

HOMBURG INVEST INC.

(Incorporated under the laws of the Province of Alberta, Canada, with its registered office in Calgary, Alberta, Canada and its head office in Halifax, Nova Scotia, Canada)

This prospectus (the **Prospectus**) concerns the offer and issue (the **Issue**) of a minimum of 25,000 to a maximum of 75,000 Homburg Capital Securities A, denominated in principal amounts of EUR 1,000, for an aggregate principal amount of EUR 25,000,000 to EUR 75,000,000 (the **Homburg Capital Securities A**) by Homburg Invest Inc. (the **Issuer** or **Homburg Invest**). The Homburg Capital Securities A will be offered to the public. The Issuer will have the right to cancel the Issue if no more than 5,000 Homburg Capital Securities A will be subscribed for by 30 June 2009.

The holders of the Homburg Capital Securities A (the **Security Holders**) participate by investing a minimum of EUR 5,000 each (excluding an issue fee of 3%) acquiring 5 Homburg Capital Securities A denominated in the principal amount of EUR 1,000. The proceeds of the issuance of the Homburg Capital Securities A will be used by the Issuer for general business purposes. The general business purposes include, amongst others, the refinancing or redemption of existing indebtedness of the Issuer and the strengthening of the working capital of the Issuer.

The Homburg Capital Securities A are 99-year unsecured and subordinated debt obligations with a fixed interest rate of 9.5% per year from, and including, 28 February 2009 (the **Issue Date**) until 27 February 2108 (the **Maturity Date**). The effective yield amounts to 9.22% per annum based on an interest payment in cash and a term to maturity of 99 years and taking into account an issue fee of 3% to be paid on the Issue Date by the Security Holders. We refer to Chapter 5.1 for more information on the effective yield.

Interest on the Homburg Capital Securities A will be payable quarterly in arrears commencing on 30 June 2009. Homburg Invest has the option to pay accrued interest in cash or by issuing a fixed number of fully paid non-assessable Series of Class A Preferred Shares. The terms and conditions of any Series of Class A Preferred Shares are described in Chapter 6, Appendix B.

Unless previously redeemed or purchased and subsequently cancelled, each Homburg Capital Security A will be redeemed at its principal amount in cash on the Maturity Date.

The Homburg Capital Securities A shall be redeemable commencing 27 February 2014, in whole or in part from time to time, at the option of Homburg Invest at a redemption price equal to 100% of the principal amount thereof, together in each case with accrued and unpaid interest to the date fixed for redemption as set forth in the terms and conditions of the Homburg Capital Securities A, contained in this Prospectus.

The Issuer will apply to obtain listing of the Homburg Capital Securities A on Euronext Amsterdam by NYSE Euronext (**Euronext Amsterdam**, which expression shall, where the context so permits, include Euronext Amsterdam N.V.) before 31 January 2011. The Homburg Capital Securities A are not expected to be listed on the Toronto Stock Exchange. Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC. No certainty can be given that changes in listing requirements made subsequent to the date of the Prospectus will prevent the admittance of the Homburg Capital Securities A; and no certainty can be given that the application for listing of the Homburg Capital Securities A, when made, will be granted.

This Prospectus constitutes a prospectus for the purpose of Section 3 of the Directive 2003/71/EC (the **Prospectus Directive**) and has been prepared in accordance with Section 5:2 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the rules promulgated thereunder. This Prospectus has been approved by and filed with The Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*).

The Homburg Capital Securities A are not being offered for sale in Canada and have not been and will not be qualified for distribution in Canada by the filing of a prospectus with any securities regulatory authority or commission in Canada.

An investment in the Homburg Capital Securities A involves certain risks. Prospective investors should have regard to the factors described in Chapter 2 "Risk Factors".



TABLE OF CONTENTS

| | |
|--|-----------|
| 1. SUMMARY..... | 4 |
| 1.1 Homburg Invest..... | 4 |
| 1.2 Included by reference..... | 5 |
| 1.3 Financial statement highlights | 6 |
| 1.4 Homburg Invest Board of Directors and Officers | 8 |
| 1.5 Homburg Capital Securities A..... | 11 |
| 1.6 Parties involved..... | 12 |
| 1.7 Major shareholders | 13 |
| 1.8 Related party transactions..... | 13 |
| 1.9 Personnel..... | 13 |
| 1.10 Risk factors | 13 |
| 2. RISK FACTORS..... | 16 |
| 3. DEFINITIONS..... | 28 |
| 4. SECURITIES NOTE..... | 30 |
| 4.1 Risk factors | 30 |
| 4.2 Important information and restrictions | 30 |
| 4.3 Other Information | 30 |
| 4.4.1 Documents on display | 30 |
| 4.4.2 Net asset value | 30 |
| 4.4.3 Included by reference..... | 30 |
| 4.4.4 Cross references..... | 31 |
| 5. INFORMATION ABOUT THE HOMBURG CAPITAL SECURITIES A | 34 |
| 5.1 Structure | 34 |
| 5.2 Naming conventions..... | 37 |
| 5.3 Interest..... | 37 |
| 5.4 Legal aspects..... | 38 |
| 5.4.1 Stichting Homburg Capital Securities..... | 38 |
| 5.5 Purchase of Homburg Capital Securities A | 39 |
| 6. TRUST INDENTURE..... | 40 |
| 7. TAXATION | 80 |
| 7.1 Taxation in Canada..... | 80 |
| 7.2 Taxation in The Netherlands | 81 |
| 8. REGISTRATION DOCUMENT..... | 85 |
| 8.1 Important information | 85 |
| 8.2 Restrictions | 86 |
| 9. INFORMATION ON HOMBURG INVEST | 88 |
| 9.1 Profile..... | 88 |
| 9.1.1 Important events | 89 |
| 9.1.2 Activities..... | 89 |
| 9.1.3 Structure | 90 |
| 9.2 General information..... | 93 |
| 9.2.1 Head office, registered office and registrar and transfer agent..... | 93 |
| 9.2.2 Homburg Invest Board of Directors and Officers | 93 |
| 9.2.3 Personnel and organisation | 98 |
| 9.2.4 Articles and by-laws of Homburg Invest | 99 |
| 9.2.4.1 Share provisions..... | 102 |
| 9.2.4.2 Amending shareholders rights | 107 |
| 9.2.4.3 Homburg Invest shareholders meetings..... | 107 |
| 9.2.5 Reporting | 109 |
| 9.2.6 Shares and options held by Directors and Officers..... | 110 |
| 9.2.7 Subsidiaries | 110 |
| 9.2.8 Canadian withholding taxes..... | 112 |
| 9.2.9 Concentration risks..... | 112 |
| 9.2.10 Investment restrictions..... | 112 |
| 9.2.11 Related party transactions | 113 |
| 9.2.12 Appraisals of properties..... | 116 |

| | |
|---|------------|
| 9.2.13 Expense ratio | 124 |
| 9.2.14 Corporate governance..... | 124 |
| 9.3 Financial key figures | 125 |
| 9.3.1 Restatement and subsequent events..... | 126 |
| 9.3.2 Risk of material adverse change..... | 127 |
| 9.4 Equity | 128 |
| 9.4.1 Share price..... | 128 |
| 9.4.2 Share capital | 128 |
| 9.4.2.1 Homburg Invest shares | 128 |
| 9.4.2.1.1 Reconciliation of the number of shares outstanding (pre-consolidation basis)..... | 129 |
| 9.4.2.2 Dividends | 130 |
| 9.5 Option schemes..... | 130 |
| 9.6 Major shareholders | 131 |
| 10. ADVISORS..... | 133 |

1. SUMMARY

The Issue is for a minimum of 25,000 to a maximum of 75,000 Homburg Capital Securities A for an aggregate amount of EUR 25,000,000 to EUR 75,000,000 by Homburg Invest.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Homburg Capital Securities A should be based on consideration of the Prospectus as a whole by each investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

1.1 Homburg Invest

Homburg Invest is the issuer of the Homburg Capital Securities A, and is a real estate investment company whose Class A Shares and Class B Shares are publicly traded on the Toronto Stock Exchange (**TSX**) (under symbol: HII.A and HII.B) with the Class A Shares being dual listed on Euronext Amsterdam (under symbol: HII). The Issuer was incorporated on 8 September 1999 as Basic Realty Investment Corporation under the Business Corporations Act of the Province of Alberta, Canada. The Issuer's name was changed to Homburg Invest Inc. in 2001.

Homburg Invest has its registered office in Calgary, Alberta, Canada and its head office in Halifax, Nova Scotia, Canada. Homburg Invest and its Subsidiaries own a diverse portfolio of real estate including office, retail, warehouse and residential apartment and townhouse properties throughout Canada, the United States and Europe (Germany, Baltics and The Netherlands). The Issuer also owns land assets for development in the provinces of Alberta, Quebec and Prince Edward Island in Canada.

Homburg Invest's business is the acquisition, development, management and occasionally the divestment of real estate. In addition, Homburg Invest also has strategic investments in other real estate companies. The focus is primarily on income producing, commercial properties.

Virtually all real estate of the Issuer is held by its Subsidiaries, whereby, for the most part, one Subsidiary holds only one property. Therefore, a poor performing property will only affect the Subsidiary which owns this asset; the maximum exposure of the Issuer to each of the properties is the amount of equity invested in the relevant Subsidiary.

Almost all of the asset and property management activities of Homburg Invest and its Subsidiaries are performed by Homburg Canada Incorporated.

Homburg Invest has its principal place of business and business address at:

Suite 600
1741 Brunswick Street
Halifax
Nova Scotia, B3J 3X8
Canada
Tel: 001 902 468 3395
Fax: 001 902 468 2457
E-mail info@homburginvest.com
Internet: www.homburginvest.com

All Directors and Officers have chosen the business address of Homburg Invest as their business addresses.

and Homburg Invest has its registered office at:
 Macleod Dixon LLP
 3700, 400 Third Avenue SW
 Calgary, Alberta, T2P 4H2
 Canada

Homburg Invest is incorporated under the laws of the Province of Alberta, Canada with Alberta Registrar of Corporations corporate access number 2010010615.

1.2 Included by reference

The documents which are incorporated by reference in this Prospectus as well as the Code of Business Conduct and the Dividend Reinvestment Plan can be obtained at the offices of the Company (or can be downloaded from www.homburginvest.com or www.sedar.com).

The following documents are included by reference in the Prospectus:

- a. Unaudited Consolidated Interim Financial Statements for the nine months ended 30 September 2008;
- b. Management Discussion and Analysis for the period ended 30 September 2008;
- c. Audited Consolidated Financial Statements including auditors report for the year ended 31 December 2007;
- d. Management Discussion and Analysis for the year ended 31 December 2007;
- e. Annual Information Form for the year ended 31 December 2007;
- f. Annual Report for the year ended 31 December 2007;
- g. Audited Consolidated Financial Statements including auditors report for the year ended 31 December 2006;
- h. Management Discussion and Analysis for the year ended 31 December 2006;
- i. Annual Information Form for the year ended 31 December 2006;
- j. Annual report for the year ended 31 December 2006.
- k. Audited Consolidated Financial Statements including auditors report for the year ended 31 December 2005;
- l. Management Discussion and Analysis for the year ended 31 December 2005;
- m. Annual Information Form for the year ended 31 December 2005;
- n. Annual report for the year ended 31 December 2005.

The financial statements and management discussions and analysis included by reference are those that are prepared using International Financial Reporting Standards. The financial information prior to 2008 included by reference (Items (c) through (n)), has not been retrospectively adjusted to reflect the Stock Dividend and Stock Consolidation referred to in Chapter 1.3.

Grant Thornton LLP has given, and not withdrawn, its consent to incorporate by reference its respective auditors reports 2005 and 2006 in the Prospectus in the form and context in which they have been referred to.

Ernst & Young LLP has given, and not withdrawn, its consent to incorporate by reference its auditors report 2007 in the Prospectus in the form and context in which it has been referred to.

1.3 Financial statement highlights

FINANCIAL HIGHLIGHTS (International Financial Reporting Standards)
(in CAD thousands except per share amounts)

| | 9 months ended 30 September 2008 | 9 months ended 30 September 2007 | Year ended 31 December 2007 | Year ended 31 December 2006 | Year ended 31 December 2005 |
|---|---|---|-----------------------------------|-----------------------------------|-----------------------------------|
| OPERATIONS | | | | | |
| Property Revenue | \$228,572 | \$150,582 | \$211,025 | \$116,742 | \$56,743 |
| Realized Valuation Changes | \$NIL | \$1,050 | \$924 | \$8,775 | \$4,693 |
| Unrealized Valuation Changes | \$(29,414) | \$40,903 | \$55,757 | \$76,225 | \$50,387 |
| Net Earnings | \$25,412 | \$67,011 | \$140,495 | \$94,766 | \$54,863 |
| Earnings Per Share – Basic (pre- consolidation) | \$0.13 | \$0.44 | \$0.86 | \$0.86 | \$0.69 |
| BALANCE SHEET | | | | | |
| Total Assets | \$4,057,967 | \$3,145,557 | \$3,820,379 | \$2,425,964 | \$1,079,660 |
| Investment and Development Properties | \$3,831,877 | \$2,977,480 | \$3,693,422 | \$2,259,565 | \$969,872 |
| Long term debt | \$2,619,629 | \$1,881,839 | \$2,117,580 | \$1,599,780 | \$678,951 |
| Shareholders' Equity | \$887,528 | \$799,531 | \$886,271 | \$504,004 | \$259,468 |

This financial information can also be found in Chapter 9.3 of the Prospectus.

Restatement and subsequent events

Stock dividend

During the period ended 30 September 2008, the Issuer declared a dividend of \$0.24 per share on all issued and outstanding Class A Shares and Class B Shares. The dividend was paid “in-kind” by issuing Class A Shares at a volume weighted average price, less a discount of 3%, of \$3.49 per share. The effect of this stock dividend has been to retrospectively adjust all share and per share amounts reported for previous periods to reflect the additional 0.06877 Class A Shares issued for each Class A Share and Class B Share outstanding at that time.

2005 restatement

The financial highlights for 2005 have been restated to reflect a change in accounting policy related to deferred financing costs. The policy change was made in June 2006 and was applied retrospectively. The impact of the change is explained in the notes to the 2006 financial statements included in this Prospectus.

Stock consolidation

In December 2008, the Company's shareholders approved a 1 for 10 stock consolidation of all Class A and Class B Shares. Whereas this consolidation was not approved until after the release of the 30 September 2008 financial results, which are incorporated within this Prospectus, no share and per share information included in this Prospectus have been

adjusted to reflect the consolidation. Future financial information releases will be retrospectively adjusted to reflect the impact of this stock consolidation.

Normal Course Issuer Bid ("NCIB")

In October 2008, the Company announced its intention to reacquire, for cancellation, its own Class A and Class B Shares under an approved NCIB. On a pre-consolidation quantity basis, the NCIB allows the Company to acquire up to a total of 10,510,000 Class A Shares (47,538 shares per day) and up to a total of 1,575,000 Class B Shares (868 shares per day) over a period of one year ending October 2009. The Class A and Class B Shares bought under the NCIB are being purchased by the Bank of Montreal for Homburg Invest and then they are immediately to be cancelled. Homburg Invest is the beneficial holder for the brief period of time it takes CIBC Mellon to cancel the Shares held by Homburg Invest. Homburg files a report at the end of each month with the TSX which reflects, if applicable, the number of Shares repurchased and cancelled. As of 31 December 2008 the Company has purchased and cancelled 512,100 Class A and 12,400 Class B Shares (pre-consolidation quantities) under their Normal Course Issuer Bid at an average cost of \$1.48 per Class A Share and \$1.44 per Class B Share. It should be noted that the NCIB, if acted upon by the Company, will trigger the early redemption of each Series of Class A Preferred Shares (reference is made to Section 6 of Chapter 6, Appendix B).

