure the continuity of day-to-day operations.

Vesteda's organisational structure consists of the Portfolio Strategy, Acquisitions and Operations departments and several staff departments and functions. The Acquisitions and Operations departments are led by the two directors of these core departments, who form Vesteda's Management Team. The Portfolio Strategy department was led in 2019 by the CEO. The Vesteda Management Board consists of Gertjan van der Baan (CEO) and Frits Vervoort (CFO).

Workforce

At year-end 2019, Vesteda employed 194 FTEs, an increase of 3.2% compared with 188 FTEs at year-end 2018. The number of employees increased to 211 at year-end 2019, from 205 at year-end 2018.

The average age of Vesteda employees dropped from 41.4 years in 2018 to 40.9 years in 2019. The largest portion (33%) of the workforce is between 35 and 45 years of age. The representation of the group younger than 35 years of age increased to 30%.

The male/female ratio changed slightly compared with the year-end 2018. At year-end 2019, 52% of the workforce were male and 48% were female. In 2019, 42 new employees joined Vesteda (43% female/57% male) and 36 employees left the company (47% female/53% male).

Vesteda recognises the importance of an equal distribution of male and female members of its Management Board and Supervisory Committee, taking into account that a candidate's qualifications and match with the function profile are always the leading principles behind any appointment.

The percentage of employees covered by collective bargaining agreements was 93% at year-end 2019.

Total remuneration

Total remuneration amounted to €13.2 million (91% fixed and 9% variable) in 2019, an increase compared to the previous year (2018: €12.4 million).

Bonuses

Vesteda has a bonus scheme with a collective component that includes criteria such as the realised operational result, GRESB score, tenant satisfaction score and increase in gross rental income. The variable remuneration also includes an individual component and in some cases a team component. Variable remuneration is only paid, in full or in part, if Vesteda's realised results meet the targets sufficiently. This requirement was met in 2019.

Works council

In 2019, the Works Council and the Management Board met on a regular scheduled basis. These meetings were constructive and subjects included (but were not limited to) HPO, Vitality, the ERP system, the Green Bond and our car policy. The Works Council set up a panel to improve the connection with employees, to facilitate more support for and feedback from employees working in various parts of the company. Two members of the Works Council left the company in 2019.

Funding

Vesteda significantly transformed its funding profile from primarily CMBS notes and bank facilities based funding to a well-diversified fully unsecured funding structure, consisting of a combination of bank debt, euro commercial paper ('ECP'), private placements and public bonds. The unsecured debt profile allows Vesteda to secure debt funding through various debt markets at any point in time. Vesteda has a credit rating of 'BBB+/A-2' with a stable outlook from Standard & Poor's, and this was last reconfirmed in May 2020.

Vesteda will continue with our existing funding strategy. Our financing strategy is based on seven funding targets:

1. Leverage of $\leq 30\%$
2. Total fixed-rate and hedged floating rate exposure of $\geq 70\%$
3. Weighted average maturity of > 4 years
4. Diversified funding profile, with at least three funding sources of at least 10% individually
5. Sufficient liquidity headroom to refinance short-term debt (including maturing bonds and private placements), finance committed pipeline, and to accommodate redemption requests (Redemption Available Cash) according to the terms and conditions.
6. Well-balanced maturity calendar with $< 35\%$ maturing in a single year
7. Asset encumbrance of $< 15\%$

At year-end 2019, Vesteda met all our funding targets.

In 2019, Vesteda further improved its funding profile through a combination of the following actions:

For its short-term funding needs, Vesteda introduced the Euro Commercial Paper programme for up to €1 billion. Using this programme, Vesteda can fund itself at a negative rate. At year-end 2019, Vesteda used €215 million of this programme.

In February 2019, Vesteda exercised the first extension option of the RCF. Five out of six lenders in the RCF approved this request. As a result, €630 million of €700 million was extended by one year to 1 June 2024, and €70 million matures on 1 June 2023.

Following the introduction of the Euro Commercial Paper programme, the RCF now serves only as back-stop facility, in the event that Vesteda cannot make use of the ECP market. Therefore, the RCF was not in use at year-end, and had an availability of €700 million. Vesteda also amended the RCF, incorporating a swingline loan. This allows Vesteda to draw up to €225 million on the facility on the basis of same day notice.

In May 2019, Vesteda issued its inaugural green bond. Vesteda's focus on CSSR puts the company in a good position to issue 'green bonds'. A green bond not only underpins the CSSR strategy but also attracts a wider investor community, both in terms of types of investor and geography. This was also evidenced by the result of the green bond issue, when compared with the previous issue, more investors subscribed, and more sizeable orders were placed. The issue was more than six-times oversubscribed and the new-issue premium was negative.

In June 2019, Vesteda replaced the €200 million committed SMBC facility with a €200 million uncommitted SMBC facility. After the green bond issue and the repayment of our €300 million bond that matured in 2019, Vesteda did not need an extra €200 million committed facility for liquidity headroom. This is why Vesteda replaced this with an uncommitted facility.

Through these transactions, Vesteda increased its average weighted maturity profile to 5.9 years, above our long-term minimum target of four years. The average total debt interest rate² improved to 2.0% in 2019.

Vesteda's main financial covenants, as part of its financing agreements, are a maximum loan-to-value ratio of 50% and a minimum interest cover ratio of 2.0. Vesteda comfortably met all the financial covenants of our financing arrangements in 2019.

The loan-to-value ratio was 23.1% at year-end 2019, compared to 24.0% at year-end 2018.

² Total interest costs (including amortisation of finance costs and amortisation of hedging costs) divided by the average outstanding interest bearing debt.

Debt portfolio at year-end 2019

Committed Debt instrument	Size (€ million)	Drawn (€ million)	Weight	Maturity	Tenor
EMTN PP 1.93%	35	35	1.9%	2027	8.0 yr
EMTN PP 2.50%	65	65	3.6%	2032	13.0 yr
Pricoa USPP 3.18%	100	100	5.5%	2021	1.4 yr
Pricoa USPP 1.8%	100	100	5.5%	2026	7.0 yr
Syndicated RCF	700	0	0%	2024	4.4 yr
Bond 2.50%	300	300	16.4%	2022	2.8 yr
Bond 2.00%	500	500	27.4%	2026	6.5 yr
Green Bond 1.50%	500	500	27.4%	2027	7.4 yr
Total	2,300	1,600			

Uncommitted Debt instrument	Size (€ million)	Drawn (€ million)	Weight	Tenor
SMBC Uncommitted Facility	200	10	0.5%	0.5 yr
Euro Commercial Paper programme	1,000	215	11.8%	0.1 yr
Total	1,200	225		

Management agenda 2020

Tenants

Annual tenant review 2019

Vesteda will once again be producing an annual review for tenants this year. As in 2018, the idea is to focus on a number of themes and summarise these in a digital, illustrated and – most importantly – comprehensible overview. This year's review will also include the option to click through to a digital environment for more information on the chosen subjects.

AEDs

Vesteda is teaming up with the Dutch Heart Foundation to fill the gaps in the AED network in our portfolio of properties, i.e. the areas where there are no registered AEDs available 24/7 within a radius of 500 metres.

Service please

At the end of 2019, Vesteda kicked off an internal campaign aimed at making Vesteda a fully service-oriented organisation. By focusing on the quality of our services, Vesteda expects to achieve improvements in terms of reducing the number of complaints received.

Tenant communications plan

One example of how Vesteda will improve the relationship with its tenants is by regularly sharing information via Vesteda's digital newsletters. In 2020, Vesteda will focus its communication primarily on insourcing of acquired homes from the former Delta Lloyd portfolio. Furthermore, a new Tenant portal will be launched. Vesteda will also use this tool to share its stance on relevant social themes and recurring subjects such as asbestos and fire safety.

Solar panels

On the sustainability front, Vesteda is very keen to increase the number of solar panels installed across its portfolio. Vesteda will be working on various scenarios to formulate an effective solar power policy.

Affordability: calculation tool for new tenants

Given that affordability is a major issue right now, Vesteda wants to give its tenants more insight into the expected increases in the (overall) costs of a home (rent increases). Vesteda would also like to include information on expected energy costs for their particular home and family size (single person, two-person, small family, etc.). Vesteda is keen to improve the transparency of its communications on this front and manage new tenants' expectations more effectively. The idea is to put a calculation tool on Vesteda's website, giving tenants the opportunity to calculate their housing costs now and five years down the line. Vesteda is working with the National Institute for Family Finance Information (Nibud) to build this calculation tool.

Screens in the entrances

As a replacement for Vesteda's message boards, Vesteda is currently investigating the possibility to install screens in the entrances of its apartment complexes, to improve and increase communications on complex-related matters.

Entrance upgrades

This year Vesteda will select one complex per region and upgrade the entrance to the complex. Vesteda's aim is to involve the residents in this exercise to make them feel even more at home in their residential complex. The acquisition team will also be working with operations to devote more attention to the entrances of any new-build complexes we acquire.

Portfolio

Continued focus on improving the quality and sustainability of the portfolio

Vesteda's main goal is a mid-market portfolio located in Vesteda's chosen primary regions that consists of sustainable and future-proof, attractive, well designed houses, tailored to specific target groups but flexible in terms of future use, so Vesteda can continue to outperform the MSCI three-year IPD Dutch Residential Benchmark total return. Vesteda's focus is on a sustained income growth of 2.5%-3.0% and a low risk/return profile.

Vesteda conducted a study on the accessibility of jobs in the Netherlands. Vesteda believes that primary regions are the most accessible areas in and around cities, that offer fast connections to work, city life and leisure. The scores and insights from this study are used to determine the primary regions for its current portfolio and for potential acquisitions.

The strong economic climate has made acquisitions more challenging, but Vesteda still expects to record growth by adding new projects to its pipeline in the coming years. Vesteda expects to add approximately 1,100 units to its pipeline in 2020, but size or growth is not a goal in itself. Vesteda currently has sufficient scale to effectively manage its portfolio at an attractive cost level, so Vesteda has no intention of compromising on quality. Vesteda does not foresee any more residential portfolio sales and has a selective disposal strategy.

Vesteda is constantly identifying opportunities for redevelopment and densification, or to optimise or add value to standing assets in its portfolio. Vesteda will develop data-driven models to support its decision-making. One local change and opportunity that Vesteda is facing in Amsterdam is the change in the leasehold system. In the modified system, the city council has opted for perpetual leaseholds and Vesteda will look into accepting the favourable conditions the council is offering to change leaseholds.

The limited availability of affordable housing in combination with rent increases far higher than inflation, is a growing problem for Vesteda's target group, middle-income households. Demand is extremely high and there is no sign that this will abate anytime soon, given the urbanisation trend and the projected growth in the number households. Vesteda believes that it is its responsibility to play an active role in addressing the issue of affordability, for example by voluntarily capping the annual rent increase in the past two years. Vesteda also identified regulated mid-market segment as a new investment category. Vesteda expects continued high demand from tenants and increasing housing prices, which may result in new regulations, imposed by national and local governments.

