



PROJECT AUGUSTA PROCESS LETTER

Lisbon, 15th January 2018

1. INTRODUCTION

- 1.1 “BPI VIDA e PENSÕES – Companhia de Seguros, S.A.” is a Company that manages and represents the Pension Fund **Fundo de Pensões do Banco BPI (The Sellers)**, owners of the buildings that compose “**Project Augusta**” (**PA**).
- 1.2 **PA** is established having in view the sale of the block bounded by “Rua Augusta”, “Rua do Comércio”, “Rua do Ouro” and “Rua de São Julião”.
- 1.3 **The Sellers** have decided to initiate the Sales Process (**Sales Process**), as described in the present process letter (the **Process Letter**), in order to select potential investors interested in the purchase of the asset (the **Transaction**).
- 1.4 In order to do so, Jones Lang Lasalle – Sociedade de Mediação Imobiliária, S.A. (**JLL**) was the chosen entity to act as the exclusive real estate broker and adviser of the **Sellers** on the **PA Sales Process**.
- 1.5 The key milestones of the **Sales Process** are listed in the table below, the remaining dates are described on the attached document. All of the referred dates are merely illustrative, and may be subject to modifications. In any case, the **Sellers** shall must, through official channels announce the new dates.

PROJECT AUGUSTA CALENDAR



- **January 15th 2018** Launch of the Selling Process
- **February 23rd 2018** Non-Binding Offers (**NBO**) submissions
- **Q3 / Q4 2018** Selling Process closing date

1.6 All the information regarding the project, contained in this **Process Letter** and in the marketing material, provided by the **Sellers** through the information package (**Info-Pack**) to be made available to potential investors, have the sole purpose of assisting them in the preparation and presentation/submission of the Offers. This documentation shall be provided for informative purposes only and intends to be indicative and not exhaustive. The **Sellers** will not provide any professional assistance, being legal, tax, technical or other, to potential investors. The potential investors are encouraged to conduct, at their sole discretion, their own due diligence and analysis of the project in question, assisted by professional advisers of their choice.

1.7 No warranties shall be granted, regarding the accuracy, completeness or adequacy of public, official or third party information provided in the **Info-Pack**, undertaking the **Sellers** and their assistants no liability for any inaccuracies, omissions or oversights in the information provided.

1.8 **JLL** shall not be liable for the information contained in the **Info-Pack**, being in the potential investor's interest the verification of said information.

2. PROCEDURES OF SALES PROCESS

The ultimate objective of the **PA** is to maximize the asset's sales value and payment conditions for the **Sellers**. It is the **Sellers** intention to secure high transparency standards throughout the **Sales Process** and the **Transaction**.

2.1 Procedure overview

2.1.1 **JLL**, on the **Sellers** behalf, will invite a selected number of potential investors to participate in the **Sales Process** in order to accomplish the scope of **PA**.



- 2.1.2 Previously to any procedure and in order to be eligible to participate in the **Sales Process**, all interested parties shall sign a Non-Disclosure Agreement (**NDA**) with **JLL**, which will enable them to access to the (**Info-Pack**).
- 2.1.3 Potential investors shall submit their **NBO**, in writing, by email, simultaneously to **JLL** and to the **Sellers** until 3:00 pm GMT on February 23rd 2018.
- 2.1.4 The **Sellers** shall review the **NBO**, along with all the supporting documentation and shall evaluate them based on the eligibility criteria in order to identify the eligible investors and inform all investors.
- 2.1.5 Potential investors will be subject to a comprehensive compliance process according to the Portuguese law.
- 2.1.6 The **Sellers** will then negotiate with the eligible investors(s) the final terms and conditions, as well the supporting agreements of the proposed **Transaction**, including all the necessary formalities for its execution.
- 2.1.7 The **PA Sales Process** closing date is scheduled for Q4 2018 the latest, considering that the building shall be vacant by the end of the year.

2.2 Info-Pack

- 2.2.1 All the potential investors shall be allowed to access the **PA Info-Pack**, upon submission of the **NDA**, which contains all relevant information concerning the asset, namely the info-memo, legal documents, architectural drawings of the existing buildings, among other information.
- 2.2.2 The **Info-Pack** may be downloaded by the potential investors via the project's website.



2.2.3 The information contained in the **Info-Pack** shall remain property of the **Sellers** and may only be used for the sole purpose of the **PA Sale Process**.

2.3 Questions and Answers (Q&A)

2.3.1 Prior to the submission of the **NBO**, **JLL** shall be available to address questions made by potential investors, concerning the asset and its process.