Share purchase by Company controlled by Mr. Richard Homburg

On 21 November 2008 Homburg Invest announced that through Homburg Finance AG of Zurich Switzerland, part of the Homburg Group of Companies under the control of Mr. Richard Homburg, 13,127,042 Class A Shares in Homburg Invest were acquired at the market price of EUR 1.03 from an European Investment Group in a private transaction.

Re-development of Confederation Court Mall, Charlottetown, Prince Edward Island, Canada

On 27 November 2008 the Company announced that Homburg Invest has undertaken a three staged re-development of the Confederation Court Mall which will significantly improve services and commercial spaces of the historic downtown of Charlottetown. Phase 1 has already commenced construction and will be a new eight-storey Class A commercial office building on Fitzroy Street, and when completed will be comprised of 50,000 square feet featuring all the latest amenities. Phase 2 began last year with the re-development of the food court in The Shops of Confederation Court Mall and with the creation of the Urban Eatery, which offers quality fresh food in a market-style atmosphere and continues with a major refurbishment of the interior and exterior of the entire Confederation Court Complex. This 400,000 square foot office and retail complex was built 30 years ago and requires modernization and expansion to ensure it remains the major anchor in the capital city of the province. Phase 3 of the development will be a 10-storey, 82-room boutique hotel that will be located above The Shops of Confederation Court Mall. Construction for the hotel is scheduled to commence early in 2009. All three phases are scheduled to be completed in the next 24 to 30 months. Total re-development costs are estimated to be CAD 45 million.

Disposal of interest in DIM Vastgoed N. V. in exchange for Common Stock of Equity One Inc.

On 12 January 2009 Homburg Invest announced that it had entered into a so-called exchange agreement with Equity One Inc. ("Equity One" – NYSE:EQY). Concurrently with the exchange agreement Equity One and Homburg Invest entered into a so-called voting rights transfer agreement. Under the exchange agreement, Homburg Invest has disposed of approximately 2 million ordinary shares of DIM Vastgoed N.V. ("**DIM**") to Equity One in exchange for shares of common stock of Equity One ("**Common Stock**"). At initial closing, Homburg Invest has acquired 866,373 shares of Common Stock in exchange for a total of 1,151,276 DIM shares and 86,400 rights to DIM Shares. In addition, under the voting rights transfer agreement, Homburg Invest has granted an irrevocable proxy to Equity One with respect to another 766,573 DIM shares that Homburg has an obligation to acquire on 1 October 2010. The exchange agreement also provides, subject to certain conditions, that Equity One will acquire these DIM shares from Homburg once Homburg has obtained the DIM shares at the same exchange ratio, being an aggregate of 536,601 shares of Common Stock.

1.4 Homburg Invest Board of Directors and Officers

BOARD OF DIRECTORS:

RICHARD HOMBURG, (1) *Dr. Comm.*

Richard Homburg is the Chairman of the Board of Directors and Chief Executive Officer of the Company, Chairman of the executive board of Homburg N.V., Chairman and member of the board of management of Homburg Canada and Chairman of Homburg Uni-Corp Inc. Mr. Homburg is also a member of the board of directors of Cedar Shopping Centers.

Born and educated in the Netherlands, Mr. Homburg came to Canada at the age of 23 and started to expand the import/export business he had started as a teenager. Profits from his business were invested in real estate. These investments in real estate expanded from Atlantic Canada to Alberta, British Columbia and into the United States. In 1991, Mr. Homburg became Chief Executive Officer of Uni-Invest N.V., a publicly listed Dutch real estate fund. In 2002, Uni-Invest N.V., one of the largest real estate funds in the Netherlands, was acquired by a consortium that included Lehmann Brothers Real Estate Partners.

In addition to his varied business interests, Mr. Homburg has served on many boards of directors, including those of Investment Property Owners of Nova Scotia (of which he is also a former president), Evangeline Trust and the World Trade Center in Eindhoven, the Netherlands, as well as on the board of directors and advisory boards of other large charitable organizations.

MICHAEL H. ARNOLD, (2) CA,

Michael H. Arnold is the Vice Chairman of the Board of Directors. He was born in Summerside, Prince Edward Island, Canada. He obtained his Chartered Accountancy designation in Québec in 1966 through McGill University and the Québec Institute of Chartered Accountants, while working for accounting firm MacDonald, Currie & Co. Furthermore, he worked as sessional lecturer at Prince of Wales College from 1967 to 1969 and assistant professor of Business Administration at the University of Prince Edward Island from 1969 to 1973.

He has been involved in a number of business activities over the years, including the acquisition and management of Holman's of P.E.I., a department store chain in Halifax. Through his company Dyne Holdings Limited, he developed Confederation Court Mall, National Bank Tower and BDC Place in Charlottetown, Prince Edward Island. After successfully owning and operating these properties for many years, he sold them to Homburg in 1999.

Mr. Arnold is currently President of Dyne Holdings Limited, a member of the boards of directors of SpellRead PAT Learning Systems and Diagnostic Chemicals Limited and a member of the Institute for Chartered Accountants.

RUDOLF D. BAKHUIZEN, (3)

Rudolf D. Bakhuizen is a member of the supervisory board of Homburg N.V. He was born in Hilversum, the Netherlands. He is an educated and experienced building constructor. In the early seventies, his focus shifted from construction to real estate.

Mr. Bakhuizen is a seasoned real estate expert, with a vast experience in real estate management, operation and acquisition. He has led many real estate companies as Chief Executive Officer, such as Hooze Readt Groep B.V.

He is currently Chief Executive Officer of Huis en Haard Beheer B.V., a real estate investment company. He is also a director of the Dutch charitable organizations General Association of Third World Aid Shops (Algemene Vereniging van Wereldwinkels) and the Femi Foundation (as Chairman).

DR. TREVOR CARMICHAEL

Trevor A. Carmichael was born in Barbados and educated at Harrison College and the University of the West Indies, Mona, Jamaica. After pursuing post graduate studies in the United States, he was called to the United Kingdom Bar. He is a former Deputy Secretary

General of the International Bar Association, a Life Fellow of the Institute for Advanced Legal Studies in the United Kingdom, a Life Member of the Commonwealth Magistrates and Judges Association and a member of the International Law Association.

Dr. Carmichael is a panel member of the International Centre for Settlement of Investment Disputes of the World Bank in Washington. He is also a member of the Legal Affairs and Properties Committee of the International Council of Museums in Paris, France. Dr. Carmichael has been the keynote speaker at the Canadian Condominium Institute's Annual Meetings in Toronto, Canada. He is a recipient in the National Honours List of the Silver Crown of the Merit for his contribution to law, financial services and the preservation of the national heritages.

Dr. Carmichael is a Principal of Chancery Chambers, a Barbados-based law firm engaged primarily in international business law, environmental law and the law relating to charities.

WALTER R. FITZGERALD, (5)

Walter R. Fitzgerald was born in Halifax. He attended Dalhousie University where he obtained a Bachelor's Degree (1958), a Bachelor in Education Degree (1959) and a Master's Degree (1960).

Mr. Fitzgerald began his career as a teacher and administrator. He was elected alderman for the city of Halifax in 1966. In 1971, he was elected mayor of Halifax. In total, Mr. Fitzgerald has been alderman for 10 years and mayor for 14 years spread over several terms. In between the aforementioned terms, he was a member of the Legislative Assembly in the province of Nova Scotia for six years and was made a member of the Cabinet as Minister of Labour and Minister responsible for Housing.

Furthermore, Mr. Fitzgerald remains involved in many boards and commissions. Amongst others, he was Chairman of the Halifax County Residential Tenancies Board and President of the Halifax Homeowners Association.

EDWARD P. OVSENNY, (6)

Edward P. Ovsenny is a Commerce and Finance graduate from the University of Toronto. As a retiring Vice President of Mortgage Real Estate Investments for the Canada Life Insurance Company, he has 24 years of experience in commercial real estate financing and portfolio management of Canada Life's Canadian and U.S. mortgages.

Mr. Ovsenny has served on numerous Canada life and investment industry committees and advisory groups. Other distinctions include his standing as a Fellow of the Life Management Institute and successful completion of the Executive MBA programme at Queen's University.

Mr. Ovsenny is Principal of Ovsenny Advisors Real Estate Consultants. In addition, he is a member of the board of directors of the Canada Life Insurance Company and serves on its Audit and the Conduct Review Committee of the Canada Life Insurance Company.

GEORGE EDWARD ANTHONY PACAUD

Mr. Pacaud was born in Montreal, Quebec. He received his B.Sc. Degree in 1961 from Bishop's University and a law degree from Dalhousie University in 1964. In 1975 he enrolled in the Advanced Management Program at Harvard University and then in 2006 he completed his education with a Director's course from the University of Toronto.

Mr. Pacaud started his career by articling and practicing with Osler Hoskin & Harcourt from 1966 to 1969. He joined M.E.P.C. Canadian Properties Limited in 1970 in the capacity of Senior VP and Secretary and then as Director. In 1976 he became Senior VP at Morguard Properties Limited, which managed the Assets of M.E.P.C. In 1980 LePage hired Mr. Pacaud as President/Director to form and manage Penlea Investments Ltd. a pension investment vehicle owned by Air Canada, HOOP, OMERS and Bell Canada. In 1982 he became President/Chairman for Greiner – Pacaud Management Associates in which he formed GPMA

to carry out discretionary, national real estate investment and development activities for several closed end pools owned by Canadian Pension Funds. For eight years he served as Director and Vice Chairman of Integrated Asset Management Corporation and in March 2007 he resigned from the Corporation board and retired from GPMA.

OFFICERS:

RICHARD HOMBURG, *Dr. Comm, Chief Executive Officer*

See under "Board of Directors"

Drs. J. RICHARD STOLLE, (7)

J. Richard Stolle is the President and Chief Operating Officer of the Company. He is responsible for all of the operational aspects of the Company.

Mr. Stolle has a Masters Degree in Economics (Drs.) from Erasmus University in Rotterdam and worked for ABN AMRO Bank before joining Uni-Invest N.V. From 1993 to 2002, Mr. Stolle was Chief Financial Officer of Uni-Invest N.V. and from 2002 to 2005 was Chief Executive Officer of Uni-Invest N.V., at that time a publicly listed Dutch real estate fund. In 2002, Uni-Invest N.V. was acquired by a consortium that included Lehman Brothers Real Estate Partners. At the time of the acquisition by the consortium, Uni-Invest N.V. was one of the largest real estate funds in the Netherlands.

Mr. Stolle is also the Chief Executive Officer of Stollburgh Capital B.V., a private real estate investment and advisory firm and a member of the supervisory board of ActiveInvestor Management B.V., a management company of private investment funds.

JAMES F. MILES, (4) CA

James F. Miles is Vice President Finance and Chief Financial Officer of Homburg. He is responsible for all financial aspects of the Company. In addition, he is Chief Financial Officer and a director of Homburg Canada Incorporated.

Mr. Miles holds a Bachelor's Degree in Commerce from Dalhousie University and is qualified as a Chartered Accountant (New Brunswick) in 1988. He was employed at Grant Thornton LLP for 10 years, where he provided audit and accounting services to clients ranging from owner/manager businesses to public companies.

Mr. Miles is a member of the Institute of Chartered Accountants of Nova Scotia, the Canadian Institute of Chartered Accountants and the Financial Executives Institute.

ASHLEY L. PHILLIPS

Ashley Phillips is the Vice President, Canadian Operations for Homburg and is directly responsible for the operational aspects of the Canadian real estate portfolio.

Mr. Phillips graduated from Acadia University with a Bachelors Degree in Economics. He also graduated from the Building Owners and Managers Institute (BOMA) with the designation of Real Property Administrator (RPA).

Mr. Phillips joined Homburg in 1992 and has covered various aspects of the Company's real estate

NOTES:

(1) *Mr. Homburg serves as chairman of the executive committee*

(2) *Mr. Arnold serves on the audit committee*

(3) *Mr. Bakhuizen serves on the executive committee*

(4) *Mr. Miles serves on the executive committee*

(5) *Mr. Fitzgerald serves on the audit committee*

(6) *Mr. Ovsenny serves as chairman of the audit committee*

(7) *Mr. Stolle serves on the executive committee*

1.5 Homburg Capital Securities A

The Homburg Capital Securities A are 99-year unsecured and subordinated debt obligations with a fixed interest rate of 9.5% per year (the effective yield will amount to 9.22% per annum based on an interest payment in cash and a term to maturity of 99 years and taking into account an issue fee of 3%).

The effective yield of the Homburg Capital Securities A may differ from 9.22% for a number of reasons, such as:

1. The Issuer may elect to redeem the Homburg Capital Securities A prior to the Maturity Date. Due to the time value of money, this will result in a lower effective yield.
2. The Issuer may elect, at its option, to pay any or all of the quarterly interest payments by issuing one or more Series of Class A Preferred Shares. The Class A Preferred Shares bear a cumulative dividend rate of 9.75% which corresponds with the higher risk profile of these securities. There are various risk factors which may affect the financial condition and operating results of the Company and therefore the ability of the Company to pay dividend on or to redeem the Class A Preferred Shares. This could result in an intrinsic value of the Class A Preferred Shares which is lower than the face value of the Class A Preferred Shares. Further, in case a dividend distribution on the Class A Preferred Shares will be made or the Class A Preferred Shares will be redeemed, the timing of such distribution or redemption also determines the effective yield.
3. The Security Holder may wish to sell any Class A Preferred Shares that it has received. Due to the absence of a liquid market for the Class A Preferred Shares, such Security Holder may receive a price which differs from the intrinsic value of these securities.

The Homburg Capital Securities A will be denominated in principal amounts of EUR 1,000 each. The maximum total principal amount of the Issue is EUR 75,000,000 to minimum of EUR 25,000,000 comprising a maximum of 75,000 or a minimum of 25,000 Homburg Capital Securities A. The Issue is expected to take place on 28 February 2009. The Issuer will have the right to cancel the Issue if no more than 5,000 Homburg Capital Securities A will be subscribed for by 30 June 2009. Security Holders participate by investing in Homburg Capital Securities A at a minimum of EUR 5,000 each (excluding an issue fee of 3%) to acquire 5 Homburg Capital Securities A. The proceeds of the Issue will be used by Homburg Invest for general business purposes.

The total cost to the Issuer for the Issue will amount to EUR 1,000,000 (for a EUR 25,000,000 issue) and EUR 3,000,000 (for a EUR 75,000,000 issue) payable to Homburg Participaties.