With regards to climate change and the sustainability of our portfolio, Vesteda focuses both on climate mitigation and adaptation. In 2020, Vesteda will complete the identified improvements to its portfolio in accordance with its 2016-2020 goals, and start its new round of sustainability investments to achieve a 99% green portfolio in 2024. This year Vesteda will also draw up a roadmap on how Vesteda plans to make additional improvements to its portfolio in line with the Paris Agreement and the Dutch government's climate agreement.

Vesteda will also develop a model to gain more insight into the physical climate risks for its portfolio and use these insights to develop a policy to evaluate new acquisitions and help Vesteda to mitigate and/or reduce the risks to the existing portfolio.

Acquisitions and property sales

The investment market for high-quality residential products remains tight. Supply is limited and making projects feasible getting them to the start of construction stage remains challenging due to high construction costs, high land costs, high quality and sustainability requirements, rental regulations and limited capacity in the sector. The strong demand and limited supply at high prices is putting pressure on affordability and is fueling the public debate on rent control measures, such as caps on initial rents and rental growth.

Increased regulation is a risk for Vesteda's existing portfolio. For new acquisitions, it might also be an opportunity.

Vesteda has conditionally adopted regulated mid-market residential product as a new investment category. When Vesteda can price in rent control measures it can service middle-income tenants more effectively with an affordable product, while Vesteda retains long-term reversionary potential after the restrictive period (as many rental restrictions are for a limited period).

Vesteda is planning to add approximately 1,100 new homes to its pipeline in 2020. Vesteda aims to acquire value growth propositions and Vesteda never compromises on quality, in terms of product, return and affordability.

Vesteda also continues to actively explore and work on redevelopment opportunities within its existing portfolio, geared towards combining densification with renewal and improvements to the sustainability of the existing portfolio. Vesteda takes a disciplined approach to development risk. That said, Vesteda does explore investment opportunities earlier in the development process on a case by case basis, as this increases its influence on the quality and pricing of the developed product. This has also proven to give Vesteda a competitive advantage in the acquisition process.

After a substantial divestment programme in 2018 and 2019, Vesteda does not foresee any substantial divestment programmes for 2020.

Participants

Vesteda strives to provide its participants with good returns, transparency and service. Participant satisfaction is one of its key performance indicators. Vesteda seeks to continuously improve the dialogue with all its participants, and invest in establishing relationships with potential new participants.

A topic that has gained in importance in recent years is socially responsible investing. This prompted Vesteda to set itself clear and ambitious CSSR targets, including a target for the GRESB benchmark score. Investors are also embracing other goals and initiatives, such as the United Nation's Sustainable Development Goals (UN SDGs) and the United Nation's Principles for Responsible Investment (UN PRIs).

Funding

Vesteda will continue with its strategy of diversifying its funding sources and improving the maturity profile, while maintaining a low leverage, a relatively low cost of debt, while at the same time making its funding more sustainable. The introduction of the Euro Commercial Paper programme helped to reduce the cost of debt, as this programme allows Vesteda to fund at a negative rate. Vesteda extended the RCF by one year and incorporated a swingline loan. This helped to improve the maturity profile and increases the flexibility of the facility. In 2020, Vesteda would like to extend the RCF by another year, making use of the second extension option.

The next bond issue is expected in 2021. This will probably be a green bond or possibly a sustainable bond. For 2020, Vesteda expects to arrange another private placement, of around €100 million. Vesteda will also review its other existing finance arrangements and investigate whether Vesteda should change these into green or sustainable financing facilities. Vesteda will also look into other finance opportunities, with a view to further diversifying its funding and to make use of the current low interest environment.

Organisation and staff

The year 2020 will be focused on insourcing of property management activities of the former Delta Lloyd portfolio, digitalization of the rental and property management process and replacement of its existing outdated IT systems with an off-the-shelf ERP system. Attracting and retaining high quality employees who are capable of serving Vesteda's tenants is therefore key. Further HPO programme activities will be carried out to elevate and ultimately

outperform in terms of quality of management and employees, long-term focus, continuing improvements and innovation, openness and speed of action.

Corporate Sustainability and Social Responsibility

To increase Vesteda's ESG and health and well-being performance, Vesteda is aiming for another GRESB 5-star rating, which would put Vesteda among the best 20% of investors globally. Vesteda has invested heavily in the sustainability of its portfolio to comply with the Dutch government's Energy Agreement in 2020. Vesteda expects to be able to improve most of its properties with a D, E, F and G label by 2020, with a few large projects that will be executed in 2021. From 2020 onwards, Vesteda will continue to improve the sustainability of its portfolio and Vesteda has set new goals towards 2024 accordingly. Vesteda will increase its knowledge of the future transition from natural gas and perform pilot studies on a limited scale.

MANAGEMENT OF THE FUND

Members of the managing board of the Fund

As at the date of this Prospectus, the managing board of the Fund consists of Mr. Gertjan van der Baan as Chief Executive Officer (**CEO**) and Mr. Frits Vervoort as Chief Financial Officer (**CFO**).

G.S. (Gertjan) van der Baan (1968)

CEO, Dutch.

Chairman of the managing board (since 1 January 2014. Second term of office ends in December 2021). As Chief Executive Officer, Gertjan van der Baan is responsible for Portfolio Strategy, Acquisitions, HR Management, Investor Relations and Corporate Sustainability, Social Responsibility, and Internal Audit.

Frits Vervoort (1962)

CFO, Dutch.

Member of the managing board (since 1 November 2016. First term of office ends in October 2020). As CFO of the Fund, Frits Vervoort's responsibilities include accounting, control & reporting, risk, legal/compliance, operations, IT and treasury.

Members of the supervisory committee of the Fund

As at the date of this Prospectus, the supervisory committee of the Fund consists of the persons as listed below. The supervisory committee of Fund is responsible for the supervision of the management of the Fund.

Jaap Blokhuis (1958)

Chairman

Areas of expertise: management, finance, investments, compliance, risk management.

Hans Copier (1957)

Areas of expertise: management, risk management and audit, compliance, personnel and organisation.

Seada van den Herik (1972)

Areas of expertise: personnel and organisation, finance, risk management.

Theo Eysink (1966)

Areas of expertise: risk management and audit, finance, compliance.

Eva Klein Schiphorst (1964)

Areas of expertise: real estate, energy transition, organisational development and project management.

FINANCIAL INFORMATION OF THE FUND

The financial information in this section has been derived from the audited financial statements of the Fund, which are incorporated by reference, other than the information included under the paragraphs “Key figures” and “Vesteda’s performance on main KPIs” below, which information has been derived from the unaudited management reports of the Fund. For more information, please see the audited consolidated annual financial statements for the financial year ended 2018 and 2019 of the Fund, as incorporated by reference herein.

Key figures

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2019; amounts in € million

	Note	2019	2018
Gross rental income	6	329	281
Service charges income	7	9	10
Revenues		338	291
Property operating expenses (excluding service charges)	8	(72)	(65)
Service charges	7	(14)	(16)
Net rental income		252	210
Result on property sales	9	13	44
Management expenses	10	(23)	(18)
Financial results	11	(40)	(29)
Realised result before tax		202	207
Unrealised result	12	653	825
Result before tax		855	1,032
Tax	13	(1)	-
Result after tax (attributable to equity holders of the parent/participants)		854	1,032
Other comprehensive income that will be reclassified subsequently to profit or loss			
- Settlement pre-hedge contracts		(6)	-
- Revaluation of PPE		1	2
Other comprehensive income, net of tax	14	(5)	2
Total comprehensive income (attributable to equity holders of the parent)		849	1,034
Earnings per participation right in €			
Basic and diluted earnings, on result after tax	21	23.79	32.20
Comprehensive income per participation right in €			
Basic and diluted earnings, on total comprehensive income		23.65	32.27

(€ million)	31 December 2019	31 December 2018
Total assets	8,058	7,337
Equity	6,022	5,517
Debt capital	1,825	1,746
Leverage ratio (%)	22.5	23.7

(€ million)	FY 2019	FY 2018
Interest expenses (excluding amortisation of financing costs)	37	28
Interest expenses (excluding amortisation of financing costs and IFRS16)	34	33
EBITDA	242	235

Higher Gross rental income

Theoretical rent came in at €339 million in 2019, an increase of €49 million compared with the theoretical rent of €290 million in 2018. This increase was largely due to the increase in average number of units in Vesteda's portfolio in 2019, due to the acquisition of the Delta Lloyd portfolio (though this was partially offset by disposals of Vesteda's portfolio). The portfolio size had decreased to 27,290 residential units at the end of 2019, compared with 27,809 residential units at the end of 2018, due to portfolio sales and individual unit sales. In addition, theoretical rent was higher due to a higher average monthly rent (€968 at year-end 2019, from €945 at year-end 2018). The like-for-like rent increase was 3.6% in 2019 compared with 2.7% in 2018. The loss of rent came in at 2.8% in 2019, a decrease on the 3.2% loss of rent in 2018. This was mainly due to the higher occupancy rates.

Increase in net rental income

Property operating expenses came in at €72 million in 2019, €7 million higher than the property operating expenses of €65 million recorded in 2018. This increase was largely due to the increased size of the portfolio. Operating expenses, including non-recoverable charges, amounted to 23.3% of gross rental income in 2019 (2018: 25.6%). Net rental income increased to €252 million in 2019, from €210 million in 2018.

Sales proceeds

In 2019, Vesteda sold a total of 1,336 homes from its investment portfolio, compared with the sale of 2,229 homes in 2018. A total of 1,117 homes were sold as a portfolio, 219 homes were individual unit sales. The result from property sales decreased to €13 million in 2019, from €44 million in 2018.

Management expenses

Management expenses came in at €23 million in 2019, compared with €18 million in 2018. The increase in management expenses was due to lower recharged acquisition expenses, lower recharged property sales expenses and higher other operating expenses in 2019.

The Total Expense Ratio (TER) improves slightly from 31 basis points over GAV in 2018 to 30 basis points in 2019.

Interest expenses

Interest expenses increased by €11 million to €40 million in 2019, compared with €29 million in 2018, mainly due to a higher average debt position. The implementation of IFRS 16 as per 1 January 2019 also had a €4 million impact. The average cost of debt declined from 2.1% in 2018 to 2.0% in 2019. In May of 2019, Vesteda issued a €500 million green bond, and used part of this to repay the €300 million bond that matured in July

2019. In June 2019, Vesteda also repaid a committed €200 million SMBC facility and replaced this loan with an uncommitted facility of the same size. Through these transactions, Vesteda extended the weighted average term of its loan portfolio to 5.9 years and reduced its average interest rate.

Realised result

Vesteda recorded a realised result before tax of €202 million in 2019, €5 million lower than the realised result of €207 million recorded in 2018. A higher net rental income was more than offset by a lower result on property sales, higher management expenses and increased interest payments. The realised return as a percentage of time weighted average equity declined from 4.6% in 2018 to 3.6% in 2019.

Excluding result on property sales, realised result increased from €163 million in 2018 to €188 million in 2019. Excluding the return from property sales, the realised return was 3.3% in 2019, compared with 3.6% in 2018. This decline is the result of the increased value of the portfolio.