2.3.2 All questions shall be addressed to **JLL** by the project leader of each potential investor via email, using the form provided for such purpose, until 5 business days prior to the deadline established for the **NBO**'s submissions.

2.3.3 The answers shall be provided by email to the email address of the project leader within a period of 3 business days, counting from the date of receipt of the referred questions.

2.4 On-site visits

2.4.1 The visits will occur only on 3 different dates – January 20th and 27th and February 3rd – and shall be scheduled with a minimum 72h prior notice (excluding non-working days) and take place during the morning period. The potential investors must schedule these appointments in advance, considering that there is a limited number of visits per day that which will be registered on a first come, first served basis.

2.4.2 The visits are conditioned to both **Seller** and **JLL's** availability, always requiring confirmation by one of these or both.

2.5 Non-Binding Offers (NBO)

2.5.1 **NBO** shall be submitted by the potential investors, simultaneously to **JLL** and the **Sellers**, by email, to the addresses indicated below, accompanied by all the necessary details and supporting documentation, and should include, among others the following:

JLL: fernando.vascocosta@eu.jll.com; goncalo.ponces@eu.jll.com



Sellers: manuel.puerta.costa@bancobpi.pt

- A) Potential investor's identification and associated parties (if applicable), including its ownership structure and, if part of a group, the identification of the leading investor;
- B) Advisory team (if applicable);
- C) Investor's track record;
- D) Proposed price for acquisition;
- E) Payment Conditions;
- F) It is assumed that all proposals are subject to contract and due diligences. If the proposals are subject to any other condition, which may affect deliverability or timing of the purchase, then full details must be provided;
- G) Financial structure of the deal (full equity/financing and its commitment degree);
- H) Detail of the internal approval process;
- I) Confirmation of the capacity to execute the deal within the indicated time frame;
- J) Confirmation that investor has reviewed the information made available on the **Info-Pack**;
- K) Contact details.

2.5.2 **JLL** will acknowledge, via email, the reception of the **NBO**, within a period two business days, counting from the receipt the referred **NBO**.

2.5.3 The proposal must be submitted in Portuguese or in English language only. Any documents submitted in any other language must be accompanied by official translation into Portuguese or English.



2.5.4 Any **NBO** shall be kept valid for the respective interested investor for a thirty (30) day period following the final date for the submission of the **NBO**. If agreed in writing between the **Sellers** and the potential investor, the validity period of each Offer may be extended.

3. PA ASSET

3.1 PA Buildings

3.1.1 The **Sellers** have structured this process with **JLL** in order to sell the block named **Project Augusta** with all the fractions that integrate it. The asset is constituted by the following 5 buildings:

- Rua Augusta 17-37;
- Rua do Comércio 116-132;
- Rua do Ouro 18-38;
- Rua de São Julião 125-137
- Rua de São Julião 139-145

3.2 PA Deal

3.2.1 The aim of this selling process is the transaction of this asset (constituted as described on 3.1.1) as is, considering that the buildings shall be vacant by the end of 2018.

4. GENERAL

4.1 **The Sellers** reserve the right to, at any time, postpone or cancel the **Sales Process** and to amend the timetable and the terms and conditions of the **Sales Process** or to repeat it, at their sole discretion, and without being liable towards the potential investors or any third parties.



- 4.2 The potential investors participate in the **Sales Process** at their own risk and responsibility and their participation does not give them any right to claim compensation or any right, other than those determined herein, in particular with regard to the preparation of the due diligence and proposal.
- 4.3 This **Process Letter** is not aimed to base any investment decision or investment recommendation made by the **Sellers** or any of its Advisers and does not constitute investment advice by the **Sellers** or any of its Advisers. Each potential investor, to whom this **Process Letter** is made available, shall make their own independent evaluation of the **Process Letter** and of the **Transaction**.
- 4.4 The potential investors grant the **Sellers** the right to reproduce and disclose the content of the Offers for any purpose related to the fulfillment of its legal, regulatory or statutory obligations.
- 4.5 The **Sellers** may be required to disclose information held by any competent authority, namely by judicial or regulatory authorities, in response to requests for providing information.
- 4.6 Any dispute arising from, or in connection with, the **Sales Process** until its completion or the cancellation (by a relevant decision of the **Sellers** Board of Directors), shall be governed by the Portuguese Law and shall be subject to the exclusive jurisdiction of the competent courts of Lisbon, Portugal.
- 4.7 Bidders and their representatives and advisers must not enter into any discussions, communications, negotiations or correspondence of any nature with any co-owners, adjoining owners, tenants or prospective tenants, asset managers, previous directors, past employees or contractors, occupiers or local planning or other authorities without prior written consent from the **Sellers**.