The Homburg Capital Securities A will be unsecured and subordinated debt obligations of the Corporation. At inception, the accounting for Homburg Capital Securities A is expected to reflect an approximate debt component of 2% and an approximate equity component of 98%. These percentages may be subject to modification based on an assessment by Homburg Invest of the probability of exercising its early redemption option. The carrying value of the debt component will be based on the present value of the future repayment of the principal amount, and the carrying value of the equity component will be based on the future interest payments. In the event of the voluntary or involuntary liquidation, bankruptcy, winding-up, insolvency, receivership or other similar proceedings, the rights of the holders to payment of the principal amount of the Homburg Capital Securities A, accrued interest thereon and any other amounts due in respect of the Homburg Capital Securities A will rank:

- (a) *pari passu* with all other subordinated indebtedness of the Corporation without any preference among each other Homburg Capital Security A; and
- (b) subordinate to all other obligations of the Corporation except liabilities which by their terms rank in right of payment equally with or subordinate to the Homburg Capital Securities A.

The Homburg Capital Securities A shall be redeemable on or after 27 February 2014 and prior to the Maturity Date, in whole at any time or in part from time to time, at the option of Homburg Invest at a redemption price equal to 100% of the principal amount thereof, together in each case with accrued and unpaid interest to the date fixed for redemption. Homburg Invest has

furthermore the right to redeem Homburg Capital Securities A upon the occurrence of certain events.

Interest is payable quarterly. Homburg Invest has the option to pay accrued interest in cash or by issuing a fixed number of fully paid non-assessable, non-participating Class A Preferred Shares. The terms of any Series of Class A Preferred Shares are described in Chapter 6, Appendix B.

Homburg Invest will apply to obtain listing of the Homburg Capital Securities A on Euronext Amsterdam before 31 January 2011. No certainty can be given that changes in listing requirements made subsequent to the date of the Prospectus will prevent the admittance of the Homburg Capital Securities A; and no certainty can be given that the application for listing of the Homburg Capital Securities A, when made, will be granted.

1.6 Parties involved

Homburg Invest

Homburg Invest is the issuer of the Homburg Capital Securities A. Homburg Invest will pay interest in cash or in any Series of Class A Preferred Shares at Homburg Invest's option on the Homburg Capital Securities A, and will repay the principal amount of the Homburg Capital Securities A through the Trustee to the Security Holders.

Trustee

Stichting Homburg Capital Securities will act as the Trustee. The Trustee will act as paying agent for Homburg Invest with respect to the Homburg Capital Securities A, and as such will receive the interest and principal amounts from Homburg Invest and will distribute it amongst the Security Holders. Further duties of the Trustee include, but are not limited to:

- keeping a register in which will be entered the names and addresses of the Security Holders, together with the number of Homburg Capital Securities A and Class A Preferred Shares, if applicable, held by each Security Holder and the date and particulars of the issue and transfer of each security;
- execute any transfer of Homburg Capital Securities A or Class A Preferred Shares, as applicable, if so requested by a Security Holder or holder of Class A Preferred Shares (as the case may be); and
- convening meetings of Security Holders at the request of Homburg Invest, or at the request of Security Holders representing at least 10% of the principal amount of Homburg Capital Securities A outstanding. Subject to quorum requirements, Security Holders have the power to replace the Trustee and to make other decisions as described in Section 15.11 of the Trust Indenture.

Pursuant to Part 7 of the *Business Corporations Act* (Alberta) (**ABCA**), the offering and sale by Homburg Invest of the Homburg Capital Securities A would be part of a distribution to the public under subsection 3(2) of the ABCA and, as a result, section 83 of the ABCA would require the appointment under the Trust Indenture of at least one trustee registered under the *Loan and Trust Corporations Act* (Alberta) (**LTCA**). Pursuant to the terms of the Trust Indenture, Homburg Invest and the Trustee will contractually agree that each will at all times in relation to the Trust Indenture observe and comply with Part 7 of the ABCA other than section 83. Homburg Invest intends to make application to the Alberta Securities Commission in Canada for a determination that the Issue is not part of a distribution to the public. Such a determination would permit Homburg Invest to proceed with the Issue without complying with section 83 of the ABCA. No certainty can be given whether such a determination will be granted. In the event a determination is not granted, Homburg Invest will be required to engage a trustee registered under the LTCA to act as co-agent with the Trustee.

Co-ordinator

Homburg Participaties B.V. is the co-ordinator of the Issue, and is responsible for the sale and marketing of the Homburg Capital Securities A. Homburg Participaties B.V. will place the Homburg Capital Securities A offered hereby on a best efforts basis. The Homburg Capital Securities A can only be purchased through Homburg Participaties B.V.

1.7 Major shareholders

Homburg Invest is directly and indirectly controlled by Mr. Richard Homburg, the Chairman and Chief Executive Officer of Homburg Invest. Mr. Richard Homburg controlled 46.12% of the aggregate issued and outstanding Class A Shares and Class B Shares, representing 71.75% of all votes as at 1 December 2008.

1.8 Related party transactions

Homburg Invest has entered into various agreements with companies directly or indirectly controlled by Mr. Richard Homburg. A summary of the various revenues and expenses between related parties is as follows (In CAD thousands):

| | 9 months ended 30 September 2008 (unaudited) | 9 months ended 30 September 2007 (unaudited) |
|--|--|--|
| Rental revenue earned | \$ (994) | \$ (270) |
| Asset and construction management fees incurred | \$ 14,618 | \$ 9,553 |
| Property management fees incurred | \$ 2,882 | \$ 1,287 |
| Insurance incurred | \$ 1,178 | \$ 514 |
| Service fees incurred | \$ 690 | \$ 504 |
| Property acquisition/disposal fees incurred | \$ 2,153 | \$ 31,487 |
| Mortgage bond guarantee fees incurred | \$ 2,703 | \$ 2,776 |
| Share and subscription receipts issue costs incurred | \$ NIL | \$ 950 |
| Bond and other debt issue costs incurred | \$ 4,907 | \$ 6,530 |

The transactions are recorded at exchange amounts.

The total amount paid to related parties for services rendered amounted to CAD 29.1 million for the first nine months ended on 30 September 2008 and CAD 53.6 million for the first nine months ended on 30 September 2007.

1.9 Personnel

Homburg Invest is operated through asset and property management agreements and as a result has no employees. All of the management services provided to Homburg Invest and its Subsidiaries (property management, asset management and administrative management) are contracted out to Homburg Canada Incorporated, a company specializing in the development, acquisition, disposition and management of real estate on behalf of its clients.

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1.10 Risk factors

An investment in Homburg Capital Securities A entails substantial risks. Prospective investors should carefully consider the risk factors set forth under the heading "*Risk Factors*" in Chapter 2 contained in this Prospectus in determining whether to make an investment in Homburg Capital Securities A. There is a substantial risk of sustaining losses in the aforementioned investments. Therefore, only prospective investors who both have the requisite knowledge and are financially secure should become Security Holders.

Before purchasing Homburg Capital Securities A, prospective Security Holders should consider carefully the following material risks and uncertainties. If any of the following material risks actually occurs, Homburg Invests' business, results of operations or financial condition could be materially adversely affected. Additional risks and uncertainties not presently known

to Homburg Invest or that are currently deemed immaterial may also have a material adverse effect on the business of Homburg Invest, its results of operations or its financial condition, the value of the Homburg Capital Securities A and each Series of Class A Preferred Shares.

These risk factors – *inter alia* – include the following:

Risks relating to the business

- Homburg Invest is strongly connected with Mr. Richard Homburg and Homburg Invests' operations are influenced by the strategic course he envisages.
- Homburg Invest and its Subsidiaries operate in a competitive industry. If Homburg Invest and its Subsidiaries are unable to compete effectively with its existing or any new competitors, Homburg Invests' and its Subsidiaries' business, operating results or financial condition could be materially adversely affected.
- In Canada Homburg Invests' and its Subsidiaries' revenues are sensitive to changes in local inflation as not all lease contracts are indexed for inflation.
- Homburg Invests' and its Subsidiaries' businesses operate in several different countries and Homburg Invest and its Subsidiaries may be unable to manage risks associated with its international operations.
- Homburg Invest and its Subsidiaries could decide to concentrate their real estate investments, which would limit the diversification of the asset portfolio.
- There can be no assurance that the growth recently experienced by Homburg Invest and its Subsidiaries will continue.
- A substantial part of Homburg Invests' and its Subsidiaries' costs are relatively fixed and as a result any shortfall in revenues could have an adverse effect on Homburg Invests' or its Subsidiaries' profit.
- Homburg Invests' success depends to a significant extent upon its ability to continue the management services of Homburg Canada Incorporated.
- Homburg Invest and its Subsidiaries might not be able to attract tenants for their real estate at economically favourable terms.
- Homburg Invests' and its Subsidiaries' tenants might not be able to pay rent and Homburg Invest and its Subsidiaries might not be able to collect rent on time.
- Homburg Invest and its Subsidiaries derive a significant amount of revenues from a limited number of key tenants.
- Homburg Invest and its Subsidiaries might have to sell real estate at unfavourable prices.
- Environmental issues regarding Homburg Invests' and its Subsidiaries' real estate and changes to governing environmental laws and regulations might have a negative impact on Homburg Invests' and its Subsidiaries' business.
- Homburg Invest and its Subsidiaries could face development and construction risks on its projects.
- Homburg Invest may require additional capital in the future, which may not be available.
- Homburg Invest and its Subsidiaries are sensitive to changes in interest rates.
- Homburg Invest and its Subsidiaries are exposed to risks associated with operations in multiple currencies.
- Homburg Invest and its Subsidiaries are exposed to currency risks due to the fact that there is no 100% match between revenues and expenses in various currencies (currently Canadian dollar, US dollar and the euro).
- Homburg Invest has adopted reporting standards which requires presenting Homburg Invests' investment properties on a fair value basis. Homburg Invest regularly reviews the value of the investment properties to assess the validity of independent appraisals.
- Homburg Invest as limited partner in the Homcos cannot direct Homburg LP Management Incorporated as the general partner.
- Calculation of Homburg Invests' tax liabilities involves the interpretation and implementation of tax laws and treaties of various jurisdictions.

Risks relating to the offer

- Homburg Capital Securities A may not be a suitable investment for all investors;
- The effective yield of Homburg Capital Securities A may differ from 9.22%;
- The ability of Homburg Invest to pay interest, to redeem Class A Preferred Shares, to pay any accrued, but unpaid dividends on the Class A Preferred Shares or to repay the principal amount to the Security Holders could be affected by a number of factors;
- Potential investors should consider the taxation consequences of an investment in Homburg Capital Securities A;
- Homburg Capital Securities A are unsecured and subordinated debt obligations;
- No limitation on issuing pari passu securities;
- Modification and waiver;
- Early redemption;
- If the issuance of Homburg Capital Securities A is cancelled, investors may incur losses or liabilities as a result of the cancellation of the Issue;
- If the subscription period is terminated early by Homburg Invest, prospective subscribers may not receive Homburg Capital Securities A for which they have submitted an application;
- There is currently no market for Homburg Capital Securities A;
- Exchange rate risks and exchange controls may significantly change the appreciation of the Homburg Capital Securities A;
- Credit ratings may not reflect all risks;
- Legal investment considerations may restrict certain investments;
- Homburg Invest may elect to pay the interest on Homburg Capital Securities A through the issuance of any Series of Class A Preferred Shares;
- There is currently no price or market for any Series of Class A Preferred Shares;
- No voting rights attached to any Series of Class A Preferred Shares;
- Restrictions on ability to pay dividends or redeem any Series of Class A Preferred Shares.

2. RISK FACTORS

General

Before purchasing Homburg Capital Securities A, prospective Security Holders should consider carefully the following material risks and uncertainties. If any of the following material risks actually occurs, Homburg Invest's business, results of operations or financial condition, the value of the Homburg Capital Securities A and of each Series of Class A Preferred Shares and the ability of Homburg Invest to pay interest and/or any accrued, but unpaid dividends on the Class A Preferred Shares could be materially adversely affected. In that event, the Security Holder might lose part or all of his investment. Additional risks and uncertainties not presently known to Homburg Invest or that are currently deemed immaterial may also have a material adverse effect on the business of Homburg Invest, its results of operations or its financial condition and the value of the Homburg Capital Securities A and of each Series of Class A Preferred Shares and the ability of Homburg Invest to pay interest and/or any accrued, but unpaid dividends on the Class A Preferred Shares.

Risks relating to the business

Homburg Invest is strongly connected with Mr. Richard Homburg and Homburg Invest's operations are influenced by the strategic course he envisages.

Mr. Richard Homburg is Homburg Invest's Chairman and Chief Executive Officer, chairman of the executive board of Homburg N.V. and chairman and board member of Homburg Canada Incorporated. Furthermore he is Homburg Invest's founder and a major shareholder in Homburg Invest. As such, Homburg Invest and Mr. Richard Homburg have strong links and Homburg Invest's operations are influenced by the strategic course he envisages. Deterioration of this strong connection could have a significant impact on Homburg Invest's operations and strategic course. It is possible that Mr. Richard Homburg might pursue business opportunities, including but not limited to real estate and development business opportunities outside Homburg Invest.

Homburg Invest and its Subsidiaries operate in a competitive industry. If Homburg Invest and its Subsidiaries are unable to compete effectively with its existing or any new competitors, Homburg Invest's and its Subsidiaries' business, operating results or financial condition could be materially adversely affected.

The real estate market in Canada, the United States, and Europe is highly competitive. Many domestic and international real estate companies are active in Homburg Invest's and its Subsidiaries main markets. These companies constantly seek new investments to add to their current portfolio. Due to competitive pressure, Homburg Invest and its Subsidiaries might be unable to make new investments or Homburg Invest and its Subsidiaries might make investments at inflated prices. Consequently, revenues and profitability could be adversely affected.

In Canada and the United States Homburg Invest's and its Subsidiaries' revenues are sensitive to changes in local inflation as not all the lease contracts are indexed for inflation.

The fixed rents in Homburg Invest's and its Subsidiaries lease contracts in Canada and the United States do not normally provide for adjustments following a general change in prices. As a result, Homburg Invest's and its Subsidiaries revenues adjusted for inflation could be materially adversely affected from an unexpected rise in inflation. Lease contracts in Canada and the United States are normally signed for a relatively short period of time (typically five years with a prolongation option at the sole discretion of the tenant for another two to three periods of typically five years) and price may be adjusted as contracts expire. In principle, lease contracts in Europe allow for adjustment for inflation.

Homburg Invest's and its Subsidiaries' businesses operate in several different countries and Homburg Invest and its Subsidiaries may be unable to manage risks associated with its international operations.

Homburg Invest (through its Subsidiaries) does have operations in Europe, the United States and Canada. Accordingly, Homburg Invest and its Subsidiaries face economic, market, regulatory, legal and political risks inherent in having relationships, operations and revenues in multiple jurisdictions, including:

- fluctuations in currency exchange rates, in particular between the US dollar, the Euro the Canadian dollar and the Baltic currencies;
- unanticipated changes in laws or regulatory requirements, including barriers to trade;
- restrictions on the movement of capital;
- general economic conditions, particularly as they influence, amongst others, interest rates, and the overall level of business activity;
- (foreign) tax consequences;
- potential for longer collection periods and for difficulty in collecting accounts receivable and enforcing contractual obligations;
- protectionist laws and business practices that favour local businesses in certain countries;
- potential for political, legal and economic instability;
- the availability of funds, such as long-term mortgages;
- oversupply of real estate or a reduction in demand for real estate in certain areas;
- inflation; and
- challenges caused by distance and linguistic and cultural differences.