Unrealised result

The positive sentiment on the Dutch housing market led to a positive revaluation of 8.7% on Vesteda's investment portfolio in 2019, compared with 13.5% in 2018. Appraisals of Vesteda's investment portfolio showed a further decline of exit yields. The unrealised result amounted to €653 million in 2019, including a €3 million positive IFRS 16 impact, compared with €825 million in 2018.

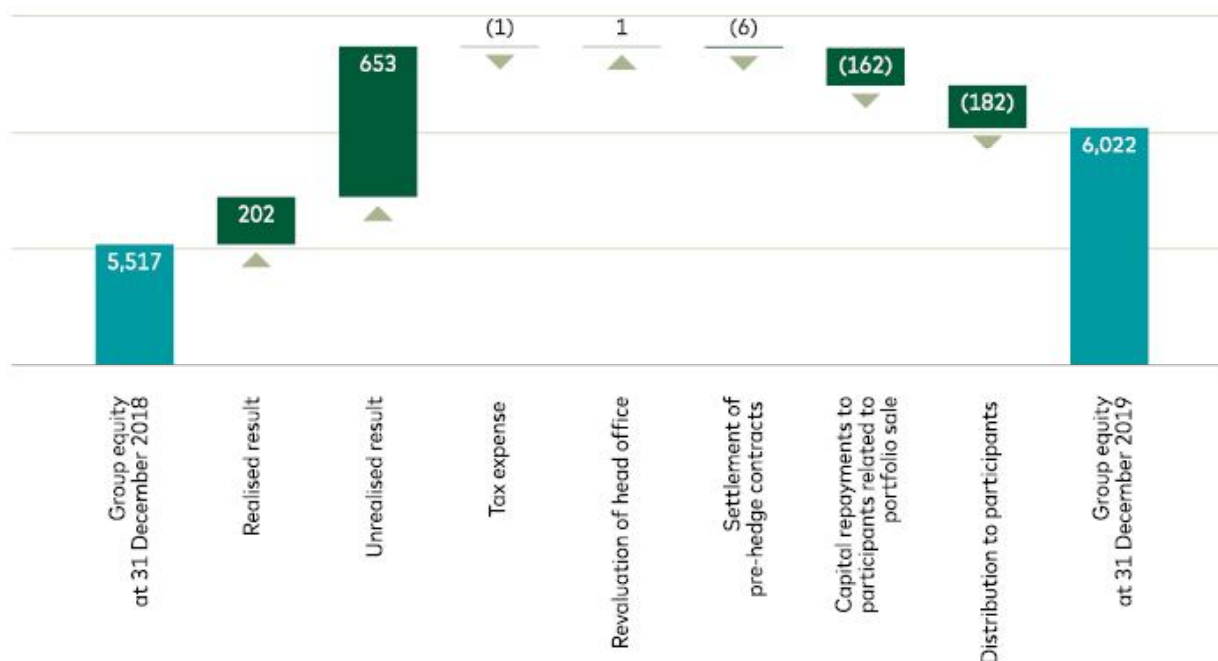
Total comprehensive result

Vesteda's total comprehensive result came in at €849 million in 2019 compared with €1,034 million in 2018. This decrease was mainly due to exceptionally high revaluation of Vesteda's investment portfolio in 2018. Total return on time weighted average equity (ROE) was 14.9% in 2019 (2018: 23.0%), 3.6% of which was realised return (2018: 4.6%), 11.4% of which was unrealised return (2017: 18.4%), and -0.1% of which was due mainly to settlement of pre-hedging contracts (2019: 0.0%).

Changes in equity

At 31 December 2019, group equity amounted to €6,022 million, compared with €5,517 million at 31 December 2018. This €505 million increase in equity was the balance of a realised result before tax of €202 million, an unrealised result of €653 million, a revaluation of Vesteda's head-office of €1 million, a €6 million settlement on pre-hedge contracts, a capital repayment to participants related to the portfolio sale of €162 million, and a distribution to participants totaling €182 million.

Changes in equity (€ million)



Distribution proposal

The following distribution policy applies: approximately 60% of budgeted distribution is paid out in three instalments during the year, each two weeks after quarter end. The remaining approximately 40% will be paid out in two instalments after the close of the financial year, one in January, shortly after fourth quarter end and one after the adoption of the distribution proposal in April.

In 2019, a total amount of €344 million was distributed to participants, of which €72 million was the Q4 2018 interim distribution paid out in January 2019 and the 2018 final distribution paid out in April 2019. A total of €109.5 million was paid in three installments as an interim distribution for 2019. Furthermore, a capital repayment of in total €161.5 million was made in August 2019, related to a portfolio sale.

In 2020, the Q4 2019 interim distribution of €36.5 million was paid out in January 2020. The General Meeting of Participants has resolved on 8 April 2020 to pay-out a final distribution payment of €42.7 million for 2019.

DESCRIPTION OF THE ISSUER

General

The Issuer is a financing company and has the legal form of a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*). The Issuer was incorporated under the laws of The Netherlands on 18 July 2012. The corporate seat of the Issuer is in Amsterdam, The Netherlands and its registered office is at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands with the following telephone number: 0884561666. The Issuer is registered in the Commercial Register of the Chamber of Commerce under number 55723322.

Pursuant to article 3 of its articles of association, the corporate objects of the Issuer are:

- a. to finance businesses and companies with which it forms a group, including the entities which act as custodian of the Fund, a fund for joint account of the participants and to execute financial transactions on behalf of the group;
- b. to borrow, to lend and to raise funds including the issuance of bonds, promissory notes or other securities, on evidence of indebtedness as well as to enter into agreements relating thereto;
- c. to incorporate, to participate in any way whatsoever in, and to manage businesses and companies;
- d. to grant guarantees, to bind the Issuer and to pledge its assets for businesses and companies with which it forms a group and for third parties;
- e. to render advice and services to businesses and companies;
- f. to perform any and all activities of a financial nature,
- g. and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense

Issued share capital of the Issuer

The issued capital of the Issuer amounts to €18,000, divided into 1,800,000 registered shares with a nominal value of €0.01 each, issued on 18 July 2012, which are currently all held by Stichting Administratiekantoor Vesteda. The issued capital is fully issued and paid-up. The Issuer does not have authorised but unissued capital.

Business

Pursuant to its corporate purpose, the Issuer acts as financing company of the Fund, the principal activity of the Issuer is to finance businesses and companies which are part of the Fund. Because of its purely internal purpose, the Issuer does not have any markets in which it competes and therefore, the Issuer cannot make a statement regarding its competitive position in any markets.

Organisational structure

The Issuer is a wholly owned subsidiary of Stichting Administratiekantoor Vesteda. The Issuer does not have any subsidiaries of its own.

Management, Corporate governance

The Management Board of the Issuer is formed by Vesteda Investment Management B.V. and the Management Board of the latter comprises of Gertjan van der Baan (CEO) and Frits Vervoort (CFO). In this capacity they, in effect, take board decisions at Issuer level. The corporate seat of the sole managing director is in Amsterdam, The Netherlands and its registered office is at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands with the following telephone number: 0884561666. Vesteda Investment Management B.V. is registered in the

Commercial Register of the Chamber of Commerce under number 14071789. Please see "*Organisation and staff*" under "*VESTEDA GROUP AND THE FUND – CORPORATE PROFILE AND BUSINESS*".

There are no potential conflicts of interest between any duties to the Issuer, the members of the managing board of the Issuer and their private interests and or other duties.

No specific rules apply to the Issuer under the Dutch corporate governance code, because the Dutch corporate governance code only applies to companies whose shares are listed.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the previous twelve months which may have, or have had in the recent past significant effects on the Issuer's and/or Vesteda Group's financial position or profitability.

Material Contracts

The Issuer has not entered in any material contract other than in the ordinary course of its business, which could result in any Fund entity (including the Issuer) being under an obligation or entitlement that is material to the ability of the Issuer or the Guarantor to meet their respective obligation to Noteholders in respect of the Notes being issued.

Trend Information and Significant Changes

There has been no material adverse change in the prospects of the Issuer since 31 December 2019 and no significant change in the financial performance or financial position of the Issuer or of the Vesteda Group since 31 December 2019.

Auditors

The auditor of the Issuer is Deloitte Accountants B.V.

DEED OF GUARANTEE

This is the text of the Deed of Guarantee in respect of the Notes, as supplemented, amended and restated on 30 June 2020.

THIS DEED OF GUARANTEE is made on 3 July 2014, as supplemented, amended and restated on 30 June 2020

BY

- (1) **CUSTODIAN VESTEDA FUND I B.V.** (the **Guarantor** which expression shall include any further entity acceding as a Guarantor in accordance with Clause 3 (*Accession New Guarantor*) of the Deed of Guarantee)

IN FAVOUR OF

- (2) **THE NOTEHOLDERS** (as defined in the Prospectus described below) hereinafter also referred to as the "Beneficiaries".

WHEREAS

- 1.1 Vesteda Finance B.V. (the **Issuer**) and the Guarantor have established a Guaranteed Euro Medium Term Note Programme (the **Programme**) for the issuance of notes (the **Notes**), originally in the amount of €1,500,000,000, as amended on 30 June 2020 in an amount of €2,500,000,000. In connection with the Programme they have entered into a dealer agreement dated 30 June 2020 (the **Dealer Agreement**) and an issue and paying agency agreement dated 30 June 2020 (the **Agency Agreement**).
- 1.2 The Issuer has made an application to Euronext Amsterdam N.V. (**Euronext Amsterdam**) for Notes issued under the Programme to be admitted to trading on Euronext Amsterdam. Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- 1.3 In connection with the Programme, the Issuer and the Guarantor have prepared a Prospectus, originally dated 3 July 2014, and as updated and supplemented from time to time, which has been approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the **AFM**), which is the competent authority in The Netherlands under Regulation (EU) 2017/1129 (the **Prospectus Regulation**).
- 1.4 The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer to Noteholders in respect of the Notes.

NOW THIS DEED OF GUARANTEE WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

All terms and expressions which have defined meanings in the Prospectus, the Dealer Agreement or the Agency Agreement shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

1.2 Clauses

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

1.3 Other agreements

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Prospectus, the Dealer Agreement and the Agency Agreement) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, restated, extended, replaced or novated from time to time. In addition, in the context of any particular Tranche of Notes, each reference in this Deed of Guarantee to the Prospectus shall be construed as a reference to the Prospectus as supplemented and/or amended by the relevant Final Terms.

1.4 Legislation

Any reference in this Deed of Guarantee to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

1.6 Benefit of Deed of Guarantee

Any Notes issued under the Programme on or after the date of this Deed of Guarantee shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

2. GUARANTEE AND INDEMNITY

2.1 Guarantee and indemnity

The Guarantor hereby irrevocably and unconditionally by way of an independent guarantee (*onafhankelijke garantie*):

- 2.1.1 guarantees to each Noteholder punctual performance by the Issuer of the Issuer's obligations under the Notes;

- 2.1.2 undertakes with each Noteholder that whenever the Issuer does not pay any amount when due under or in connection with the Notes, it shall immediately on demand pay that Noteholder; and
- 2.1.3 agrees with each Noteholder that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify that Noteholder immediately on demand against any cost, loss or liability it incurs as a result of the Issuer not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under the Conditions on the date when it would have been due.

