

[Company Name]

Attn.: [>]

[Insert address]

Amsterdam, [insert date]

Head of Terms Letter of Commitment

by and between [Company Name] and INREV
as regards to

the participation in and contribution to the Asset Level Index

Dear [>],

The purpose of this Head of Terms Letter of Commitment (the '**LoC**') is to describe the parties' obligations with regards to the development of a real estate asset level index ('Asset Level Index') and the participation in and contribution to the **Asset Level Index** project.

Introduction

There is a strong demand from the industry to partner with a member-driven organisation to produce a suite of indices that measure the performance of real estate assets across Europe. INREV has been chosen by the industry to meet this demand due to its independence, non-commercial agenda and experience in index construction, which enables INREV to achieve this goal. In addition, INREV's strong working relationships with NCREIF and ANREV create the potential to achieve this goal on a global scale in the future.

Development of the Asset Level Index

INREV and its members will work together on the development of the Asset Level Index consisting of a snapshot report, full report and an online asset level index analysis tool, and the infrastructure, products and services surrounding them. As a starting point INREV will focus on key performance measures and key real estate asset characteristics. At the same time a template will be developed to accommodate an expansion of data fields and the potential for global expansion, by being able to combine NCREIF, INREV and ANREV asset level indices at some point in the future.

Commitment

The development of the Asset Level Index and corresponding online analysis tool requires a financial investment and data contribution from INREV members. [Company Name] commits to co-operate in the development of the Asset Level Index by contributing financially, as a founding investor member (not contributing data), and by requesting that their fund managers contribute real estate asset level data to the initiate as set out in the attached data delivery template (Annex 1).

Subject to INREV's management board approval of the next steps of the Asset Level Index project in June 2017, and securing commitment from at least 25 companies, INREV commits to the following:

1. INREV will use its best efforts to follow the planning as described in Annex 2 and accomplish the following main deliverables:
 - a. develop an online data input tool that will enable asset level data collection and automated validation;
 - b. collect historical data from contributing members using the online data input tool;
 - c. develop an online index analysis tool that will allow for the construction of custom made asset level indices;
 - d. publish a quarterly asset level index snapshot and full report;
 - e. present the consultation INREV Asset Level Index and online analysis tool in the second quarter of 2018.

[Company Name] commits to motivate and provide permission for their fund managers to provide INREV with quarterly data for real estate assets that they are invested in.

2. INREV will not disclose or share any asset level data provided by fund managers, without the explicit approval of the fund manager INREV will only use data provided by fund managers in a composite where the asset, the vehicle, the manager and any investor are not identifiable.
3. Data will be stored and secured in accordance with AIFMD Level 2 implementing regulations.
4. [Company Name] commits to pay a non-refundable one-off investment amount of EUR 10,000 as a founding investor member (not contributing data) that will be principally used to fund development costs such as IT infrastructure, legal costs, member training. In case of costs overrun INREV will not ask founding investor members to provide additional financing. Additional costs will be covered from INREV's budget and/or from additional participants.
5. As a compensation for joining the project as a founding investor member in year one and providing the initial investment amount mentioned in article 4, founding investor members will be entitled to pay a reduced annual fee of €10.000 during the 2019-2020 period. Companies that join this project in 2018 or later will pay an annual fee of €15.000. The detailed fee structure that will apply to all participants is described in Annex 2.
6. Following final approval by INREV's management board, the parties' will negotiate a comprehensive Co-operation Agreement, building on this Heads of Terms Letter of Commitment.
7. Except as required by law, INREV and [Company Name] agree not to make any public disclosures about the existence or contents of this LoC without prior notice to, and written approval of, the other party.
8. This LoC shall be governed by and construed in accordance with the laws of the Netherlands. Any action or proceeding brought by either party to enforce its rights under this LoC shall be first taken to arbitration. If arbitration does not resolve the dispute between the parties, any action or proceeding will be brought exclusively in the court of Amsterdam.

[Company Name] agrees to the above arrangement, which agreement is indicated by its countersigning of two copies in the space indicated below, and sending them to INREV. INREV will sign both and return one copy for [Company Name]'s records.

On behalf of The European Association for Investors in Non-Listed Real Estate Vehicles (INREV):

By:

Title:

Accepted and agreed to:

Insert name addressee

By:

Title:

Annex 1: Asset Level Index project planning

	2017												2018									
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
Key MB meetings																						
Implementation of MB's final recommendations																						
Further commitment gathering																						
Data input tool implementation and testing																						
Historical data collection, validation and verification																						
Index Online Analysis Tool implementation and testing																						
Member training and data input tool																						
Finalise accompanying documents																						
Launch of Consultation Index and Online Analysis Tool																						

Annex 2: Asset Level data fee structure

	Initial investment in 2017	Annual fee for 2018-2022 period	Annual fee starting from 2023
Founding, data contributing member	EUR 10.000	EUR 1.250	EUR 5.000
Non-founding, data contributing member		EUR 5.000	EUR 5.000
Founding investor member (non-data contributing)	EUR 10.000	EUR 10.000 (2018-2020)	EUR 15.000
Non-founding investor member (non-data contributing)		EUR 15.000	EUR 15.000
Non-member		Membership + other conditions above	Membership + other conditions above

Annex 3: Access to Asset Level Index publications and tool

	Snapshot	Full report	Online Index Analysis Tool
Founding, data contributing member	Yes	Yes	Yes
Non-founding, data contributing member	Yes	Yes	Yes
Founding investor member (not contributing data)	Yes	Yes	Yes
Non-founding investor member (not contributing data)	Yes	Yes	No
Non-member	Yes	No	No