Any of these or other factors could have a materially adverse effect on Homburg Invest's business, on the cost of Homburg Invest's and its Subsidiaries' operations, and on Homburg Invest's and its Subsidiaries' ability to compete within relevant markets, each of which could have an adverse effect on Homburg Invest's and its Subsidiaries' operating results.

Homburg Invest expects to continue to develop its international operations, a strategy which could expose Homburg Invest and its Subsidiaries to new or additional risks and uncertainties, including differing laws and business dynamics. Further international expansion may place significant additional burdens on Homburg Invest's Directors and Officers. If Homburg Invest fails to properly manage these risks, Homburg Invest and its Subsidiaries may incur higher expenses and lower revenues, and any geographic expansion that Homburg Invest has undertaken or may undertake could have a materially adverse effect on Homburg Invest's and its Subsidiaries' business, operating results or financial condition.

There is no certainty that financing will be available upon the maturity of any existing debt instrument or to finance new projects at interest rates equal to or lower than the interest rate payable under the expiring debt instrument, or at all. As a result Homburg Invest and its Subsidiaries may not be able to refinance their existing or future business.

Homburg Invest and its Subsidiaries could decide to concentrate their real estate investments, which would limit the diversification of the asset portfolio.

Homburg Invest spreads its risk by having a geographically diverse portfolio of properties (through its Subsidiaries) in order to limit Homburg Invest's exposure to a single location. Homburg Invest could decide that it is in its best interest to invest in a single property in excess of 20% of gross assets. Homburg Invest acquired in the first half year of 2006 the headquarters of Infineon Technologies AG, located in Munich, Germany. At the time of acquisition, this property represented 28% of the gross assets of Homburg Invest. As at 30 September 2008, this property represented approximately 19% of the gross assets of Homburg Invest.

A major subsidiary of Infineon Technologies AG ("Infineon") has recently been experiencing financial difficulty. Homburg Invest has been monitoring this situation and the potential impact that the Infineon subsidiary could have on Homburg Invest's tenant, Infineon Technologies AG, and its ability to continue as a tenant of Homburg Invest and to pay its rent on a timely basis. Should Infineon not continue to pay its rent, this would affect Homburg's annual cash flow and its potential to meet related fixed costs, which mainly consist of interest and normal principal installments on the related debt. Infineon has a EUR 75,000,000 security deposit in place which can be used to mitigate any losses in the event of default by Infineon under their lease. The security deposit is sufficient to cover approximately four years of related fixed costs. In addition, the Munich market has maintained strength to date, in spite of the current global market conditions, although there is no assurance that this will continue to be the case. As well, the property under lease to Infineon is designed such that it is sub-divisible into 12 separate buildings, which lends itself to various options for re-leasing, should the need arise.

Homburg Invest has no restrictions to the investment undertakings that Homburg Invest may make. If Homburg Invest decides to make an investment in excess of 40% of Homburg Invest's gross assets in another company, Homburg Invest would disclose the following:

- (a) information relating to each underlying collective investment undertaking as if it were an issuer under minimum disclosure requirements for the registration document schedule for securities issued by collective investment undertaking of the closed-end type; or
- (b) if securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.

There can be no assurance that the growth recently experienced by Homburg Invest will continue.

Homburg Invest has achieved rapid growth in a relatively short period of time. Homburg Invest's revenues, including unrealized valuation changes, increased from CAD 40.3 million in the year ended 31 December 2003 to CAD 486.3 million in the year ended 31 December 2007.

Homburg Invest cannot give any assurances that Homburg Invest's revenues will continue to increase or that they will not decline due to various factors, including:

1. increased competition from existing competitors or new market entrants;
2. disruption or termination of Homburg Invest's relationships with key tenants;
3. any legal or regulatory proceeding;
4. changes in Homburg Invest's Directors and Officers; and
5. slowdown in resale activity related to economic conditions.

A substantial part of Homburg Invest's and its Subsidiaries' costs are relatively fixed and as a result any shortfall in revenues could have an adverse effect on Homburg Invest's and its Subsidiaries' profit.

A relatively large proportion of Homburg Invest's and its Subsidiaries' costs are fixed, such as property taxes, maintenance costs, mortgage payments, insurance costs and related charges. A high level of fixed costs implies a high degree of operating leverage. The higher the degree of operating leverage, the greater the potential risk from a decrease in revenues; therefore, if Homburg Invest's and its Subsidiaries' revenues decrease, profits will decrease proportionately.

Homburg Invest's success depends to a significant extent upon its ability to continue the management services of Homburg Canada Incorporated.

Homburg Invest and its Subsidiaries have signed asset management and property management agreements with Homburg Canada Incorporated, a company controlled by Mr. Richard Homburg. In Europe other companies controlled by Richard Homburg are subcontractors of Homburg Canada Incorporated. Homburg Canada Incorporated provides complete management services, directly or through sub contracts, for the management of Homburg Invest's and its Subsidiaries' real estate properties. In principle, these contracts are concluded on a property by property basis for ten years.

Homburg Invest's success and business prospects depend to a significant extent on the continued delivery of services by Homburg Canada Incorporated. If Homburg Canada Incorporated were to cancel or change the level of management services to Homburg Invest and its Subsidiaries, Homburg Invest's and its Subsidiaries' business could be adversely affected.

Homburg Invest and its Subsidiaries might not be able to attract tenants for their real estate at economically favourable terms.

Homburg Invest and its Subsidiaries have in general, long-term contracts with its tenants in Europe. Those contracts might be terminated and Homburg Invest and its Subsidiaries might not be able to find new tenants at favourable terms or Homburg Invest and its Subsidiaries might not be able to find new tenants at all. Regardless of whether Homburg Invest's and its Subsidiaries' real estate is producing any income, certain significant expenditures, including

real estate taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of Homburg Invest's and its Subsidiaries' ownership of real estate. To attract new tenants or keep existing tenants, Homburg Invest and its Subsidiaries may also incur costs through making improvements or repairs to a property. As a result, terminated contracts and Homburg Invest's and its Subsidiaries' inability to find tenants for their properties could have a materially adverse effect on their business, operating results or financial condition.

Homburg Invest's and its Subsidiaries' tenants might not be able to pay rent and Homburg Invest and its Subsidiaries might not be able to collect rent on time.

The value of real estate and any improvements may depend on the credit and financial stability of Homburg Invest's and its Subsidiaries' tenants. If a significant number of Homburg Invest's and its Subsidiaries' tenants became unable to meet their obligations or if Homburg Invest and its Subsidiaries are unable to collect rent from tenants, Homburg Invest's income and funds available for interest payments would be adversely affected. In the event of default by a tenant, Homburg Invest and its Subsidiaries may experience delays in enforcing their rights as the lessor and Homburg Invest and its Subsidiaries may incur substantial costs in protecting its investment.

Homburg Invest and its Subsidiaries derive a significant amount of revenues from a limited number of key tenants.

Combined Homburg Invest and its Subsidiaries for the year ended 31 December 2007, derived 30% of their annual property revenues from their top two tenants, 39% from their top five tenants and 47% from their top ten tenants. Homburg Invest's and its Subsidiaries' revenues are sensitive to the ability of Homburg Invest's and its Subsidiaries' key tenants to meet their rent obligations and Homburg Invest's and its Subsidiaries' ability to collect rent from these tenants. If for any reason Homburg Invest and its Subsidiaries could not collect rents from these key tenants, this would have a materially adverse effect on revenues and could limit Homburg Invest's ability to pay interest to Security Holders.

Homburg Invest and its Subsidiaries might have to sell real estate at unfavourable prices.

If Homburg Invest and its Subsidiaries are unable to meet mortgage payments on any property, the mortgagees may exercise their rights of foreclosure or sale. Such a sale could mean that Homburg Invest and its Subsidiaries are forced to sell real estate at economically unfavourable terms. As a result of such a sale, Homburg Invest's and its Subsidiaries' operating results would be adversely affected.

Environmental issues regarding Homburg Invest's and its Subsidiaries' real estate and changes to governing environmental laws and regulations might have a negative impact on Homburg Invest's and its Subsidiaries' business.

As an owner of real estate, Homburg Invest and its Subsidiaries are subject to various national, federal, provincial, state and municipal laws relating to environmental matters in the countries where Homburg Invest and its Subsidiaries are active. Under these laws, Homburg Invest and its Subsidiaries could be held liable for the costs of, or removal and remediation of certain hazardous substances or wastes released or deposited on or in Homburg Invest's and its Subsidiaries' properties or disposed of at other locations. The failure to remove or remediate such substances, could adversely affect Homburg Invest's and its Subsidiaries' ability to sell its real estate or to attract debt financing with this real estate as collateral, and could potentially also result in claims or other proceedings against Homburg Invest and its Subsidiaries.

Environmental laws and regulations can change rapidly and Homburg Invest and its Subsidiaries could become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on Homburg Invest's and its Subsidiaries' business, financial condition or operating results. Furthermore, as an owner of real estate, Homburg Invest and its Subsidiaries are exposed to natural disasters, although each of the properties is insured. Such natural disasters could have an adverse effect on Homburg Invest's and its Subsidiaries' business, financial condition or operating results.

Homburg Invest and its Subsidiaries could face development and construction risks on its projects.

It is likely that Homburg Invest and its Subsidiaries will continue to be involved in various development projects. Obligations with respect to properties under construction, or to be constructed, are subject to risks including:

- (a) potential insolvency of a developer;
- (b) construction or other unanticipated delays;
- (c) construction costs before ensuring rental revenues will be earned from the project;
- (d) cost over-runs on one or more projects; or
- (e) failure of tenants to occupy and pay rent in accordance with lease arrangements.

Any of these risks could have an adverse effect on Homburg Invest's financial condition or operating results.

Homburg Invest may require additional capital in the future, which may not be available.

Homburg Invest may raise capital in the future through public or private debt or equity financing. Homburg Invest may need to raise this additional capital in order to:

- (a) take advantage of opportunities to expand Homburg Invest's and its Subsidiaries' business and Homburg Invest's geographic coverage;
- (b) acquire or form joint ventures with or make investments in complementary businesses; and
- (c) respond to competitive pressures.

Any additional financing Homburg Invest and its Subsidiaries might require may not be available on terms favourable to Homburg Invest and its Subsidiaries or at all, which could adversely affect Homburg Invest's future plans.

Homburg Invest and its Subsidiaries are sensitive to changes in interest rates.

Homburg Invest's and its Subsidiaries' liabilities have fixed and floating interest rate components resulting in exposure to interest rate movements. These interest rate movements will have an impact on Homburg Invest's and its Subsidiaries' earnings. Some of Homburg Invest's and its Subsidiaries' borrowings are at variable rates of interest which exposes Homburg Invest and its Subsidiaries to the risk of increased interest rates. Homburg Invest and its Subsidiaries have used derivatives in connection with risk management activities in the past. Homburg Invest and its Subsidiaries do not hold or issue derivative financial instruments for trading purposes. As a result, Homburg Invest's and its Subsidiaries' financial results and condition or operating results could be materially and adversely affected.

Homburg Invest and its Subsidiaries are exposed to risks associated with operations in multiple currencies.

Homburg Invest and its Subsidiaries conduct business in multiple currencies, principally the Euro, the US dollar, the Canadian dollar and the Baltic currencies. Currently, almost one-half of Homburg Invest's and its Subsidiaries' revenues are in Euros. This may change over time as Homburg Invest and its Subsidiaries continue to expand their operations. Homburg Invest's principal currency translation risk arises from the fact that the financial records of Homburg Invest's Canadian operations are maintained in Canadian dollars, Homburg Invest's US revenues are in US dollars and Homburg Invest's European revenues are in Euros. Upon preparing consolidated financial statements, Homburg Invest's Canadian dollar-denominated consolidated reported financial results can be affected by changes in the relative value of the US dollar and the Euro against the Canadian dollar. Fluctuations in currency values also distort period-to-period comparisons of financial performance. Also given the high volatility of currency exchange rates, there can be no assurance that Homburg Invest and its Subsidiaries will be able to effectively manage their currency risk to minimise the impact of currency exchange rate fluctuations on their business.

Homburg Invest mitigates the currency risk on certain outstanding mortgage bond debt denominated in Euros through guarantee agreements signed with the respective mortgage bonds. The Company's risk related to exchange rate fluctuations has been reduced to the point that it would take a very significant change in exchange rates to have any material impact on its earnings. Recent analysis indicated that a 1% change in the exchange rate between the Euro and CAD would result in approximately CAD \$50,000 change in property operating

results. Exposure to exchange rate fluctuations is continually monitored and the timing of future additional hedging relationships that would further reduce any future risk in this area is also regularly discussed.

Homburg Invest's and its Subsidiaries' exposure to currency transaction risk and currency translation risk could have a materially adverse effect on Homburg Invest's and its Subsidiaries' business, operating results or financial condition.

Homburg Invest and its Subsidiaries are exposed to currency risks due to the fact that there is no 100% match between revenues and expenses in the various currencies (currently Canadian dollar, US dollar, Euro and the Baltic currencies).

Homburg Invest and a Subsidiary have issued more than EUR 415 million in bonds at 30 September 2008 and guaranteed the principal and interest payments in Euros on those bonds, where Homburg Invest on the other hand invested some of the funds in Canadian real estate through Subsidiaries. Homburg Invest has entered into a guarantee agreement to protect itself against currency losses on EUR 132.5 million of those particular bonds, subject to the continuing solvency of the counter party. Homburg Invest's counter party is a company under the control of Mr. Richard Homburg. Insolvency of Homburg Invest's counter party may have an adverse effect on Homburg Invest's financial condition.

Homburg Invest has invested in real estate in the Baltic region. These investments are partially financed with equity and partially with bank financing denominated in Euro. The largest tenant, SEB is active in the local markets. The company earns its revenues in local currencies but the leases are in Euros. Therefore there is a risk that if the local currencies devalue, this might have negative consequences for the payment of rent by the tenant and the rental income will decrease and the value of the real estate may drop.

Leverage ratios may impact on changes in interest rates.

Homburg Invest and its Subsidiaries are not bound by leverage requirements or limitations under real estate investment trust (REIT) regulations. Since there is no legal or regulatory limitation on the leverage of Homburg Invest and its Subsidiaries, they can strive for a higher debt to equity ratio than competitors. A higher leverage implies a higher sensitivity to changes in interest rates.

Real estate is subject to changes in value.

All real property investments are subject to a degree of risk. Such investments are affected by general economic conditions, such as availability of long term mortgages, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial markets.

General uninsured losses

Homburg Invest carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars, terrorism or environmental contamination, which are either uninsurable outright or cost prohibitive from an insurance point of view. Should an uninsurable or uninsured loss occur, Homburg Invest could lose its investments in, and anticipated profits and cash flows from, one or more of its properties, but Homburg Invest would continue to be obliged to repay any debts secured against such properties via mortgage or otherwise.