3. **ACCESSION NEW GUARANTOR**

The Issuer and the Guarantor may nominate any institution as a new Guarantor hereunder in respect of the Programme, in which event, upon the accession of such institution by a deed of accession (a **Deed of Accession**) in the terms or substantially in the terms set out in Schedule 1 (*Form of Guarantor Deed of Accession*) hereto, such institution shall become a party hereto with all the authority, rights, powers, duties and obligations of a Guarantor as if originally named as a Guarantor hereunder.

4. **COMPLIANCE WITH THE CONDITIONS**

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions, in respect of Notes issued and outstanding as at the date hereof and in respect of Notes issued under the Programme and outstanding after the date hereof.

5. **PRESERVATION OF RIGHTS**

5.1 **Principal obligor**

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

5.2 **Continuing obligations**

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Note and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from the Issuer in respect of the Notes have been paid, and all other actual or contingent obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

5.3 **Obligations not discharged**

Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

- 5.3.1 *Winding up*: the winding up, dissolution, administration, re-organisation or moratorium of the Issuer or any change in its status, function, control or ownership;

- 5.3.2 *Illegality*: any of the obligations of the Issuer under or in respect of any Note being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 5.3.3 *Indulgence*: time or other indulgence (including for the avoidance of doubt, any composition) being granted or agreed to be granted to the Issuer in respect of any of its obligations under or in respect of any Note;
- 5.3.4 *Amendment*: any amendment, novation, supplement, extension, (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement, waiver or release of, any obligation of the Issuer under or in respect of any Note or any security or other guarantee or indemnity in respect thereof including without limitation any change in the purposes for which the proceeds of the issue of any Note are to be applied and any extension of or any increase of the obligations of the Issuer in respect of any Note; or
- 5.3.5 *Analogous events*: any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.

5.4 **Settlement conditional**

Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

5.5 **Exercise of Rights**

No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

- 5.5.1 *Demand*: to make any demand of the Issuer, save for the presentation of the relevant Note;
- 5.5.2 *Take action*: to take any action or obtain judgment in any court against the Issuer; or
- 5.5.3 *Claim or proof*: to make or file any claim or proof in a winding up or dissolution of the Issuer,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of any Note.

5.6 **Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of any Note or the Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor

will not exercise any rights which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

5.6.1 *Indemnity*: to be indemnified by the Issuer;

5.6.2 *Contribution*: to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of any Note; or

5.6.3 *Subrogation*: to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Note by any Beneficiary.

5.7 **Pari passu**

The Guarantor undertakes that its obligations hereunder will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

6. **DEPOSIT OF DEED OF GUARANTEE**

This Deed of Guarantee and any Deed of Accession shall be deposited with and held by the Fiscal Agent for so long as the Programme remains in effect and thereafter until all the obligations of the Issuer under or in respect of the Notes have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

7. **STAMP DUTIES**

The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

8. **BENEFIT OF DEED OF GUARANTEE**

8.1 **Benefit**

This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

8.2 **Offer and Acceptance**

This Deed of Guarantee constitutes an irrevocable offer from the Guarantor in favour of the Noteholders from time to time, and each Noteholders shall be deemed to have accepted this irrevocable offer.

8.3 **Assignment**

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

9. **PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

10. **NOTICES**

10.1 **Address for notices**

All notices, demands and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

De Boelelaan 759
1082 RS Amsterdam
The Netherlands

Fax: + 0884561667
Attention: Director

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the relevant Noteholders in the manner prescribed for the giving of notices in connection with the relevant Notes.

10.2 **Effectiveness**

Every notice, demand or other communication sent in accordance with Clause 9.1 (*Address for notices*) shall be effective upon receipt by the Guarantor; *provided that* any such notice, demand or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

11. **CURRENCY INDEMNITY**

If any sum due from the Guarantor under this Deed of Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the **first currency**) in which the same is payable under this Deed of Guarantee or such order or judgment into another currency (the **second currency**) for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Deed of Guarantee, the Guarantor shall indemnify each Beneficiary on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Beneficiary may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or

proof. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

12. **LAW AND JURISDICTION**

12.1 **Governing law**

This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it are governed by the laws of The Netherlands.

12.2 **Courts of The Netherlands**

The courts of The Netherlands have exclusive jurisdiction to settle any dispute (a **Dispute**), arising out of or in connection with this Deed of Guarantee (including a dispute relating to the existence, validity or termination of this Deed of Guarantee or any non-contractual obligation arising out of or in connection with this Deed of Guarantee) or the consequences of its nullity.

12.3 **Appropriate forum**

The Guarantor agrees that the court of first instance (*rechtbank*) in Amsterdam, The Netherlands is the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

13. **MODIFICATION**

The Agency Agreement contains provisions, including the convening meetings of Noteholders, relating to the modification of any provision of this Deed of Guarantee. Any such modification may be made by supplemental deed, as required if sanctioned by an Extraordinary Resolution, and shall be binding on all Beneficiaries.

IN WITNESS whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed)

by **VESTEDA FINANCE B.V.**)

acting by)

[name])

EXECUTED as a deed)

by **CUSTODIAN VESTEDA FUND I B.V.**)

acting by)

[name])

SCHEDULE 1 FORM OF GUARANTOR DEED OF ACCESSION

[New Guarantor]
[Address]

Dear Sirs, Madams,

Vesteda Finance B.V.
€2,500,000,000
Guaranteed Euro Medium Term Note Programme
Guaranteed by the Guarantor

We refer to our Guaranteed Euro Medium Term Note Programme (the **Programme**) for the issuance of notes, in connection with which we have entered into a deed of guarantee, as amended and restated on 30 June 2020 (the **Deed of Guarantee**). All terms and expressions which have defined meanings in the Deed of Guarantee shall have the same meanings in this letter except where the context requires otherwise or unless otherwise stated.

This is a Deed of Accession as referred to in Clause 3 (*Accession New Guarantor*) of the Deed of Guarantee.

By the execution of this Deed of Accession, [New Guarantor] will have acceded as a Guarantor to the Deed of Guarantee, acknowledging that [New Guarantor] will receive and will be subject to all the authority, rights, powers, duties and obligations of a Guarantor as if originally named as a Guarantor in the Deed of Guarantee.

This Deed of Accession will be sent to the Fiscal Agent in accordance with Clause 6 (*Deposit of Deed of Guarantee*) of the Deed of Guarantee.

This Deed of Accession and any non-contractual obligations arising out of or in connection with it are governed by Dutch law. The provisions of Clause 12 (*Law and Jurisdiction*) of the Deed of Guarantee shall apply to this Deed of Accession as if set out herein in full.

Yours faithfully

For and on behalf of

VESTEDA FINANCE B.V.

By:

For and on behalf of

CUSTODIAN VESTEDA FUND I B.V.

By:

CONFIRMATION

Pursuant to Clause 3 (*Accession New Guarantor*) of the Deed of Guarantee and this Deed of Accession, we hereby accede as a Guarantor under the Deed of Guarantee as of the date hereof.

For the purposes of Clause 10.1 (*Address for notices*) of the Deed of Guarantee our communication details are as set out below.

[NEW GUARANTOR]

By:

Date:

Address: []

Fax: + [number]

Attention: [name or department]

[copies to:

- (i) all existing Guarantor[s] of the Programme;
- (ii) the existing Fiscal Agent.]

DESCRIPTION OF THE GUARANTOR

General

Custodian Vesteda Fund I B.V. was incorporated under the laws of The Netherlands as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) on 31 December 2012 and has its corporate seat in Amsterdam, The Netherlands and its registered office is at De Boelelaan 759, 1082 RS Amsterdam, The Netherlands with the following telephone number: 0884561666. Custodian Vesteda Fund I B.V. is registered in the Commercial Register of the Chamber of Commerce under number 56605838.

The articles of association of Custodian Vesteda Fund I B.V. were last amended by notarial deed on 25 April 2019 before P.C. Cramer-de Jong, civil law notary in Amsterdam.

Pursuant to article 3 of its articles of association, the corporate object of Custodian Vesteda Fund I B.V. is to act as custodian of the Fund, a fund for the joint account of the participants (*fonds voor gemene rekening*) and in this capacity:

- (a) to acquire, hold, record and register all possible assets (including financial instruments, funds, balances and equivalents thereof), debts and interests by way of custody and to effect all possible transactions in connection therewith;
- (b) to exercise all rights attached to the assets, liabilities and interests that were placed in custody;
- (c) to provide security under contract law and under property law or to bind itself for its obligations and those of third parties and all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense; and
- (d) to perform all acts which are related to the foregoing, arising from the foregoing or may be conducive thereto, including but not limited to, entering into agreements in which the foundation, under its responsibility, assigns its responsibilities wholly or partially to one or more third parties.

Issued share capital of Custodian Vesteda Fund I B.V.

The issued capital of Custodian Vesteda Fund I B.V. amounts to €3,000, divided into 3,000 registered shares with a nominal value of €1 each, issued on 1 January 2013, which are currently all held by Stichting DRF I. The capital is fully issued and paid-up. Custodian Vesteda Fund I B.V. does not have authorised but unissued capital.

Business

Pursuant to its corporate purpose, Custodian Vesteda Fund I B.V. acts solely as custodian of the Fund. Because of its corporate purpose, the Issuer does not have any markets in which it competes and therefore, the Issuer cannot make a statement regarding its competitive position in any markets.

Organisational structure

Custodian Vesteda Fund I B.V. is a wholly owned subsidiary of Stichting DRF I. Custodian Vesteda Fund I B.V. does not have any subsidiaries of its own.

Management, Corporate governance

The Management Board of Custodian Vesteda Fund I B.V. is formed by Vesteda Investment Management B.V. and the Management Board of the latter comprises of Gertjan van der Baan (CEO) and Frits Vervoort (CFO). In this capacity they, in effect, take board decisions at the level of Custodian Vesteda Fund I B.V. The corporate seat of the sole managing director is in Amsterdam, The Netherlands and its registered office is at De Boelelaan

759, 1082 RS Amsterdam, The Netherlands with the following telephone number: 0884561666. Vesteda Investment Management B.V. is registered in the Commercial Register of the Chamber of Commerce under number 14071789.

Please see "*Organisation and staff*" under "*VESTEDA GROUP AND THE FUND – CORPORATE PROFILE AND BUSINESS*".

There are no potential conflicts of interest between any duties to the Guarantor, the members of the managing board of Custodian Vesteda Fund I B.V. and their private interests and or other duties.

No specific rules apply to Custodian Vesteda Fund I B.V. under the Dutch corporate governance code, because the Dutch corporate governance code only applies to companies whose shares are listed.

Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Custodian Vesteda Fund I B.V. is aware) during the previous twelve months which may have, or have had in the recent past significant effects on Custodian Vesteda Fund I B.V.'s and/or Vesteda Group's financial position or profitability.