Capital liquidity

As a result of current global market conditions, lenders have tightened their lending standards, and may continue to do so. The effect of this could be that Homburg Invest may have more difficulty obtaining the same level of financing and/or similar financing terms for renewals or new debt. Homburg Invest's financial condition and results from operations could be adversely affected if it were not able to obtain financing or obtain appropriate terms for its financing. In addition, the current impact on the capital markets has reduced the Company's ability and strategy of issuing share capital as a method of financing acquisitions. Further, the current impact may possibly restrict access to capital and possibly increase the cost of capital, which could reduce the fair value of the Company's properties. As per 30 September 2008, Homburg Invest has recorded an unrealized valuation decrease of CAD \$29.4 million, or less than 1% of the value of its investment properties.

Homburg Invest could be impacted by the current global capital market conditions

Homburg Invest has diversified real estate holdings both geographically and by industry sector. The current global capital market conditions could impact the Company in various ways, some of which are:

1. Fair value of properties – the Company reports its investment properties using the fair value method. As such, its reported income is subject to fluctuations caused by changing supply and demand as well as by changing capitalization rates or discount rates used in the period end valuation of those investment properties. An increase in market capitalization or discount rates would result in reported unrealized valuation losses and those unrealized losses could be significant. The Company has not completed the preparation of its operating results for the year ended 31 December 2008. Downward adjustments in the range of 3% to 9% have been reported by other European real estate entities, who have released their 2008 results, and who similarly have reported using the fair value model for investment properties. (Sources: Unibail Rodamco news release dated 6 February 2009, from Nieuwe Steen Investments N.V. news release dated 30 January 2009 and Eurocommercial properties N.V. news release dated 6 February 2009). Current market conditions are likely to result in a similar downward unrealized fair value adjustment to the Company's investment property portfolio at 31 December 2008 as compared to 30 September 2008. Unrealized valuation losses, although not a cash item, reduce net income for the year, as well as shareholders equity and net asset value of the Company that could ultimately affect the Company's ability to raise capital in the future.
2. Tenants – the Company has a varied mix of properties and tenants. The current global market conditions may result in certain tenants or classes of tenants or properties having above-normal business failures resulting in higher than normal vacancies or higher than normal amounts of uncollectible rents. A substantial portion of the Company's costs are relatively fixed. Excessive vacancies or uncollectible rents could have an adverse effect on Homburg Invest's and its Subsidiaries operations and cash flows required to meet those fixed costs.
3. Financing and refinancing – the Company has a mix of fixed term and demand debt. The current global capital market conditions have increased the risk of not being able to continue to receive demand financing and the risk of not being able to refinance fixed term debt as it matures; or of obtaining the required amount at an interest rate similar to the maturing debt. This could result in increased interest costs to the Company and / or cash flow deficiencies on refinancing that would need to be covered from operations or other sources. If the Company were unable to replace maturing debt, it may be required to sell property at less than fair value. The Company has debt covenants, which typically relate to maintaining specific debt to equity ratios and interest coverage ratios. Should the Company breach any of these covenants, the lender could require early settlement of the related debt, higher costs for the continuation of the debt, and the risk of having to sell the property at less than fair value.
4. Share price – the current global capital market conditions have resulted in significant reductions in the trading value of stock prices in the various stock markets. The Company has utilized the issuance of share capital in the past to both partly pay the cost of acquisitions and to raise additional capital to fund growth. The current market conditions reduce the value of any shares issued as part consideration for acquisitions, and make it difficult to raise additional capital through public and / or private share issues. The reduced availability of equity funding could reduce the Company's ability to further grow and expand its operations.

Homburg Invest as limited partner in the Homco's cannot direct Homburg LP Management Incorporated as the general partner.

As limited partner in the Homco's, Homburg Invest cannot direct Homburg LP Management Incorporated as the general partner, and can only remove Homburg LP Management Incorporated as the general partner of a Homco upon bankruptcy of Homburg LP Management Incorporated or default under the applicable limited partnership agreement. Homburg LP Management Incorporated determines when any capital contributions may be returned to Homburg Invest.

Calculation of Homburg Invest's tax liabilities involves the interpretation and implementation of tax laws and treaties of various jurisdictions.

Homburg Invest is conducting business in various countries. Accordingly its operations are subject to taxation in various countries. The calculation of Homburg Invest's tax liabilities involves the interpretation and implementation of tax laws and treaties of various jurisdictions, as well as their interplay in cross border transactions. Homburg Invest has calculated its tax liabilities based on its understanding of the applicable laws and treaties. However, different interpretation or application of the relevant laws and treaties by any tax authority could result in significant additional tax liabilities.

Risk factors pertaining to Homburg Capital Securities A and the Class A Preferred Shares

Homburg Capital Securities A

Homburg Capital Securities A are capital securities which have a maturity date that is ninety-nine years from date of issue. Homburg Invest is under no obligation to redeem Homburg Capital Securities A at any time prior to maturity and you will have no right to call for repayment of Homburg Capital Securities A prior to maturity unless an Event of Default occurs as set out in Chapter 6.

Homburg Capital Securities A may not be a suitable investment for all investors.

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of Homburg Capital Securities A, the merits and risks of investing in Homburg Capital Securities A and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in Homburg Capital Securities A and the impact Homburg Capital Securities A will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in Homburg Capital Securities A, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of Homburg Capital Securities A and be familiar with the behaviour of any relevant financial markets; and
- (e) 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 applicable risks.

The effective yield of Homburg Capital Securities A may be lower than 9.22%.

The effective yield of Homburg Capital Securities A will amount to 9.22% per annum based on an interest payment in cash and a term to maturity of 99 years and taking into account an issue fee of 3%). The effective yield may be lower than 9.22% for a number of reasons, such as

- The Issuer may elect to redeem the Homburg Capital Securities A prior to the Maturity Date. Due to the time value of money, this will result in a lower effective yield.
- The Issuer may elect, at its option, to pay any or all of the quarterly interest payments by issuing one or more Series of Class A Preferred Shares. Dividends on the Class A Preferred Shares shall only be payable if and when declared by the Company. The Class A Preferred Shares may be redeemed by the Company at its option. Further, the Class A Preferred Shares shall be redeemed upon the occurrence of certain events, relating to payments of dividend or capital distributions on other classes of shares of the Company which rank junior or the payment of interest on the Homburg Capital Securities A in cash. There are various risk factors which may affect the financial condition and operating results of the Company and therefore the ability of the Company to pay dividend on or to redeem the Class A Preferred Shares, which are set out below. This could result in an intrinsic value of the Class A Preferred Shares which is lower than the face value of the Class A Preferred Shares. Further, in case a dividend distribution on the Class A Preferred Shares will be made or the Class A Preferred Shares will be redeemed, the timing of such distribution or redemption may also affect the effective yield.

- The Security Holder may wish to sell any Class A Preferred Shares that it has received. Due to the absence of a liquid market for the Class A Preferred Shares, such Security Holder may receive a price which may be lower than the intrinsic value of these securities.

The ability of Homburg Invest to pay interest, to redeem Class A Preferred Shares, to pay any accrued, but unpaid dividends on the Class A Preferred Shares or to repay the principal amount of the Homburg Capital Securities A to the Security Holders could be affected by a number of factors

The ability of Homburg Invest to pay interest, to redeem Class A Preferred Shares, to pay any accrued, but unpaid dividends on the Class A Preferred Shares or to repay the principal amount of the Homburg Capital Securities A to the Security Holders could be affected by a number of factors, including, but not limited to:

- disruption or termination of Homburg Invest's relationships with key tenants;
- fluctuations in Homburg Invest's quarterly or yearly operating results;
- fluctuations in currency exchange rates, in particular between the US dollar, the Euro and the Canadian dollar;
- changes in the financial performance, conditions or market valuation of Homburg Invest's customers or competitors;
- a significant increase in Homburg Invest's debt obligations;
- general economic conditions, particularly as they impact consumer spending patterns; and
- war, acts of terrorism and other man-made or natural disasters.

Potential investors should consider the taxation consequences of an investment in Homburg Capital Securities A.

Although in general Homburg Capital Securities A are treated for tax purposes as described in Chapter 7, the personal situation of a Security Holder is determined by many factors and may therefore differ from what is stated in this Prospectus. For this reason it is recommended that the Security Holder obtains specific advice (from their own tax consultant) about the effect which purchasing the Homburg Capital Securities A could have on his tax situation. Security Holders are referred to Chapter 7 for more information concerning tax-related aspects.

Homburg Capital Securities A are unsecured and subordinated debt obligations.

Homburg Invest's obligation to make payments under Homburg Capital Securities A is limited. In particular, Homburg Invest's obligations under Homburg Capital Securities A constitute unsecured and subordinated debt obligations of Homburg Invest and rank:

- (a) subordinate and junior to indebtedness of Homburg Invest (other than Homburg Invest's obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, Homburg Invest's obligations under Homburg Capital Securities A);
- (b) *pari passu* with all other subordinated indebtedness of Homburg Invest.

By virtue of this subordination, payments to the Security Holders will, in the case of the bankruptcy or dissolution of Homburg Invest or in the event of a moratorium, only be made after all payment obligations of Homburg Invest ranking senior to Homburg Capital Securities A have been satisfied. In addition, any right of set-off by the Holder in respect of any amount owed to such Security Holder by Homburg Invest under or in connection with such Homburg Capital Security A shall be excluded and each Holder shall, by virtue of being the holder of any Homburg Capital Security A, be deemed to have waived all such rights of set-off.

No limitation on issuing *pari passu* securities.

There is no restriction on the amount of securities which Homburg Invest may issue and which rank *pari passu* with, Homburg Capital Securities A. The issue of any such securities may reduce the amount recoverable by Security Holders on a winding-up of Homburg Invest. Accordingly, in the winding-up of Homburg Invest and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy the amounts owing to the Security Holders.

Modification and waiver

The terms and conditions of Homburg Capital Securities A contain provisions for calling meetings of Security Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of Homburg Capital Securities A including Security Holders who did not attend and vote at the relevant meeting and Security

Holders who voted in a manner contrary to the majority.

The terms and conditions of Homburg Capital Securities A may be amended by Homburg Invest (i) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or (ii) in any manner which Homburg Invest may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of Homburg Capital Securities A, to all of which each Security Holder shall, by acceptance thereof, consent.

Early redemption

The Homburg Capital Securities A shall be redeemable commencing 27 February 2014 and on each Interest Payment Date thereafter, in whole or in part, at the option of the Company, or at any date upon the occurrence of certain events.

If the issuance of Homburg Capital Securities A is cancelled, investors may incur losses or liabilities as a result of the cancellation of the Issue.

Homburg Invest is under no legal obligation to maintain or close the Issue. If Homburg Capital Securities A are cancelled, for example by reason of a cancellation of the Issue as described herein, all subscriptions for Homburg Capital Securities A will be disregarded, any allotments made will be deemed not to have been made and any subscription payments made will be returned without interest or other compensation.

If the subscription period is terminated early by Homburg Invest, prospective subscribers may not receive Homburg Capital Securities A for which they have submitted an application.

In case of an early termination of the subscription period due to oversubscription or a decrease in the offer size, prospective subscribers may not be allotted Homburg Capital Securities A for which they have submitted an application or may be allotted a smaller number of Homburg Capital Securities A. Any subscription payments made for Homburg Capital Securities A not allotted will be returned without interest or other compensation.

There is currently no market for Homburg Capital Securities A.

Notwithstanding the intention of Homburg Invest to admit Homburg Capital Securities A to listing and trading on Euronext Amsterdam, it is unlikely that an active and liquid secondary market for Homburg Capital Securities A will develop, and, if it does, there can be no certainty as to the price Homburg Capital Securities A will trade in any such secondary market or as to the liquidity of any such market. In addition, if admitted to listing, Homburg Invest cannot assure the Security Holder that Homburg Capital Securities A will continue to be listed on Euronext Amsterdam as Homburg Invest might not meet certain continued listing standards. Even if the Homburg Capital Securities A become listed and posted for trading on Euronext Amsterdam, Euronext may delist Homburg Capital Securities A which could limit the ability of holders of Homburg Capital Securities A to conduct transactions in Homburg Capital Securities A. Accordingly, an investment in the Homburg Capital Securities A is suitable only for investors who can bear the risks associated with a lack of liquidity in Homburg Capital Securities A and the financial and other risks associated with such an investment.

Exchange rate risks and exchange controls

Homburg Invest will, in the circumstances provided herein, pay principal and interest on Homburg Capital Securities A in Euros unless it exercises its option to pay interest in any Series of Class A Preferred Shares. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency (the "Investor's Currency") other than Euros. These include the risk that exchange rates may significantly change (including changes due to the devaluation of Euros 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 Euros would decrease (i) the Investor's Currency-equivalent yield on Homburg Capital Securities A, (ii) the Investor's Currency-equivalent value of the principal payable on Homburg Capital Securities A and (iii) the Investor's Currency-equivalent market value of Homburg Capital Securities A. If Homburg Capital Securities A are denominated in another currency than the currency of the country in which the Holder is resident, the Holder is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies. 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.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to Homburg Capital Securities A. 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 Homburg Capital Securities A. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment 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 (i) Homburg Capital Securities A are legal investments for it, (ii) Homburg Capital Securities A can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Homburg Capital Securities A. Financial institutions should consult their legal advisers or the appropriate regulations to determine the appropriate treatment of Homburg Capital Securities A under any applicable risk-based capital or similar rules.

Homburg Invest may elect to pay the interest on Homburg Capital Securities A through the issuance of any Series of Class A Preferred Shares.

The terms and conditions of the Homburg Capital Securities A allow Homburg Invest, at its discretion, to issue a fixed number of fully paid non-assessable Class A Preferred Shares to be issued at an agreed upon price and having an aggregate redemption amount and stated capital equal to the amount of the interest payable. Each potential investor in Homburg Capital Securities A must assess the impact of this factor when determining the appropriateness of an investment in Homburg Capital Securities A.

There is currently no price or market for any Series of Class A Preferred Shares.

The interest on the Homburg Capital Securities A may be paid in a fixed number of non-assessable, non participating, registered Series of Class A Preferred Shares. Homburg Invest currently does not intend to admit any Series of Class A Preferred Shares to listing and trading on any stock exchange. Therefore, it is highly unlikely that an active and liquid secondary market for any Series of Class A Preferred Shares will develop, and, if it does, there can be no certainty as to the price for which any Series Class A Preferred Shares will trade in any such secondary market or as to the liquidity of any such market. Consequently, there is a possibility that a Security Holder may only be able to dispose of any Series of Class A Preferred Shares that it may receive, at less than their face value plus accrued and unpaid dividends.

No voting rights are attached to any Series of Class A Preferred Shares.

Unlike holders of other classes of shares issued by Homburg Invest, the holders of any Series of Class A Preferred Shares shall not be entitled to receive notice of, attend or vote at any meetings of the shareholders of Homburg Invest.

Restrictions on ability to pay dividends or redeem any Series of Class A Preferred Shares.

The ability of Homburg Invest to declare and pay dividends on any Series of Class A Preferred Shares or redeem any Series of Class A Preferred Shares is subject to certain solvency tests under the Business Corporations Act (Alberta). Homburg Invest is prohibited from declaring or paying a dividend on any Series of Class A Preferred Shares if there are reasonable grounds for believing that (a) Homburg Invest is, or would after the payment be, unable to pay its liabilities as they become due, or (b) the realizable value of its assets would after the payment be less than the aggregate of (i) its liabilities and (ii) stated capital of all classes. Homburg Invest is also prohibited from redeeming any Series of Class A Preferred Shares if there are reasonable grounds for believing that (a) Homburg Invest is, or would after the payment be, unable to pay its liabilities as they become due, or (b) the realizable value of its assets would after the payment be less than the aggregate of (i) its liabilities, and (ii) the amount that would be required to pay the holders of any shares that have a right to be paid, on a redemption or in a liquidation, rateably with or prior to the holders of the Series of Class A Preferred Shares to be redeemed. For the purposes of these solvency tests, "liabilities" does not include the stated capital amount attributed to, or the amount payable on redemption or in liquidation in respect of, any shares of Homburg Invest.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither Homburg Invest nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Homburg Capital Security A as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, Homburg Invest will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Homburg Capital Securities A and the Class A Preferred Share are based on Canadian law in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Canadian law or administrative practice after the date of the Prospectus.

Change of tax law and/or tax treaty

The tax analysis elaborated in the Prospectus is based on Dutch and Canadian tax law, and the Dutch/Canadian tax treaty as currently in force. However, it cannot be certain that these could, in the future, be amended, and such amendments could have an impact on the tax treatment of (income derived from) the Homburg Capital A Securities and/or any Series of Class A Preferred Shares.

3. DEFINITIONS

The following terms used in this Prospectus have the following meanings:

| | |
|--------------------------------------|---|
| ABCA | The <i>Business Corporations Act</i> (Alberta) |
| AFM | The Netherlands Authority for the Financial Markets (<i>Autoriteit Financiële Markten</i>) |
| Articles | The articles of association of Homburg Invest and historical amendments and restatements thereto of Homburg Invest |
| Board of Directors | The Board of Directors of Homburg Invest |
| CAD | Canadian Dollar, the EUR/CAD exchange rate as of 25 February 2009 is \$1.60. All references to \$ in this Prospectus are CAD. ¹ |
| Chairman and Chief Executive Officer | The Chairman and Chief Executive Officer of Homburg Invest |
| Class A Preferred Shares | The preferred shares of the Corporation, issuable in one or more series, in the capital of the Corporation, as created and issued from time to time by the board of directors of the Corporation. The Corporation is authorized to issue an unlimited number of Class A Preferred Shares, as set out in the Articles. |
| Class A Shares | The Class A Subordinate Voting Shares which have one vote per share and are convertible into Class B Multiple Voting Shares, but only in certain limited circumstances involving offers made to all or substantially all holders of Class B Multiple Voting Shares. The Homburg Invest Class A Shares are listed on the TSX and Euronext Amsterdam and have the ISIN code CA4368712069. The trading symbol for the Class A Shares on the TSX is HII.A. The trading symbol for the Class A Shares on Euronext Amsterdam is HII |
| Class B Shares | The Class B Multiple Voting Shares which have substantially the same rights and privileges as the Class A Shares except that the Class B Multiple Voting Shares have 25 votes per share. The Class B Shares are listed on the TSX under the trading symbol HII.B. |
| Company or Corporation | Homburg Invest Inc. and its consolidated subsidiaries (unless the context indicates otherwise) |
| Director | A member of the Board of Directors |
| EUR | Euro or €, the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended |
| Euronext Amsterdam | Euronext Amsterdam N.V., or Eurolist by Euronext Amsterdam N.V., as the context indicates |
| Financial Supervision Act | Dutch Act on the Financial Supervision (<i>Wet op het financieel toezicht</i>), as amended |
| Homburg Capital Securities A | The Homburg Capital Securities A bearing interest at 9.5 % per annum and the effective yield will amount to 9.22% per annum based on an interest payment in cash and a term to maturity of 99 years and taking into account an issue fee of 3% to be paid on the Issue Date by the Security Holders. We refer to Chapter 5.1 for more information on the effective yield. |

¹ source: European Central Bank at <<http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>> . This information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading.

| | |
|------------------------------------|--|
| Homco | Homco Realty Fund Limited Partnership |
| Homburg Invest | Homburg Invest Inc. and its consolidated Subsidiaries |
| Homburg Participaties | Homburg Participaties B.V., co-ordinator of the Issue |
| Interest Payment Date | 30 June 2009 and subsequently following quarter, being 31 March, 30 June, 30 September, 31 December of each year. |
| Issue | The issue of up to an aggregate principal amount of minimum EUR 25,000,000 to a maximum EUR 75,000,000 of Homburg Capital Securities A |
| Issuer | Homburg Invest Inc. |
| Issue Date | 28 February 2009 |
| Maturity Date | 27 February 2108 |
| Officer | The Officers of Homburg Invest |
| President | The President of Homburg Invest |
| Prospectus | This document |
| Prospectus Directive | Directive 2003/71/EC and includes any relevant implementing measures in each relevant Member State |
| Security Holder | A holder of Homburg Capital Securities A |
| Series of Class A Preferred Shares | A series of Class A Preferred Shares which, when created, shall have substantially the terms set out in Chapter 6, Appendix B |
| Subsidiaries or Subsidiary | The subsidiaries of Homburg Invest Inc, including the limited partnerships in which Homburg Invest is (one of the) limited partners |
| Terms and Conditions | The terms and conditions of the Homburg Capital Securities A, as set out in Chapter 6 |
| Trustee | Stichting Homburg Capital Securities |
| Trust Indenture | The Trust Indenture, as set out in Chapter 6 |
| TSX | The Toronto Stock Exchange |
| USD | United States Dollar |

The singular form of these definitions includes the plural form and vice versa.

4. SECURITIES NOTE

4.1 Risk factors

Prospective investors should have regard to the factors described under the heading "*Risk Factors*" in Chapter 2 of the Prospectus.

4.2 Important information and restrictions

Prospective investors should take into account the information set out under the heading "*Important Information and Restrictions*" in Chapter 8 of the Prospectus.

4.3 Other Information

4.4.1 Documents on display

The following additional information may be obtained at the office of Homburg Participaties (or can be downloaded from www.homburg.nl and www.homburg.com) for the life of the Prospectus:

- an extract from the Chamber of Commerce concerning Homburg Participaties;
- the license which has been granted to the Company pursuant to the Financial Supervision Act;
- the Articles of Homburg Invest.

The historical financial information of the Company, for each of the three financial years preceding the publication of the Prospectus are available at the Company's website at www.homburginvest.com.

4.4.2 Net asset value

On a pre-consolidation, unaudited basis, the net asset value per share as at 30 September 2008 was \$4.44 per Class A and Class B share.

4.4.3 Included by reference

The documents which are incorporated by reference in this Prospectus as well as the Code of Business Conduct and the Dividend Reinvestment Plan can be obtained at the offices of the Company (or can be downloaded from www.homburginvest.com or www.sedar.com).

The following documents are included by reference in the Prospectus:

- a. Unaudited Consolidated Interim Financial Statements for the nine months ended 30 September 2008;
- b. Management Discussion and Analysis for the period ended 30 September 2008;
- c. Audited Consolidated Financial Statements including auditors report for the year ended 31 December 2007;
- d. Management Discussion and Analysis for the year ended 31 December 2007;
- e. Annual Information Form for the year ended 31 December 2007;
- f. Annual Report for the year ended 31 December 2007;
- g. Audited Consolidated Financial Statements including auditors report for the year ended 31 December 2006;
- h. Management Discussion and Analysis for the year ended 31 December 2006;
- i. Annual Information Form for the year ended 31 December 2006;
- j. Annual report for the year ended 31 December 2006.
- k. Audited Consolidated Financial Statements including auditors report for the year ended 31 December 2005;
- l. Management Discussion and Analysis for the year ended 31 December 2005
- m. Annual Information Form for the year ended 31 December 2005;
- n. Annual report for the year ended 31 December 2005.

Paragraph 4.4.4 below provides a table of cross references where specific disclosure requirements are satisfied by information which is included in the abovementioned documents.

The financial statements and management discussions and analysis included by reference are those that are prepared using International Financial Reporting Standards. The financial information prior to 2008 included by reference (Items (c) through (n)), has not been retrospectively adjusted to reflect the Stock Dividend and Stock Consolidation (as referred to in Chapter 9.3.1).

Grant Thornton LLP has given, and not withdrawn, its consent to incorporate by reference its respective auditors reports 2005 and 2006 in the Prospectus in the form and context in which they have been referred to.

Ernst & Young LLP has given, and not withdrawn, its consent to incorporate by reference its auditors report 2007 in the Prospectus in the form and context in which it has been referred to.

4.4.4 Cross references

The Annual Report for the year ended 31 December 2006 ("**Annual Report 2006**") and Annual Report for the year ended 31 December 2007 ("**Annual Report 2007**") and the 30 September 2008 unaudited consolidated interim financial statements of Homburg Invest Inc. and to the Management Discussion and Analysis are incorporated by reference as set out in the paragraph above. The following table sets out the principal disclosure requirements which are satisfied by the information to which reference is made. Each page reference refers to the corresponding page in the relevant report.

Annual Report 2006

Principal investment page 12

Principal future investment page 9

Principal markets page 14

2006 audited annual financial statements ("2006 F/S") of Homburg Invest Inc. and to the Management Discussion and Analysis ("2006 MD&A")

Consolidated balance sheet 2006 F/S, page 2

Consolidated income statement 2006 F/S, page 3

Consolidated cash-flow statement 2006 F/S, page 5

Notes to the consolidated financial statements 2006 F/S, pages 6-29

Audit report 2006 F/S, page 1

Consolidated statement of changes in equity 2006 F/S, page 4

Selected historical financial information 2006 F/S, pages 2, 3 and 14

Segmented information about the issuer's principal investments 2006 F/S, pages 27 and 28 Note 24; 2006 MD&A, page 1 (table), 2 last paragraph as to additions.

A description of the issuer's principal investments that are in progress 2006 MD&A, the top of page 2 items (a) and (b)

Issuer's future investments on which management has made firm commitments 2006 F/S, page 25 Note 19(c); 2006 MD&A, the top of page 2 items (a) and (b)

Principal markets 2006 F/S, pages 27 and 28 Note 24.

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| <i>Capital resources</i> | <i>2006 F/S, page 5; 2006 MD&A, page 9, 2nd paragraph after the Contractual Obligations table</i> |
| <i>Historical financial information</i> | <i>The entire F/S package presents current and historical financial information</i> |

Annual Report 2007

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| <i>Principal investments</i> | <i>pages 5,6,9,10,12,14,16,20</i> |
| <i>Principal investments in progress</i> | <i>page 18</i> |
| <i>Principal markets</i> | <i>page 22</i> |

2007 audited annual financial statements ("2007 F/S") of Homburg Invest Inc. and to the Management Discussion and Analysis ("2007 MD&A")

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| <i>Consolidated balance sheet</i> | <i>2007 F/S, page 2</i> |
| <i>Consolidated income statement</i> | <i>2007 F/S, page 3</i> |
| <i>Consolidated cash-flow statement</i> | <i>2007 F/S, page 5</i> |
| <i>Notes to the consolidated financial statements</i> | <i>2007 F/S, pages 6-34</i> |
| <i>Audit report</i> | <i>2007 F/S, page 1</i> |
| <i>Consolidated statement of changes in equity</i> | <i>2007 F/S, page 4</i> |
| <i>Selected historical financial information</i> | <i>2007 F/S, pages 2, 3 and 14</i> |
| <i>Segmented information about the issuer's principal investments</i> | <i>2007 F/S, pages 31 and 32 2007 MD&A, page 2 (table) and 4 last paragraph as to additions</i> |
| <i>A description of the issuer's principal investments that are in progress</i> | <i>2007 MD&A, page 2 items (a), (b), and (c)</i> |
| <i>Issuer's future investments on which management has made firm commitments</i> | <i>2007 F/S, page 28 Note 20(d) 2007 MD&A, page 2 items (a), (b), and (c)</i> |
| <i>Principal markets</i> | <i>2007 F/S, pages 31 and 32</i> |
| <i>Capital resources</i> | <i>2007 F/S, page 5 2007 MD&A, page 11, 2nd paragraph after the Contractual Obligations table</i> |
| <i>Historical financial information</i> | <i>The entire 2007 F/S package presents current and historical financial information</i> |

30 September 2008 unaudited consolidated interim financial statements ("2008 F/S") of Homburg Invest Inc. and to the Management Discussion and Analysis ("2008 MD&A")

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| <i>Consolidated interim balance sheet</i> | <i>2008 F/S, page 1</i> |
| <i>Consolidated income statement</i> | <i>2008 F/S, page 2</i> |
| <i>Consolidated interim cash-flow statement</i> | <i>2008 F/S, page 4</i> |
| <i>Notes to the consolidated financial statements</i> | <i>2008 F/S, pages 5-24</i> |
| <i>Consolidated statement of changes in equity</i> | <i>2008 F/S, page 3</i> |
| <i>Selected historical financial information</i> | <i>2008 F/S, pages 1, 2 and 6</i> |
| <i>Segmented information about the issuer's principal investments</i> | <i>2008 F/S, pages 21 and 22 2008 MD&A, page 1 (table) 2008 MD&A, page 3 first paragraph as to additions</i> |
| <i>A description of the issuer's principal investments that are in progress</i> | <i>2008 MD&A, page 2 items (a), (b), and (c)</i> |
| <i>Issuer's future investments on which management has made firm commitments</i> | <i>2008 F/S, page 19 Note 12 2008 MD&A, page 2 items (a), (b), and (c)</i> |
| <i>Principal markets</i> | <i>2008 F/S, pages 21 and 22</i> |
| <i>Capital resources</i> | <i>2008 F/S, page 4 2008 MD&A, page 10, 2nd paragraph after the Contractual Obligations table</i> |
| <i>Historical financial information</i> | <i>The entire 2008 F/S package presents current and historical financial information</i> |

5. INFORMATION ABOUT THE HOMBURG CAPITAL SECURITIES A

5.1 Structure

Homburg Invest

Homburg Invest is the issuer of the Homburg Capital Securities A. Homburg Invest will pay interest, in cash or in any Series of Class A Preferred Shares at Homburg Invest's option, on the Homburg Capital Securities A, and will repay the principal amount of the Homburg Capital Securities A through the Trustee to the Security Holders.

The Board of Directors has authorized the issue of the Homburg Capital Securities A on 23 December 2008.

Trustee

Stichting Homburg Capital Securities will act as the Trustee. The Trustee will act as paying agent for Homburg Invest with respect to the Homburg Capital Securities A, and as such will receive the interest and principal amounts from Homburg Invest and will distribute it amongst the Security Holders. Further duties of the Trustee include, but are not limited to:

- keeping a register in which will be entered the names and addresses of the Security Holders, together with the number of Homburg Capital Securities A and Class A Preferred Shares, if applicable, held by each Security Holder and the date and particulars of the issue and transfer of each security;
- execute any transfer of Homburg Capital Securities A or Class A Preferred Shares, as applicable, if so requested by a Security Holder or holder of Class A Preferred Shares (as the case may be); and
- convening meetings of Security Holders at the request of Homburg Invest, or at the request of Security Holders representing at least 10% of the principal amount of Homburg Capital Securities A outstanding.

Subject to quorum requirements, the Security Holders have the power to replace the Trustee and to make other decisions as described in Section 15.11 of the Trust Indenture.