Material Contracts

Custodian Vesteda Fund I B.V. has not entered in any material contract other than in the ordinary course of its business, which could result in any Fund entity (including Custodian Vesteda Fund I B.V.) being under an obligation or entitlement that is material to the ability of the Issuer or the Guarantor to meet their respective obligation to Noteholders in respect of the Notes being issued.

Recent Developments

In 2019, Custodian Vesteda Fund I B.V., Custodian Vesteda Fund II B.V., Custodian Vesteda Fund III B.V., Custodian Vesteda Fund IV B.V. and Custodian Vesteda Fund V B.V. merged in to one company, Vesteda Fund I B.V. All legal rights and obligations of Custodian Vesteda Fund I B.V., Custodian Vesteda Fund II B.V., Custodian Vesteda Fund III B.V., Custodian Vesteda Fund IV B.V. and Custodian Vesteda Fund V B.V. were transferred into Custodian Vesteda Fund I B.V.

Trend Information and Significant Changes

There has been no material adverse change in the prospects of Custodian Vesteda Fund I B.V. since 31 December 2019 and no significant change in the financial performance or financial position of Custodian Vesteda Fund I B.V. or of the Vesteda Group since 31 December 2019.

Auditors

The auditor of Custodian Vesteda Fund I B.V. is Deloitte Accountants B.V.

TAXATION

TAXATION – NETHERLANDS

The following summary of the Dutch tax aspects is based on law, policy and jurisprudence as applicable in The Netherlands on the date of the issuance of this Prospectus. Future changes in law, whether retroactive or not, and changes in the lawful interpretation and application thereof may render this summary invalid.

For the purpose of this summary, the term “corporation” includes any entity that is a taxable entity for Dutch corporate income tax purposes.

Where this summary refers to a holder of Notes or Coupons, such reference is restricted to an individual or corporation holding legal title to as well as an economic interest of Notes or Coupons or otherwise being regarded as owning Notes or Coupons for Dutch tax purposes. It is noted that for purposes of Dutch income, corporate, gift and inheritance tax, assets legally owned by a third party such as a trustee, foundation or similar entity, may be treated as assets owned by the (deemed) settlor, grantor or similar originator or the beneficiaries in proportion to their interest in such arrangement.

Where the summary refers to “The Netherlands” or “Dutch” it refers only to the European part of the Kingdom of The Netherlands.

The information given below neither is intended as a tax advice nor purports to describe all of the tax considerations that may be relevant to a prospective holder of the Notes or the Coupons. Prospective purchasers are advised to acquaint themselves with the overall tax consequences of purchasing, holding and/or selling the Notes or the Coupons.

The Issuer has been informed that under the current tax law and jurisprudence of The Netherlands:

- (A) All payments by the Issuer in respect of the Notes or Coupons and any payment by a Guarantor under the Deed of Guarantee can be made without withholding of, or deduction for, or on account of any present taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of The Netherlands, any authority therein or thereof having power to tax provided the Notes or the Coupons will not be issued under such terms and conditions that the Notes or the Coupons actually function as equity of the Issuer, within the meaning of article 10(1)(d) of the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).
- (B) However, as of 2021 a Dutch conditional withholding tax may apply on certain (deemed) payments of interest made to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident of a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person and there are one or more artificial arrangements or transactions, or (iv) is a hybrid entity, or (v) is not resident in any jurisdiction, all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

(C) A corporation being a holder of a Note or a Coupon, that derives income from such Note or Coupon or that realises a capital gain on the disposal, deemed disposal, exchange or redemption of a Note or a Coupon, will not be subject to any Dutch taxes on such income or such capital gain, unless:

- (i) the holder is, or is deemed to be a tax resident of The Netherlands; or
- (ii) the holder is not a resident of The Netherlands but has an enterprise that is, in whole or in part, carried on through a (deemed) permanent establishment or a permanent representative in The Netherlands to which permanent establishment or permanent representative the Notes or the Coupons are attributable, or is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in The Netherlands and to which enterprise the Note or Coupon is attributable; or
- (iii) the holder is not a resident in The Netherlands and has a substantial interest or deemed substantial interest, as defined in Dutch tax law, in the Issuer and the holder holds such substantial interest in the Issuer with the main intention (or one of the main intentions) to avoid the levy of Dutch personal income tax with another person and the structure has not been set up on the basis of valid commercial reasons reflecting economic reality.

For the purposes of this paragraph (iii), a substantial interest is generally present if a corporation directly or indirectly, owns or has certain other rights over, shares constituting 5% or more of the Issuer's aggregate issued share capital or, if the Issuer has several classes of shares, of the issued share capital of any class of shares or, if the Issuer has issued profit certificates, or profit certificates entitling him to at least 5% of the annual profit or to at least 5% of the liquidation proceeds. However, as the full aggregate issued share capital in the Issuer is held by Stichting Administratiekantoor Vesteda, which has issued depositary receipts for these shares to the Fund and the Issuer has not issued any profit certificates, a holder should not be subject to Dutch taxes on income and gains derived from the Notes or Coupon by virtue of holding a substantial interest in the Issuer.

The statutory Dutch corporate income tax rates in 2020 are 16.5% for the first of €200,000 of taxable income and 25% for taxable income exceeding €200,000.

An individual being a holder of a Note or a Coupon, who derives income from such Note or Coupon or who realises a gain on the disposal, deemed disposal, exchange or redemption of a Note or Coupon, will not be subject to any Dutch taxes on such income or such capital gain unless:

- (i) the holder is, or is deemed to be, a tax resident of The Netherlands; or
- (ii) the holder is not a tax resident of The Netherlands but has an enterprise, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands to which permanent establishment or permanent representative the Notes or the Coupons are attributable, or
- (iii) the holder is not a tax resident of The Netherlands but has a source of income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in The Netherlands, to which source the income and gains derived from the Notes or the Coupons are attributable, or

- (iv) the holder is not a resident of The Netherlands but is (other than as a shareholder) co-entitled to the net worth of an enterprise carried on through a permanent establishment or a permanent representative in The Netherlands to which the Notes or the Coupons are attributable.

Individual holders who are not a tax resident of The Netherlands will only be subject to Dutch taxes on income and gains derived from the Note or Coupon in the circumstances set out in (ii), (iii) and (iv) above. Income and gains derived from the Notes or Coupons as specified under (ii), (iii) or (iv) above are subject to the Dutch income tax for individuals at rates up to a maximum rate of 49.5% (in 2020).

Income derived by an individual that is a tax resident of The Netherlands and provided the income and gains from the Note or Coupon is not attributable to (a) an enterprise of the holder or (b) to the net worth of an enterprise to which the holder is co-entitled other than as a shareholder or (c) a source of income of the holder that constitutes income from miscellaneous activities will be taxed on the basis of a deemed return on income from savings and investments (*inkomen uit sparen en beleggen*). For the year 2020, this deemed return is calculated at an average yield between 1.789% and 5.28% depending of the size of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year. This yield basis is determined as the (Euro denominated) net fair market value of the assets and liabilities attributable to the source of income from savings and investments reduced with a certain tax free basis. The deemed return on income from savings and investments is taxed at a flat rate of 30% (in 2020).

If the income and gains from the Note or Coupon derived by a Dutch tax resident is attributable to (a) an enterprise of the holder, (b) an enterprise to whose profits the holder is entitled, or (c) to a source of income of the holder that constitutes income from miscellaneous activities, such income and gains is subject to the income tax for individuals at rates up to a maximum rate of 49.5% (in 2020).

A holder of a Note or a Coupon will not become or be deemed to become a tax resident of The Netherlands solely by reason of the execution, delivery and/or enforcement of the documents relating to the issue of the Notes, the issue of the Notes or the performance by the Issuer of its obligations under the Notes.

- (D) No gift, or inheritance taxes will arise in The Netherlands in respect of the transfer or deemed transfer of a Note or a Coupon by way of a gift by, or on the death of, a holder who is not a resident or deemed resident of The Netherlands for the purpose of the relevant provisions, provided that (i) the transfer is not construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of The Netherlands for the purpose of the relevant provisions, and (ii) in the case of a gift of Notes or Coupons by an individual holder who at the date of the gift was neither resident nor deemed to be resident of The Netherlands, such individual holder does not die within 180 days after the date of the gift, while being resident or deemed to be resident of The Netherlands. For purposes of Dutch gift and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of The Netherlands if he has been a resident of The Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be resident of The Netherlands if he has been a resident of The Netherlands at any time during the 12 months preceding the date of the gift.
- (E) There will be no registration tax, customs duty, stamp duty, property transfer tax or any other similar tax or duty (other than court fees) due in The Netherlands in respect of or in connection with the issue, transfer and/or delivery of the Notes or Coupons or the execution, delivery and/or enforcement by legal

proceedings of the Relevant Documents or the performance of the Issuer's obligations thereunder or under the Notes.

- (F) No value added tax will be due in The Netherlands in respect of payments in consideration of the issue of the Notes, and/or in respect of payments of interest and principal on a Note or Coupon, and/or in respect of the transfer of a Note or a Coupon, and/or in connection with the Relevant Documents or in connection with the arrangements contemplated thereby, other than value added tax on the fees payable for services which are not expressly exempt from VAT, such as management, administrative, notarial and similar activities, safekeeping of the Notes or the Coupons and the handling and verifying of documents.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the relevant FFI (a **Recalcitrant Holder**). The Issuer may be classified as an FFI.

The withholding regime is in effect for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined). This withholding would potentially apply to payments in respect of any Notes that are issued after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA withholding**) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and The Netherlands have entered into an IGA based largely on the Model 1 IGA (the **US-Netherlands IGA**).

If the Issuer is treated as an FFI, the Issuer expects to be treated as a Reporting FI pursuant to the US-Netherlands IGA and does not anticipate being obliged to deduct any FATCA withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA withholding from payments it makes. If the Issuer becomes a Participating FFI, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent, a Common Depositary or a Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding. However, definitive notes will only be printed in remote circumstances.

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

THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)

On 14 February 2013, the European Commission has published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate and on 16 March 2016 it completed the formalities required to leave the enhanced co-operation on FTT.

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

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

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

TAX STATUS OF THE FUND

The following summary is based on Dutch laws, policy and case law as in force on the date of the issuance of this Prospectus. Future changes in law, whether retroactive or not, and changes in the lawful interpretation and application thereof may render this summary invalid.

Introduction

The Fund is a fund for joint account (*fonds voor gemene rekening*) under Dutch law. The Fund consists of the assets and liabilities of the Fund held and managed in accordance with the Fund Terms and Conditions. The Fund Terms and Conditions govern the rights and obligations between the Fund Manager, the custodian and a participant.

Taxation of the Fund

The Fund qualifies as a transparent fund for joint account for Dutch corporate income tax (*vennootschapsbelasting*) and Dutch dividend withholding tax (*dividendbelasting*) purposes, provided all relevant parties act in accordance with the Fund Terms and Conditions. The Fund Terms and Conditions specify (amongst others) that the participation rights of participants in the Fund (the **Participation Rights**) – including the beneficial ownership thereof – cannot be transferred or assigned by the participants, except by way of redemption. Only the Fund Manager issues and redeems Participation Rights.