Pursuant to Part 7 of the *Business Corporations Act* (Alberta) (**ABCA**), the offering and sale by Homburg Invest of the Homburg Capital Securities A would be part of a distribution to the public under subsection 3(2) of the ABCA and, as a result, section 83 of the ABCA would require the appointment under the Trust Indenture of at least one trustee registered under the *Loan and Trust Corporations Act* (Alberta) (**LTCA**). Pursuant to the terms of the Trust Indenture, Homburg Invest and the Trustee will contractually agree that each will at all times in relation to the Trust Indenture observe and comply with Part 7 of the ABCA other than section 83. Homburg Invest intends to make application to the Alberta Securities Commission in Canada for a determination that the Issue is not part of a distribution to the public. Such a determination would permit Homburg Invest to proceed with the Issue without complying with section 83 of the ABCA. No certainty can be given whether such a determination will be granted. In the event a determination is not granted, Homburg Invest will be required to engage a trustee registered under the LTCA to act as co-agent with the Trustee.

Homburg Invest, with its head office and principal place of business in Nova Scotia, will also make a similar application to the Nova Scotia Securities Commission for a determination that the Issue is not part of a distribution to the public.

Security Holder

Security Holders have the right to receive interest payments on their Homburg Capital Securities A. These payments will be made by Homburg Invest to the Trustee either in cash or through the issue of any Series of Class A Preferred Shares and the Trustee will distribute the cash or any Series of Class A Preferred Shares to the Security Holders. On the Maturity Date of the Homburg Capital Securities A (or in case of an early redemption) Homburg Invest will pay through the Trustee the principal of the Homburg Capital Securities A and any Series of Class A Preferred Shares in payment of interest on the Homburg Capital Securities A.

All of the Security Holders rights with respect to the Homburg Capital Securities A are described in the Trust Indenture (see Chapter 6). By signing an enrolment form, a Security

Holder agrees with the content of the Trust Indenture and acknowledges that he is bound by this Trust Indenture.

Co-ordinator

Homburg Invest has retained Homburg Participaties, an investment firm licensed pursuant to Section 2:96 of the Financial Supervision Act, as co-ordinator of the Issue.

In its capacity as Co-ordinator, Homburg Participaties is responsible for the sale and marketing of the Homburg Capital Securities A. Homburg Participaties will place a maximum amount of EUR 75,000,000 and a minimum of EUR 25,000,000 on a best efforts basis. Homburg Participaties will focus its marketing efforts on Dutch investors (either private individuals or corporations). The Homburg Capital Securities A will not be offered for sale in Canada or to residents of Canada and have not been qualified for distribution in Canada by the filing of a prospectus with any securities regulatory authority or commission in Canada.

The Homburg Capital Securities A can be acquired in the manner set out in this Chapter 5.

Issue

The issue of Homburg Capital Securities A represents a maximum amount of EUR 75,000,000 and a minimum of EUR 25,000,000 and are issued by Homburg Invest. The Issue is expected to take place on 28 February 2009. The Issuer will have the right to cancel the Issue if no more than 5,000 Homburg Capital Securities A are subscribed for by 30 June 2009. By purchasing the Homburg Capital Securities A, each purchaser will agree and will be deemed to have represented that they are not residents of Canada and that they are not purchasing the Homburg Capital Securities A on behalf of or for the benefit of residents of Canada.

Security Holders participate by purchasing a minimum of 5 Homburg Capital Securities A at EUR 1,000 each, representing an aggregate principal amount of EUR 5,000 (excluding an issue fee of 3%). The total cost to the Company for the Issue will amount to EUR 1,000,000 (for a EUR 25,000,000 issue) and EUR 3,000,000 (for a EUR 75,000,000 issue) payable to Homburg Participaties, a company controlled by Mr. Richard Homburg. Furthermore Homburg Invest will pay an annual fee to Homburg Participaties amounting to 0.1% of the maximum amount of Homburg Capital Securities A outstanding at any time during that year, less any applicable withholding tax. As a result hereof, next to Homburg Invest, Homburg Participaties has a financial interest in respect of a successful offer.

The Terms and Conditions of the Homburg Capital Securities A can be found in Chapter 6 of the Prospectus.

The Homburg Capital Securities A are to be 99-year unsecured and subordinated debt obligations with a fixed interest rate. At inception, the accounting for Homburg Capital Securities A is expected to reflect an approximate debt component of 2% and an approximate equity component of 98%. These percentages may be subject to modification based on an assessment by Homburg Invest of the probability of exercising its early redemption option. The carrying value of the debt component will be based on the present value of the future repayment of the principal amount, and the carrying value of the equity component will be based on the future interest payments. In the event of the voluntary or involuntary liquidation, bankruptcy, winding-up, insolvency, receivership or other similar proceedings, the rights of the holders to payment of the principal amount of the Homburg Capital Securities A, accrued interest thereon and any other amounts due in respect of the Homburg Capital Securities A will rank: (i) *pari passu* with all other subordinated indebtedness of the Issuer without any preference among each other Homburg Capital Security A; and (ii) subordinate to all other obligations of the Issuer except liabilities which by their terms rank in right of payment equally with or subordinate to the Homburg Capital Securities A.

Homburg Invest will be paying fixed interest on the Homburg Capital Securities A, to the Security Holders quarterly. This interest will be paid in Euros and amounts to 9.5% per annum. The effective yield for Security Holders will amount to 9.22% per annum based on an interest payment in cash and a term to maturity of 99 years and taking into account an issue fee of 3% to be paid on the Issue Date by the Security Holders. As detailed in Chapter 6 of the Prospectus, the Issuer may, at its option, elect to satisfy its obligation to pay interest on the Homburg Capital Securities A by issuing and delivering a fixed number of any Series of Class

A Preferred Shares (see below in Chapter 5.3). More details with respect to the Series of Class A Preferred Shares are found in Chapter 6.

The effective yield of the Homburg Capital Securities A may differ from 9.22% for a number of reasons, such as:

1. The Issuer may elect to redeem the Homburg Capital Securities A prior to the Maturity Date. Due to the time value of money, this will result in a lower effective yield.
2. The Issuer may elect, at its option, to pay any or all of the quarterly interest payments by issuing one or more Series of Class A Preferred Shares. The Class A Preferred Shares bear a cumulative dividend rate of 9.75% which corresponds with the higher risk profile of these securities. Dividends on the Class A Preferred Shares shall only be payable if and when declared by the Company. The Class A Preferred Shares may be redeemed by the Company at its option. Further, the Class A Preferred Shares shall be redeemed upon the occurrence of certain events, relating to payments of dividend or capital distributions on other classes of shares of the Company which rank junior or the payment of interest on the Homburg Capital Securities A in cash. There are various risk factors which may affect the financial condition and operating results of the Company and therefore the ability of the Company to pay dividend on or to redeem the Class A Preferred Shares. See Chapter 2 for a detailed description of risk factors which may affect the financial condition or operating results of the Company. This could result in an intrinsic value of the Class A Preferred Shares which is lower than the face value of the Class A Preferred Shares. Further, in case a dividend distribution on the Class A Preferred Shares will be made or the Class A Preferred Shares will be redeemed, the timing of such distribution or redemption also determines the effective yield.
3. The Security Holder may wish to sell any Class A Preferred Shares that it has received. Due to the absence of a liquid market for the Class A Preferred Shares, such Security Holder may receive a price which differs from the intrinsic value of these securities.

The Homburg Capital Securities A shall be redeemable after 27 February 2014 and on each Interest Payment Date thereafter, in whole or in part, at the option of Homburg Invest at a redemption price equal to 100% of the principal amount thereof, together in each case with accrued and unpaid interest to the date fixed for redemption. Homburg Invest has furthermore the right to redeem Homburg Capital Securities A upon the occurrence of certain events.

If less than all of the Homburg Capital Securities A are to be redeemed, Homburg Invest shall in each such case notify the Trustee in writing of its intention to redeem Homburg Capital Securities A and of the aggregate principal amount of Homburg Capital Securities A to be redeemed. The Trustee shall thereupon select the Homburg Capital Securities A to be redeemed on a *pro rata* basis to the nearest multiple of EUR 1,000 in accordance with the principal amount of Homburg Capital Securities A registered in the name of each holder, but in no case shall Homburg Capital Securities A be redeemed in part unless the principal amount redeemed is EUR 1,000 or a multiple thereof. For this purpose the Trustee may make regulations with regard to the manner in which such Homburg Capital Securities A may be so selected and regulations so made shall be valid and binding upon all Security Holders. The Homburg Capital Securities A are certificated as issued by the Trustee.

If, as a result of any such redemption, one or more Homburg Capital Securities A of denominations in excess of EUR 1,000 becomes subject to redemption in part only (such part being EUR 1,000 or a multiple thereof), the holder of any such Homburg Capital Securities A shall be entitled to receive, without expense to the Security Holder, one or more Homburg Capital Securities A for the unredeemed part of the principal amount of such Homburg Capital Securities A.

Homburg Capital Securities A will be transferable and marketable throughout the term to the Maturity Date. Neither Homburg Participaties nor Homburg Invest will be operating a market for the Homburg Capital Securities A.

Homburg Invest will apply to obtain listing of the Homburg Capital Securities A on Euronext Amsterdam before 31 January 2011. No certainty can be given that changes in listing requirements made subsequent to the date of the Prospectus will prevent the admittance of the Homburg Capital Securities A; and no certainty can be given that the application for listing of the Homburg Capital Securities A, when made, will be granted. The Homburg Capital Securities A are not expected to be listed on the Toronto Stock Exchange.

The flow of funds for the Homburg Capital Securities A will be routed through the Trustee. In addition, the Trustee will distribute the interest and principal amounts received over the Homburg Capital Securities A on a pro rata basis.

Fees and costs

Apart from an issue fee of 3%, to be paid by the Security Holder on the Issue Date, and the costs that might be charged by the Security Holders bank with respect to the principal and interest payments, no other charges will be levied against the Security Holders.

Use of proceeds

Homburg Invest intends to use the net proceeds from the Issue for general corporate purposes. The general purposes include, amongst others, the refinancing or redemption of existing indebtedness of the Issuer and the strengthening of the working capital of Issuer.

The Board of Directors approved the issue of Homburg Capital Securities A and the issue of Class A Preferred Shares. The Board of Directors will approve the amendment to Homburg Invest's Articles to provide for the creation and issuance of a Series of Class A Preferred Shares if and when Homburg Invest determines to exercise its option to issue such Series of Class A Preferred Shares in satisfaction of interest on the Homburg Capital Securities A. Each time that Homburg Invest determines to issue a Series of Class A Preferred Shares rather than pay the interest on the Homburg Capital Securities A in cash, a new Series of Class A Preferred Shares will need to be created and issued by the Board of Directors and this will entail the filing of Articles of Amendment with the Corporate Registrar in the Province of Alberta, Canada.

5.2 Naming conventions

Any series of debentures referenced herein issued by Homburg Invest or its Subsidiaries are numbered in descending order beginning at A. The current series is numbered A. This series is therefore constantly referred to as Homburg Capital Securities A.

5.3 Interest

A Security Holder will receive interest at a fixed annual rate of 9.5 % for each purchased non-redeemed Homburg Capital Securities A. Homburg Invest has the option to pay accrued interest in cash or by issuing a fixed number of fully paid non-assessable, non-participating, registered Series of Class A Preferred Shares. The Series of Class A Preferred Shares are issued by the Company under the Alberta Business Corporations Act and have a nominal value of EUR 1. The holders of any Series of Class A Preferred Shares are entitled to fixed, preferential, cumulative, dividend payments, if and when declared, however, they are not entitled to receive notice of, attend or vote at any meetings of the shareholders of the Issuer. Although any Series of Class A Preferred Shares may be transferred, it is currently not intended that the Series of Class A Preferred Shares will be admitted to trading on any stock exchange. However, admittance of any Series of Class A Preferred Shares on any stock exchange may be requested in the future. The terms of the Class A Preferred Shares are described in more detail in Chapter 6, Appendix B.

The interest will be paid (i) in the event of cash, into each Security Holder's bank account and (ii) in the event of any Series of Class A Preferred Shares, by registering a fixed number of any Series of Class A Preferred Shares in the name of the respective holder of Homburg Capital Securities A, quarterly, each year. The Trustee will keep a register of the Series of Class A Preferred Shares which have been issued as payment of interest (see for the contact details of the Trustee, Chapter 5.4.1). This register will include the names and addresses of the Security Holders, together with the number of Homburg Capital Securities A held by each Security Holder and the number of any Series of Class A Preferred Shares, if applicable. An electronic copy of this register shall be available for examination in the Province of Alberta, Canada in

compliance with the ABCA requirements.

The interest will start to apply on 28 February 2009. If the Security Holder's payment for Homburg Capital Securities A occurs after 28 February 2009, interest will start to apply four business days after the Trustee has received the payment concerned. The first interest payment on the Homburg Capital Securities A is scheduled for 30 June 2009.

The principal amount of the Homburg Capital Securities A will be repaid in Euros after no more than 99 years, unless redeemed prior to maturity at the option of the Company.

If Class A Preferred Shares are issued on more than one Interest Payment Date, each issuance will constitute a separate Series of Class A Preferred Shares.

The effective yield will amount to 9.22% per annum based on an interest payment in cash and a term to maturity of 99 years and taking into account an issue fee of 3% to be paid on the Issue Date by the Security Holders. We refer to Chapter 5.1 for more information on the effective yield. All payments for the Homburg Capital Securities A are routed through the Trustee. The Trustee will distribute any interest and principal amounts to be received by the Security Holders of the Homburg Capital Securities A on a pro rata basis.

5.4 Legal aspects

The Prospectus has been approved by the AFM² on 25 February 2009. A copy of the Prospectus may be requested at the offices of Homburg Participaties B.V., Prinsestraat 3, 7513 AM Enschede.

5.4.1 Stichting Homburg Capital Securities

The Trustee (Stichting Homburg Capital Securities) will keep the records in respect of the outstanding Homburg Capital Securities A. Furthermore, the Trustee will act as paying agent for Homburg Invest in respect of the Homburg Capital Securities A. The Trustee was established on 9 January 2009 and is registered with the Chamber of Commerce and Industry for Gooiland and Eem- en Flevoland under number 32144912.

The Trustee's address is:

Stichting Homburg Capital Securities
Beckerlinghstraat 36
3762 EX Soest
tel: +31 (0)35 6091620
fax +31 (0)35 6091630

and the Trustee is managed by:

Homburg Trust Services B.V.
Beckerlinghstraat 36
3762 EX Soest
tel: +31 (0)35 6091620
fax +31 (0)35 6091630

Homburg Trust Services B.V. is a trust office with a license as defined under the Register Act on the Supervision of Trust Offices (*Wet toezicht trustkantoren*). A copy of the Prospectus may be requested from the office of the Trustee.

The legal relationship between Homburg Invest, the Security Holders and the Trustee is set out in the Trust Indenture (see Chapter 6).

² More information about the AFM can be obtained at <http://www.afm.nl>.