The consequences of the tax transparency of the Fund are as follows. For Dutch corporate income tax purposes, the Fund itself is not a taxable person. All assets and liabilities of the Fund as well as all income and (capital) gains derived by the Fund are directly attributed to its participants in proportion to the number of Participation Rights held by the respective participant. Consequently, the participants in the Fund are subject to Dutch corporate income tax for their pro rata share in income derived by, and capital gains realised on the Fund's assets and liabilities.

For Dutch dividend withholding tax purposes, no Dutch dividend withholding tax is due on distributions made by the Fund to its participants.

Since the Fund is not a legal person (*rechtspersoon*), the Fund itself cannot be the legal and/or beneficial owner of a Property for Dutch real estate transfer tax (*overdrachtsbelasting*) purposes. As a result, the Fund itself is considered transparent for Dutch real estate transfer tax purposes as well and in that capacity not liable for Dutch real estate transfer tax. The legal ownership of the Properties of the Fund is held by a separate legal person, being the Guarantor, in its capacity of custodian for the Fund.

The tax transparency of the Fund for Dutch corporate income tax, Dutch real estate transfer tax and Dutch dividend withholding tax purposes has been confirmed by the Dutch tax authorities in private letter rulings.

If the Fund should lose its tax transparency, this would make the Fund an entity liable to Dutch corporate income tax. The Dutch corporate income tax rate for 2020 is 16.5% for the first €200,000 of taxable income and 25% for taxable income exceeding €200,000. In addition, loss of tax transparency would make the Fund in principle liable to Dutch dividend withholding tax on distributions. The statutory Dutch dividend withholding tax rate in 2020 is 15%.

The Fund would, for example, lose its tax transparency if certain amendments were made to the Fund Terms and Conditions in relation to the alienation of Participation Rights or if the participants in the Fund would not act in line with the Fund Terms and Conditions in relation to the alienation of Participation Rights. This may result in an extra risk for the Guarantor which may affect its ability to repay certain intercompany loans granted by the Issuer to the Guarantor and hence the Issuer's ability to repay the Notes.

VAT aspects of the Fund

The Fund together with Guarantor, the Fund Manager and Vesteda Project Development B.V. are considered as one VAT entrepreneur (VAT fiscal unity, the **VAT Fiscal Unity**). The Dutch tax authorities confirmed the existence of the VAT Fiscal Unity in a formal decision. To form a VAT fiscal unity, the entities must be sufficiently connected in an economic, financial and organizational manner. If this is not (or no longer) the case, the services provided by the Fund Manager to the Fund may become subject to Dutch value added tax as provided for in the Dutch Value Added Tax Act 1968 (*Wet op de omzetbelasting 1968*) and any other tax of a similar nature (**VAT**), unless exemptions

are applicable. This may result in an additional risk for the Guarantor which may affect its ability to repay certain intercompany loans granted by the Issuer to the Guarantor and hence the Issuer's ability to repay the Notes.

All members of a VAT fiscal unity are jointly and severally liable for Dutch VAT due by any member of the fiscal unity. In its capacity of custodian for the Fund, the Guarantor is accountable for VAT liabilities of the VAT Fiscal Unity for which it can be held jointly and severally liable.

Taxation of the Issuer

The Issuer, acting as the financing company for the Fund, is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. As such, the Issuer is deemed to carry out a business undertaking by law and is subject to Dutch corporate income tax on its worldwide income.

Dutch corporate income tax is levied on the taxable amount. This is the taxable profits made in a year less deductible expenses, i.e. the net taxable income of the Issuer, and carry forward tax losses, if any. It is agreed in an Advance Pricing Agreement concluded with the Dutch tax authorities that the net taxable income of the Issuer will consist of the (handling) fee earned by the Issuer for its intercompany financing activities minus tax deductible expenses allocable to the intercompany financing activities. In principle, the (handling) fee is calculated as a fixed percentage rate that is added to the interest rate on the outstanding loan amounts of the Issuer.

The Dutch corporate income tax rate for 2020 is levied from the Issuer at the ordinary Dutch corporate income tax rates. The Issuer is not included in a fiscal unity for corporate income tax purposes and is therefore individually taxed.

Dividends distributed by the Issuer are in principle subject to 15% (in 2020) Dutch dividend withholding tax.

In principle the Advance Pricing Agreement will remain in force until the end of December 2023. After this date, the (handling) fee for the services provided by the Issuer to the Fund should be renegotiated with the Dutch tax authorities and may increase. This may result in an extra risk for the Guarantor which may affect its ability to repay certain intercompany loans granted by the Issuer to the Guarantor and hence the Issuer's ability to repay the Notes.

Taxation of the Guarantor

The Guarantor, acting as custodian for the Fund, is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands. As such, the Guarantor is deemed to carry out a business undertaking by law and is subject to Dutch corporate income tax on its worldwide income.

Dutch corporate income tax is levied on the taxable amount. This is the taxable profits made in a year less deductible expenses, i.e. the net taxable income of the Guarantor, and carry forward tax losses, if any. The net taxable income of the Guarantor will consist of the (custodian) fee earned by the Guarantor for its activities in its capacity of custodian for the Fund decreased with some corporate expenses.

The Dutch corporate income tax is levied from the Guarantor at the ordinary Dutch corporate income tax rates. The Guarantor is not included in a fiscal unity for corporate income tax purposes and is therefore individually taxed.

Dividends distributed by the Guarantor is in principle subject to 15% (in 2020) Dutch dividend withholding tax.

Fund Manager / Vesteda Project Development B.V. / Vesteda Services B.V. / Stichting Administratiekantoor Vesteda

Both the Fund Manager, Vesteda Project Development B.V. and Vesteda Services B.V. are private limited liability companies (*besloten vennootschappen met beperkte aansprakelijkheid*) incorporated under the laws of The

Netherlands. As such, both entities are deemed to carry out a business undertaking by law and are subject to Dutch corporate income tax on their worldwide income.

Dutch corporate income tax is levied on the taxable amount. This is the taxable profits made in a year less deductible expenses i.e. the net taxable income, and carry forward tax losses. The Dutch corporate income tax is levied from the Fund Manager, Vesteda Project Development B.V. and Vesteda Services B.V. at the ordinary Dutch corporate income tax rate. The Fund Manager, Vesteda Project Development B.V. and Vesteda Services B.V. are not included in a fiscal unity for corporate income tax and are therefore individually taxed.

Dividends distributed by the Fund Manager and/or Vesteda Project Development B.V. are in principle subject to 15% (in 2020) Dutch dividend withholding tax.

Stichting Administratiekantoor Vesteda is not considered a taxpayer for Dutch corporate income tax purposes as it is not carrying out a business undertaking. This has been confirmed by the Dutch tax authorities in a private letter ruling.

See the section *Vesteda Group and the Fund – Corporate Profile and Business* for a description of the group structure of the Fund.

Real estate transfer tax aspects of the Fund

In principle, the acquisition or expansion of an interest in the Fund by a participant is considered as the acquisition of the beneficial ownership of the underlying Dutch properties by that participant. Such acquisition is subject to Dutch real estate transfer tax up to (a reduced rate for residential properties of) 2% (in 2020) of the fair market value of the Dutch Properties, represented by the Participation Rights, at the time the Participation Rights are acquired. A 6% (in 2020) rate applies to non-residential property.

The acquisition or expansion of an interest in a real estate entity, not being a legal person, is not subject to Dutch real estate transfer tax, provided that an interest of less than one third is acquired and/or expanded by a participant in such entity (together with interests already held or acquired by related parties of that participant), whereby the Fund qualifies as an investment fund as defined in the Wft. The latter has been confirmed by the Dutch tax authorities in a private letter ruling.

Local real estate taxes

The Fund is subject to municipal property tax (*onroerende-zaakbelasting*). The municipal property tax is in fact charged to the legal owner of the Properties which is a separate legal person, being the Guarantor, in its capacity of custodian for the Fund. This annual property tax (hereinafter referred to as **Ozb**) includes an owner tax and, only in case of non-residential property, a user tax. The tax, set by the municipal tax authorities, is calculated as a percentage of the value of the property, which value is determined in accordance with the Valuation of Immovable Property Act (*Wet waardering onroerende zaken*) (hereinafter referred to as **WOZ-value**).

The WOZ-value is determined by the municipal tax authorities annually, based on the assumption that the respective property is freehold and free of lease. The decision concerned is open to appeal.

Landlord taxation

The Fund is subject to a so-called 'Landlord Levy' (*verhuurderheffing*). The Landlord Levy only regards the ownership of residential properties in the regulated sector (this means a monthly rent below €737.14 (in 2020)). The levy amounts to 0.562% for 2020 of the total WOZ-value of all the residential property in the regulated sector reduced by 50 times the average WOZ-value per property.

As of 1 January 2019, the Land Levy is calculated based on the WOZ-value of each property with in 2020 a maximum of €294,000 per property (this limit is indexed annually).

Mandatory Disclosure Rules (MDR)/DAC6

On 25 May 2018, the Council of the European Union ("EU") adopted an amendment to Directive 2011/16/EU on mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements. This was the sixth update of the Directive and is therefore also referred to as DAC6. Under the new rules of the Directive, EU intermediaries, such as tax advisors, accountants and lawyers who make cross-border arrangements available or are involved in the implementation process are required to report potentially aggressive tax arrangements to their local tax authorities. In specific cases this reporting obligation will even shift to the taxpayer. Information with regard to reported arrangements will be automatically exchanged by the competent authority of each EU jurisdiction every 3 months. Under the Directive, a cross-border arrangement has to be reported if it refers to any (i) cross-border arrangement (ii) which bears one or more of the hallmarks listed in the Directive, (iii) where in certain instances the main or expected benefit of the arrangement is a tax advantage and (iv) concerns at least one EU jurisdiction.

Vesteda or its intermediaries involved may be legally obliged to notify tax authorities of certain types of cross-border arrangements and of proposals to implement such arrangements.

SUBSCRIPTION AND SALE

The Dealers have, in a Dealer Agreement (such Dealer Agreement as modified and/or supplemented and/or restated from time to time, the **Dealer Agreement**) dated 30 June 2020 agreed with the Issuer and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Dealer Agreement, the Issuer (failing which, the Guarantor) has agreed to reimburse the Dealers for certain of their expenses in connection with the update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its territories or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified by the relevant Dealer or, in the case of an identifiable tranche sold to or through more than one Dealer, the relevant lead manager, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA and UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA or the UK. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, in relation to each Member State of the EEA or the UK (each, a **Relevant State**), that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered and sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

France

Each of the Dealers and the Issuer has represented and agreed that:

(a) Offer to the public in France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (AMF), on the date of such approval or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Prospectus, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF.

(b) Private placement in France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or (c) a limited circle of investors (*cercle restreint*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

The Netherlands

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or spaarbewijzen as

defined in The Netherlands Savings Certificates Act or *Wet inzake spaarbewijzen*, the **SCA**) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the relevant Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor, nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantor and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary), replaced (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); or (ii) a customer within the meaning of the Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

[MiFID II PRODUCT GOVERNANCE / TARGET MARKET – Professional investors and ECPs only target market: Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [•]

VESTEDA FINANCE B.V.

(incorporated with limited liability in The Netherlands with its statutory seat in Amsterdam, The Netherlands)

Issuer Legal Entity Identifier (LEI): 72450072M9HBDGD2GH67

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €2,500,000,000 Guaranteed Euro Medium Term Note Programme**

[The Notes will only be admitted to trading on [insert name of relevant QI market/segment], which is [an EEA regulated market/a specific segment of an EEA regulated market] (and, for these purposes, reference to the EEA includes the United Kingdom) (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.]³

³ Legend to be included for Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market, or a specific segment of a regulated market, to which only qualified investors can have access.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated 30 June 2020 [and the supplement[s] to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). **This document constitutes the Final Terms of the Notes described herein which have been prepared for the purposes of the Prospectus Regulation. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented] in order to obtain all relevant information.**

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

The Base Prospectus [and the supplement[s] to it] and the Final Terms have been published on <http://www.vesteda.com/en/about-vesteda/investor-relations/>.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [●] 20[●] [and the supplement[s] to it dated [●]] which are incorporated by reference in the Base Prospectus dated 30 June 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 30 June 2020 [and the supplement[s] to it dated [●] [and [●]] which together constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus in order to obtain all the relevant information.

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

The Base Prospectus [and the supplement[s] to it] and the Final Terms have been published on <http://www.vesteda.com/en/about-vesteda/investor-relations/>.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation].

- | | | | |
|----|--------|--|--|
| 1. | (i) | Issuer: | Vesteda Finance B.V. |
| | (ii) | Guarantor: | Custodian Vesteda Fund I B.V. |
| 2. | [(i) | Series Number:] | [] |
| | [(ii) | Tranche Number:] | [] |
| | [(iii) | Date on which the Notes become fungible.)] | [Not Applicable/The Notes shall be consolidated, form a single Series and be interchangeable for trading purposes with the [insert description of the earlier Tranche] on [insert date] the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred |

- to in paragraph 24 below [which is expected to occur on or about *[insert date]*].]
3. Specified Currency or Currencies: []
 4. Aggregate Nominal Amount: []
 - [(i)] [Series]: []
 - [(ii)] Tranche: []
 5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
 6. (i) Specified Denominations: []

(Where multiple denominations above €100,000 (or equivalent) are being used the following sample wording should be followed unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access: '€100,000] (or the relevant higher denomination) and integral multiples of €1,000] in excess thereof up to and including €199,000]. No Notes in definitive form will be issued with a denomination above €199,000] ")

 - (ii) Calculation Amount: [] *(If only one Specified Denomination, the Specified Denomination. If more than one Specified Denomination insert the largest common factor)*
 7. (i) Issue Date: []
 - (ii) Interest Commencement Date: [Issue Date / *specify* / Not Applicable (*for Zero Coupon Notes*)]
 8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
 9. Interest Basis: [• per cent. Fixed Rate]

[Specify reference rate] +/- • per cent. Floating Rate]

[Zero Coupon]

(further particulars specified below)
 10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount]

11. Change of Interest Basis: [Applicable/Not applicable][specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and specify there]
12. Put/Call Options: [Investor Put] / [Put Option – Change of Control]
[Call Option]
[Issuer Refinancing Call]
[Make-whole Redemption]
[Issuer Residual Call]
[Not Applicable]
[(further particulars specified below)]
13. (i) Status of the Notes: Senior
- (ii) Status of the Guarantee Senior
- [(iii)] [Date [Board] approval for issuance of Notes and Guarantee obtained: [] [and [] , respectively
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [] in each year
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
- (v) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/365 or Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360], [30E/360 or Eurobond Basis] [30E/360 (ISDA)]
- (vi) Determination Dates: [•] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Interest Period(s) [], [subject to adjustment in accordance with the Business Day Convention specified in (iv) below] / [not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]
- (ii) Specified Period: []
- (iii) [First Interest Payment Date]: []
- (iv) Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ FRN Convention / Floating Rate Convention / Eurodollar Convention][Not applicable]
- (v) Additional Business Centre(s): [Not Applicable/*give details*]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): *[[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]*
- (viii) Screen Rate Determination:
- Reference Rate: [• month LIBOR / EURIBOR]
 - Interest Determination Date(s): []
 - Relevant Time: []
 - Relevant Screen Page: [*For example, Reuters LIBOR 01/ EURIBOR 01*]
- (ix) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []

(N.B. the fall –back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)

	• ISDA Definitions	[2000 ISDA Definitions / 2006 ISDA Definitions]
(x)	Margin(s):	[+/-][] per cent. per annum
(xi)	Minimum Rate of Interest:	[] per cent. per annum
(xii)	Maximum Rate of Interest:	[] per cent. per annum
(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365 or Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360], [30E/360 or Eurobond Basis] [30E/360 (ISDA)]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Accrual Yield:	[] per cent. per annum
(ii)	Reference Price:	[]
(iii)	Day Count Fraction	[Actual/Actual (ICMA)] [Actual/365 or Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360], [30E/360 or Eurobond Basis] [30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

17.	Call Option	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Optional Redemption Date(s) (Call):	[]
(ii)	Optional Redemption Amount(s) (Call) of each Note and method, if any, of calculation of such amount(s):	[] per Calculation Amount
(iii)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[] per Calculation Amount
	(b) Maximum Redemption Amount	[] per Calculation Amount
(iv)	Notice period:	[]
		<i>(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any</i>

other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)

18. **Issuer Refinancing Call**

[Applicable / Not Applicable]

(if not applicable delete the remaining sub-paragraphs of this paragraph)

- (i) Date from which Issuer Refinancing Call may be exercised: []
(insert date three months prior to Maturity Date of the Notes)
- (ii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Maximum Redemption Amount: [] per Calculation Amount
- (iii) Notice period: []

(N.B. When setting notice periods, the Issuer will consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)

19. **Make-whole Redemption**

[Applicable / Not Applicable]

(if not applicable delete the remaining sub-paragraphs of this paragraph)

- (i) Make-whole Redemption Date: []
- (ii) If redeemable in part:
 - (a) Minimum Redemption Amount: [] per Calculation Amount
 - (b) Maximum Redemption Amount: [] per Calculation Amount
- (iii) Notice period: []

(N.B. When setting notice periods, the Issuer will consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)

- (iv) Parties to whom notice shall be given: []

- (N.B. Specify parties other than Fiscal Agent and Quotation Agent)*
- (v) Make-whole Redemption Margin []
- (vi) Discounting basis [annual / semi-annual / quarterly]
- (vii) Quotation Agent []
- (viii) Reference Dealers []
- (ix) Reference Security []
20. **Issuer Residual Call** [Applicable / Not Applicable]
(if not applicable delete the remaining sub-paragraphs of this paragraph)
- (i) Notice period: []
- (N.B. When setting notice periods, the Issuer will consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)*
- (ii) Residual Call Early Redemption Amount: [] per Calculation Amount
21. **Put Option** [Applicable/Applicable on Change of Control only /Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s) (Put): []
- (ii) Optional Redemption Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period: []
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent.)*

22. **Final Redemption Amount of each Note** [•] [Par] per Calculation Amount

23. **Early Redemption Amount** [•] [Par] per Calculation Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

(N.B. The exchange on [•] days' notice/ at any time should not be expressed to be applicable if the Specified Denomination of the Notes in sub paragraph 6(i) includes language to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes).

[Definitive Notes]

25. New Global Note:

[Yes/No]

(If "No" is specified here ensure that "Not Applicable" is specified for Eurosystem eligibility in the relevant paragraph of section 6 of Part B of the Final Terms and if "Yes" is specified here ensure that the appropriate specification is made in respect of Eurosystem eligibility in the relevant paragraph of section 6 of Part B of the Final Terms.)

26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/Amsterdam/*give details.*
Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraph 15 (v) relates]
27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. [Consolidation provisions: Not Applicable/The provisions [in Condition 17 (*Further Issues*)] [annexed to this Final Terms] apply]

THIRD PARTY INFORMATION

[(*Relevant third party information*) has been extracted from (*specify source*). [Each of the] [The] Issuer [and the Guarantor] 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 (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Vesteda Finance B.V.:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Euronext in Amsterdam / ☐] (*specify*) / None]
- (ii) Admission to trading: [Application is has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext in Amsterdam/☐] (*specify*)] with effect from [].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext in Amsterdam /☐] (*specify*)] with effect from [].]
- [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (iii) Estimated Total Expenses relating to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [have been / are expected to be] rated:
- [S&P: ☐]
- [Moody's: ☐]
- [Fitch: ☐]
- [[Other]: ☐]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- (Insert one (or more) of the following options, as applicable:)*
- [(Insert full legal name of credit rating agency entity) is established in the [EEA/UK] and registered under Regulation (EU) No 1060/2009, as amended.]*

[(Insert full legal name of credit rating agency entity) is not established in the EEA or the UK and has applied for registration under Regulation (EU) No 1060/2009, as amended, although notification of the corresponding registration decision has not yet been provided by the European Securities and Markets Authority].]

[(Insert full legal name of credit rating agency entity) is established in the [EEA/UK] and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended.]

[(Insert full legal name of credit rating agency entity) is not established in the EEA or the UK but the rating it has given to the Notes is endorsed by (insert full legal name of credit rating agency entity), which is established in the [EEA/UK] and registered under Regulation (EU) No 1060/2009, as amended.]

[(Insert full legal name of credit rating agency entity) is not established in the EEA or the UK, but is certified under Regulation (EU) No 1060/2009, as amended.]

[(Insert full legal name of credit rating agency entity) is not established in the EEA or the UK and is not certified under Regulation (EU) No 1060/2009, as amended, and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA or the UK and registered under the CRA Regulation.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)

[Save for any fees payable to the [Managers]/[Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers]/[Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.]/[Not Applicable] (Amend as appropriate if there are other interests)

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

4. REASONS FOR THE OFFER, USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

(i) Reasons for the offer: []

(See section 'Use of Proceeds' wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.) (In case Green Bonds are issued, the category and prescribed eligibility criteria of Eligible Assets must be specified)

(ii) Use of Proceeds:

[]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) Estimated net proceeds:

[]

5. **Fixed Rate Notes only – YIELD**

Indication of yield:

[]

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **OPERATIONAL INFORMATION**

(i) ISIN Code:

[]

(ii) Common Code:

[]

(iii) CFI

[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN

[[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) [*other relevant code*]:

[]

(vi) New Global Note intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will

depend upon satisfaction of the Eurosystem eligibility criteria.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

- | | | |
|--------|--|--|
| (vii) | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): | [Not Applicable/ <i>give name(s) and number(s) [and address(es)]</i>] |
| (viii) | Delivery: | Delivery [against/free of] payment |
| (ix) | Names and addresses of initial Paying Agent(s): | [•] |
| (x) | Names and addresses of additional Paying Agent(s) (if any): | [•]/[Not Applicable] |

7. DISTRIBUTION

- | | | |
|-------|--|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/ <i>give names</i>] |
| (iii) | Stabilising Manager(s) (if any): | [Not Applicable/ <i>give name</i>] |
| (iv) | If non-syndicated, name of Dealer: | [Not Applicable/ <i>give name</i>] |
| (v) | U.S. Selling restrictions: | [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable] |
| (vi) | Prohibition of Sales to Belgian Consumers: | [Not Applicable/ Applicable]
<i>(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)</i> |

GENERAL INFORMATION

- (1) Application may be made to Euronext for Notes issued under the Programme to be admitted to listing on Euronext Amsterdam. The listing of the Notes on Euronext Amsterdam will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to listing on Euronext Amsterdam will be admitted separately as and when issued, subject only to the issue of a temporary or permanent Global Note in respect of each Tranche. Prior to official listing and admission to trading, however, dealings may be permitted by Euronext in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may also be issued pursuant to the Programme.
- (2) The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in The Netherlands in connection with the establishment of the Programme and the Guarantee. The update of the Programme was authorised by resolutions of the management board of the Issuer passed on 29 June 2020 and by resolutions of the management board of the Guarantor passed on 29 June 2020.
- (3) The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and the Guarantor the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.
- (4) There has been no significant change in the financial performance or financial position of the Issuer or of the Vesteda Group since 31 December 2019 and no material adverse change in the prospects of the Issuer or of the Fund since 31 December 2019.
- (5) Each Note (other than Temporary Global Notes) where TEFRA D is specified in the relevant Final Terms and its corresponding Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the relevant Final Terms.
- (7) Issuer Legal Entity Identifier (LEI) is 72450072M9HBDGD2GH67 and the Guarantor Legal Entity Identifier (LEI) is 724500YVNMNZMZFUO84.
- (8) There are no material contracts entered into other than in the ordinary course of the Issuer's and the Guarantor's business, which could result in any entity of the Fund being under an obligation or entitlement that is material to the Issuer's and the Guarantor's ability to meet their respective obligations to Noteholders in respect of the Notes being issued.
- (9) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer and the Guarantor are aware and are able to ascertain from

the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

- (10) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions.
- (11) The Issuer may provide any post-issuance information in relation to any issues of Notes on the following webpage: <https://www.vesteda.com/en/corporate/investment/debt/emtn-programme>. For more information in respect of Green Bonds issued by the Issuer, please refer to the Vesteda Green Finance Framework and any Second Party Opinion available on the following webpage: <https://www.vesteda.com/en/corporate/investment/debt/green-bond-programme>. The contents of this webpage, any Second Party Opinion and the Vesteda Green Finance Framework do not form part of this Prospectus and are not incorporated by reference in it.
- (12) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection from <https://www.vesteda.com/en/corporate/investment/debt/emtn-programme/incorporated-by-reference>:
- (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Notes, the Coupons and the Talons);
 - (ii) the Deed of Guarantee;
 - (iii) the articles of association (*statuten*) of the Issuer and the Guarantor and the English translations thereof;
 - (iv) the audited non-consolidated annual financial statements of the Issuer for the year ended 31 December 2018 and 31 December 2019, respectively, the audited non-consolidated annual financial statements of each of the Guarantor for the year ended 31 December 2018 and 31 December 2019, respectively, and audited consolidated annual financial statements of the Fund for the year ended 31 December 2018 and 31 December 2019, respectively;
 - (v) the most recently available published audited annual financial statements of the Issuer and the Guarantor and the most recently available published interim financial statements of the Issuer and the Guarantor (if any);
 - (vi) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity); and
 - (vii) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus.
- (13) The audited financial statements of the Issuer for the financial years ended 31 December 2018 and 31 December 2019, the audited financial statements of the Guarantor for the financial years ended 31 December 2018 and 31 December 2019 and the audited consolidated financial statements of the Fund for the financial year ended financial years ended 31 December 2018 and 31 December 2019, in each case incorporated by reference into this Prospectus, were audited by Deloitte Accountants B.V.,

independent auditor's, as stated in its reports thereon appearing in the accounts incorporated by reference.

Each of the independent auditor's reports for 2018 and 2019 is unqualified. The auditor of the Issuer, the Guarantor and the Fund is independent of the Issuer, the Guarantor and the Fund. The independent auditor's report included in (i) the audited financial statements of the Issuer for the financial year ended 31 December 2019 includes an emphasis of matter relating to the impact of the COVID-19 virus as described on page 24 of its annual report for the financial year ended 31 December 2019, (ii) the audited financial statements of the Guarantor for the financial year ended 31 December 2019 includes an emphasis of matter relating to the impact of the COVID-19 virus as described on page 11 of its annual report for the financial year ended 31 December 2019 and (iii) the consolidated financial statements of the Fund for the financial year ended 2019 includes an emphasis of matter relating to the impact of the COVID-19 virus as described on page 118 of its annual report for the financial year ended 31 December 2019.

The address of Deloitte Accountants B.V. is Gustav Mahlerlaan 2970, 1081 LA Amsterdam, The Netherlands. The auditor, who signs on behalf of Deloitte, is a member of The Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).

Deloitte Accountants B.V. has given, and has not withdrawn, its consent to the inclusion or incorporation by reference of its reports in this Prospectus in the form and context in which they are included.

GLOSSARY

In this Prospectus, Vesteda uses the following unaudited financial measures in the analysis of its business and financial position, which Vesteda considers to constitute Alternative Performance Measures for the purposes of the ESMA Guidelines on Alternative Performance Measures. These unaudited financial measures are not calculated in accordance with IFRS. Accordingly, they should not be considered as alternatives to “results from operating activities” or “profits” as indicators of Vesteda’s performance. However, Vesteda believes that these unaudited financial measures are commonly used by investors and as such useful for disclosure. The presentation of these unaudited financial measures may not be comparable to similarly titled measures reported by other companies due to differences in the ways the measures are calculated.

Debt capital	The calculation of debt capital is based on adding unamortised issuing costs to the carrying amount of interest-bearing loans and borrowings (reference is made to page 115 of the 2019 Fund Annual Accounts (see line items “ <i>Capitalised financing costs</i> ” and “ <i>Carrying amount of interest-bearing loans and borrowings</i> ”)).
EBITDA (solely as used on p. 97)	The calculation of EBITDA is based on earnings before financial results, taxes, depreciation and amortisation (reference is made to pages 85 and 88, and 101 of the 2019 Fund Annual Accounts (see line item “ <i>Realised result before tax</i> ” and line items “ <i>Depreciation expenses</i> ”, “ <i>Interest expenses</i> ”, “ <i>Interest income</i> ” and “ <i>Result on projects in progress</i> ” which are to be added back or to be deducted from “ <i>Realised result before tax</i> ”)).
Gross/net ratio	The calculation of gross/net ratio is based on the percentage of property operating expenses (reference is made to page 113 of the 2019 Fund Annual Accounts (see line item “ <i>Property operating expenses (excluding service charges)</i> ”)) plus net service charges relative to gross rental income (reference is made to page 133 of the 2018 Fund Annual Accounts (see line items “ <i>Service charge income</i> ”, “ <i>Service charges</i> ”, and “ <i>Gross rental income</i> ”)).
Gross Initial Yield	The calculation of Gross Initial Yield is based on theoretical rent (on a given reference date) receivable on the portfolio (reference is made to page 99 of the 2019 Fund Annual Accounts (see line item “ <i>Theoretical rent</i> ”)) as a percentage of the value of the investment property (excluding IFRS 16) (reference is made to page 86 of the 2019 Fund Annual Accounts (see line item “ <i>Investment property</i> ”)).
ICR	The calculation of ICR (Interest Cover Ratio) is based on dividing EBITDA by interest expenses excluding amortisation of financing costs and IFRS 16 (reference is made to page 40 of the 2019 Fund Annual Accounts (see line item “ <i>Interest expenses (excluding amortisation of financing costs and IFRS 16)</i> ”)).
Leverage	The calculation of leverage is based on “carrying amount of interest-bearing loans and borrowings” (reference is made to page 115 of the 2019 Fund Annual Accounts) as a percentage of total assets (reference is made to page 86 of the 2019 Fund Annual Accounts (see line item “ <i>Total Assets</i> ”)).

LTV (loan to value)	The calculation of LTV (loan to value) is based on the aggregate debt capital (reference is made to page 114 of the 2019 Fund Annual Accounts (see line item " <i>Interest-bearing loans and borrowings</i> ") as a percentage of the value of the Fund's investment portfolio (reference is made to page 86 of the 2019 Fund Annual Accounts (see line items " <i>Investment property</i> " and " <i>Investment property under construction</i> "))).
Loss of rent %	The calculation of Loss of rent % is based on loss of rent (reference is made to page 99 of the 2019 Fund Annual Accounts (see line item " <i>Loss of rent</i> ") as a percentage of theoretical rent portfolio (reference is made to page 99 of the 2019 Fund Annual Accounts (see line item " <i>Theoretical rent</i> "))).
Net rental income (% value portfolio at start of the year)	The calculation of Net rental income (% value portfolio at start of the year) is based on net rental income (reference is made to page 85 of the 2019 Fund Annual Accounts (see line item " <i>Net rental income</i> ") as a percentage of the opening value of the investment property (reference is made to page 86 of the 2019 Fund Annual Accounts (see line item " <i>Investment property</i> "))).
Net service charges	The calculation of net service charges is based on service charge income (reference is made to page 133 of the 2019 Fund Annual Accounts (see line item " <i>Service charge income</i> ") minus service charges (reference is made to page 133 of the 2019 Fund Annual Accounts (see line item " <i>Service charges</i> "))).
Realised return	The calculation of Realised return is based on realised result before tax (reference is made to page 85 of the 2019 Fund Annual Accounts (see line item " <i>Realised result before tax</i> ") as a percentage of opening equity (reference is made to page 86 of the 2019 Fund Annual Accounts (see line item " <i>Vesteda Group Equity</i> "))).
Return on equity (ROE)	The calculation of Return on equity (ROE) is based on the amount of total comprehensive income (reference is made to page 85 of the 2019 Fund Annual Accounts (see line item " <i>Total comprehensive income</i> ") as a percentage of opening equity (reference is made to page 86 of the 2019 Fund Annual Accounts (see line item " <i>Vesteda Group Equity</i> "))).
TER	The calculation of TER (Total Expense Ratio) is based on management expenses (reference is made to page 133 of the 2019 Fund Annual Accounts (see line item " <i>Management expenses</i> ") as a percentage of weighted average INREV gross asset value (which is calculated by dividing the INREV total assets at the previous two financial year-end by two (reference is made to page 134 of the 2019 Fund Annual Accounts (see line item " <i>Total Assets</i> "))).
Total return	The calculation of Total return is based on Realised return aggregated with Unrealised return.

Unrealised return

The calculation of Unrealised return is based on unrealised result (reference is made to page 85 of the 2019 Fund Annual Accounts (see line item "*Realised result before tax*") as a percentage of opening equity (reference is made to page 86 of the 2019 Fund Annual Accounts (see line item "*Vesteda Group Equity*").

REGISTERED OFFICE OF THE ISSUER

Vesteda Finance B.V.

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The Netherlands

GUARANTOR

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