5.5 Purchase of Homburg Capital Securities A

The offer of Homburg Capital Securities A will be open for the public as from the date of the Prospectus until all Homburg Capital Securities A are sold or earlier, at the discretion of Homburg Participaties. **The Homburg Capital Securities A are not being offered for sale in Canada and have not been and will not be qualified for distribution in Canada by the filing of a prospectus with any securities regulatory authority or commission in Canada.**

As soon as the offer is closed, Homburg Participaties will inform the Security Holders by letter and will issue a press release to this effect, which press release will be published on the website of Homburg Invest and in a Dutch daily nationally distributed newspaper. The minimum amount of subscription is EUR 5,000 and the maximum amount is only limited by the total amount of the Issue.

Purchase of Homburg Capital Securities A will occur as follows:

1. The enrolment form must be filled in completely, signed and returned to Homburg Participaties. By completing the enrolment form the Security Holder agrees with the contents of the Terms and Conditions and acknowledges that he is bound by the Terms and Conditions. Furthermore this enrolment form also serves as permission to the Trustee for an automatic collection (*automatische incasso*) of the purchase amount from the Security Holders' account. If the Security Holder is a company, the Security Holder must also include a copy of a recent extract from the Chamber of Commerce and Industry (*uittreksel Kamer van Koophandel*).

For identification purposes, Homburg Participaties within the meaning of the Financial Supervision Act will need to verify the Security Holder's identity in accordance with the *Wet ter voorkoming van witwassen en financieren van terrorisme* (Act to prevent moneylaundering and the financing of terrorism).

Homburg Capital Securities A are allocated based upon the order in which enrolment forms are received.

2. At least four (4) days before the purchase amount of the Homburg Capital Securities A is collected, a letter will be sent to the Security Holder, stating the number of Homburg Capital Securities A allocated and the exact date and amount for collection of the purchase amount.
3. After the purchase amount has been received by the Trustee, and all other abovementioned requirements have been met, the Trustee will provide the Security Holder with a confirmation letter confirming the number of Homburg Capital Securities A which are registered in the name of the Security Holder in the register held by the Trustee and which evidences the aggregate principal amount of Homburg Capital Securities A purchased by the Security Holder. If a Security Holder pays for the Homburg Capital Securities A but is not granted (all of) the Homburg Capital Securities A he paid for, there will be a refund of the purchase amount (including the issue fee of 3%) for the not granted Homburg Capital Securities A.

Prospective Security Holders who do not have a client agreement as defined in Section 4:89 of the Financial Supervision Act with Homburg Participaties are also required to complete, sign and return a client agreement to Homburg Participaties.

Homburg Participaties and Homburg Invest reserve the right to ignore any enrolment form in whole or in part without citing reasons for doing so. Funds received by Homburg Participaties from potential investors to purchase any Homburg Capital Securities A which are not subsequently issued by Homburg Invest shall be returned promptly to such investor.

6. TRUST INDENTURE

This Chapter 6 provides for the terms and conditions of the Homburg Capital Securities A. Capitalized terms and expressions used in this Chapter 6 shall have the meaning as used herein and may deviate from the terms as defined in Chapter 3 (Definitions). The sections which have been “intentionally deleted” are not pertinent to the Homburg Capital Securities A and have solely been included in this fashion for comparative purposes with previous bond prospectuses. Below, you will find the Trust Indenture in the form as it will be signed on 28 February 2009. For the avoidance of doubt, the Trust Indenture will be effective as per this date.

THIS TRUST INDENTURE made as of the 28th day of February 2009;

BETWEEN:

HOMBURG INVEST INC., a corporation incorporated under the laws of the Province of Alberta, Canada

(hereinafter referred to as the “**Corporation**”)

- and -

STICHTING HOMBURG CAPITAL SECURITIES established under the laws of The Netherlands and registered with the Chamber of Commerce and Industry and managed by Homburg Trust Services B.V., a trust office with a license as defined under the Register Act on the Supervision of Trust Offices in The Netherlands

(hereinafter referred to as the “**Trustee**”)

WHEREAS the Corporation is desirous of raising funds for its general corporate purposes and with a view to so doing is desirous of creating and issuing Debentures, the issuance of which is provided for by this Trust Indenture;

AND WHEREAS the Corporation, under the laws relating thereto, is duly authorized to create and issue the Debentures to be issued as herein provided;

AND WHEREAS all necessary resolutions of the Corporation have been duly passed and other proceedings taken, consents obtained and conditions complied with to make the creation and issue of the Debentures proposed to be issued hereunder and this Indenture and the execution thereof legal and valid and binding on the Corporation;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee;

NOW THEREFORE it is covenanted and agreed as follows:

ARTICLE I INTERPRETATION

1.1 Definitions

In this Trust Indenture (including the recitals hereto) and in the Debentures, the following expressions shall have the following meanings, namely:

- (a) “**this Trust Indenture**”, “**this Indenture**”, “**herein**”, “**hereby**”, “**hereof**”, “**hereunder**” and similar expressions mean or refer to this Trust Indenture and any indenture or deed of instrument supplemental or ancillary hereto as a whole and are not limited to any particular Article, Section or other subdivision hereof;

- (b) **"ABCA"** means the *Business Corporations Act* (Alberta) and its regulations, as the same may be amended from time to time;
- (c) **"Additional Debentures"** means Debentures of any one or more series, other than the first series of Debentures being the Initial Debentures, issued under this Indenture;
- (d) **"Affiliate"** means an affiliated body corporate as defined in the ABCA;
- (e) **"Applicable Laws"** means all laws, statutes, ordinances, decrees, judgments, codes, standards, acts, orders, by-laws, rules, regulations and all licenses, permits, approvals, consents and authorities required to be obtained from any Governmental Authority;
- (f) **"Applicable Securities Laws"** means applicable securities laws in The Netherlands, Germany and each of the provinces and territories of Canada and any jurisdiction in which the purchaser of Debentures resides;
- (g) **"Business Day"** means any day that is not a Saturday, Sunday or other day on which commercial banks in Halifax, Nova Scotia, Canada or Amsterdam, The Netherlands are authorized or required by law to remain closed;
- (h) **"CAD"** and **"\$"** mean lawful money of Canada;
- (i) **"Cash"** means lawful money of Canada, the United States of America or Euros, as the case may be, and any amounts thereof represented by certificates of deposit or other acknowledgments of indebtedness maturing within one year of any Canadian chartered bank;
- (j) **"Certificate of the Corporation"**, **"Written Order of the Corporation"** and **"Written Request of the Corporation"** mean, respectively, a certificate, written order and written request under the seal of the Corporation signed in the name of the Corporation by the President or any Vice President together with the Secretary of the Corporation;
- (k) **"Certified Resolution"** means a copy of a resolution certified by the President, any Vice-President or the Secretary of the Corporation to have been duly passed by the directors of the Corporation and to be in full force and effect on the date of such certification, unamended;
- (l) **"Change in Law"** means (i) the adoption of any law, rule or regulation after the date of this Indenture, (ii) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Indenture, or (iii) compliance by the Corporation with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Indenture;
- (m) **"Class A Preferred Shares"** means the non-participating Class A Preferred Shares, issuable in one or more series, in the capital of the Corporation, as created and issued from time to time by the board of directors of the Corporation;
- (n) **"Class A Series • Preferred Shares"** means the series of the Class A Preferred Shares in the capital of the Corporation having the rights, privileges, restrictions and conditions set out in the Articles of the Corporation for such series, as amended from time to time, such share provisions being in substantially the form set out in Appendix B to this Indenture;
- (o) **"Corporation"** means Homburg Invest Inc. and any successor corporation which shall have complied with the provisions of Article XVIII;

- (p) **"Corporation's auditors"** means an independent firm of chartered accountants duly appointed as auditors of the Corporation;
- (q) **"Counsel"** means a barrister or solicitor or firm of barristers and solicitors (who may be counsel for the Corporation);
- (r) **"Debentures"** means the debentures, notes or other evidences of indebtedness of the Corporation issued and certified hereunder, or deemed to be issued and certified hereunder, including without limitation, the Initial Debentures, and for the time being outstanding, whether in definitive or interim form;
- (s) **"Debentureholder"** or **"holders"** means a holder of Debentures;
- (t) **"Debentureholders' Request"** means an instrument signed in one or more counterparts by the holder or holders of not less than 10% in principal amount of the Debentures outstanding for the time being requesting the Trustee to take some action or proceeding specified therein;
- (u) **"director"** means a director of the Corporation for the time being and **"directors"** or **"board of directors"** means the board of directors of the Corporation or, whenever duly empowered, the executive committee, if any, of the board of directors of the Corporation, and reference to action by the directors means action by the directors of the Corporation as a board or action by a committee of the board;
- (v) **"EUR"** and **"€"** mean lawful money of The Netherlands;
- (w) **"Event of Default"** has the meaning specified in Section 13.1;
- (x) **"Governmental Authority"** means the government of Canada, of The Netherlands or of any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown and any other comparable authority or agency;
- (y) **"Homburg Capital Securities A"** has the meaning specified in Section 3.1(a);
- (z) **"Homburg Capital Securities A Issue Date"** has the meaning specified in Section 3.1(b);
- (aa) **"Initial Debentures"** means the 99-year unsecured debentures of the Issuer having a fixed interest rate of 9.5 % per year and issued or to be issued by the Corporation under this Indenture for the time being outstanding;
- (bb) **"Interest Payment Date"** has the meaning specified in Section 3.1(c);
- (cc) **"Issue Price"** means the price at which a fixed number of Class A Preferred Shares, in series, are to be issued by the Corporation should the Corporation determine to exercise its option to pay interest on the Debentures, in whole or in part, in Class A Preferred Shares, (such issue price being also the stated capital amount and aggregate redemption value amount of the Class A Preferred Shares at the time of issue), being equal in the aggregate to the amount of interest payable (including all accrued and unpaid interest) on the Debentures at the time of issuance of the Class A Preferred Shares;
- (dd) **"Issuance Right"** has the meaning specified in Section 3.3(a);

- (ee) **"Maturity Date"** has the meaning specified in Section 3.1(c);
- (ff) **"Paying Agent"** means Stichting Homburg Capital Securities or its replacement;
- (gg) **"Senior Indebtedness"** means all indebtedness, liabilities and obligations of the Corporation (other than the Debentures), whether outstanding on the date of this Indenture or thereafter incurred, and including, for greater certainty, claims of trade and other creditors of the Corporation, which by the terms of the instrument creating or evidencing such indebtedness is not expressed to be *pari passu* with or subordinate in right of payment to the Debentures;
- (hh) **"Trustee"** means Stichting Homburg Capital Securities or its successor for the time being in the trusts hereby created.

Words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, trusts, associations and other entities.

1.2 Meaning of "Outstanding" for Certain Purposes

Every Debenture certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustee for cancellation or funds for the payment thereof shall be set aside under Section 4.9 or Article XIV, as the case may be, provided that:

- (a) where a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, only one of them shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and
- (b) for the purposes of any provision of this Trust Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Trust Indenture, Debentures owned directly or indirectly, legally or equitably, by the Corporation or any Affiliate shall be disregarded except that:
 - (i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other action, only the Debentures which the Trustee knows are so owned shall be so disregarded; and
 - (ii) Debentures so owned which have been pledged in good faith other than to the Corporation or an Affiliate shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Debentures in his discretion free from the control of the Corporation and its Affiliates.

1.3 Interpretations Not Affected by Headings, etc.

The division of this Trust Indenture into Articles and Sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.4 Governing Law

This Trust Indenture and the Debentures shall be construed in accordance with the laws of the Province of Nova Scotia, Canada, and shall be treated as a Nova Scotia contract.

1.5 Meaning of Certain Terms

Any reference herein to this Trust Indenture is a reference to this Trust Indenture as amended, re-stated, novated or supplemented from time to time. The term amendment shall, in the case hereof, also be held to include any amendment of the conditions under which the Debentures hereby are issued.

1.6 Day not a Business Day

In the event that any day on or before which any action required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day. For greater certainty, whenever any payment of principal or interest to be made hereunder shall be stated to be due on a day which is not a Business Day, then the Debentureholder shall not be entitled to payment of the amount due until the next succeeding Business Day and will not be entitled to interest or other payment in respect of such delay.

1.7 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful Euro unless otherwise expressed.

1.8 Invalidity, Etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

1.9 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Debenture attached hereto as Schedule A, be drawn up in the English language only.

1.10 Appendices

The following Appendices are incorporated into and form part of this Trust Indenture:

Appendix A – Form of the Initial Debentures

Appendix B – Form of the Terms for the Series of Class A Preferred Shares to be created

ARTICLE II THE DEBENTURES

2.1 No Fixed Limitation

The aggregate principal amount of Debentures which may be issued under this Indenture is unlimited but Debentures may be issued hereunder only upon the terms and subject to the conditions herein provided.

2.2 Issuance in Series

The Debentures may be issued in one or more series, subject to compliance with the provisions and conditions hereinafter set forth. Subject to the provisions hereof, the Debentures of each such series (other than the Homburg Capital Securities A hereinafter mentioned, which shall have the terms set out in this Trust Indenture) shall bear such date or dates, shall bear interest at such rate or rates, may be issued in such denominations, may be redeemable in such manner, may be payable as to principal and interest, at such place or places and in such currency or currencies, may provide for such sinking fund, if any, may contain such provisions for the interchange or transfer of Debentures of the same series of

different denominations or forms, may have attached thereto and/or issued therewith warrants entitling the holders to subscribe for or purchase shares or other securities of the Corporation or otherwise upon such terms, may give the holders thereof the right to convert the same into shares or other securities of the Corporation or otherwise upon such terms and may contain such other provisions not inconsistent with the provisions of this Trust Indenture as may be determined by resolution of the directors passed at or prior to the time of issue thereof and expressed in an indenture supplemental hereto providing for the issuance of the Debentures of such series and (to such extent as the directors may deem appropriate) in the Debentures of such series. At the option of the Corporation, the maximum principal amount of Debentures of any series may be limited, such limitation to be expressed in the supplemental indenture providing for the issuance of the Debentures of such series and in the Debentures of such series.

2.3 Form of Debentures

The Debentures of any series may be of different denominations and forms (either coupon Debentures or fully registered Debentures or both) and may contain such variations of tenor and effect, not inconsistent with the provisions of this Trust Indenture, as are incidental to such differences of denomination and form, including variations in the provisions for the exchange of Debentures of different denominations or forms and in the provisions for the registration or transfer of Debentures, and any series of Debentures (other than the Homburg Capital Securities A) may consist of Debentures having different dates of issue, different rates of interest, different redemption prices (if any) and different sinking fund provisions (if any) and may consist partly of Debentures carrying the benefit of a sinking fund and partly of Debentures with no sinking fund. The Debentures of each particular series shall be designated and numbered in any manner prescribed by the Corporation with the approval of the Trustee.

Subject to the foregoing provisions and subject to any limitations as to the maximum principal amount of Debentures of any particular series, any of the Debentures may be issued as part of any series of Debentures previously issued, in which case they shall bear the same designation and designating letters as have been applied to such similar prior issue and shall be numbered consecutively upwards in respect of each denomination of Debentures in like manner and following the numbers of the Debentures of such prior issue.

All series of Debentures (other than the Homburg Capital Securities A) which may at any time be issued hereunder and the coupons, if any, appertaining thereto and the certificate of the Trustee endorsed on such Debentures may be in such form or forms as the directors shall by resolution determine at the time of the first issue of any series or part of a series of such Debentures and as shall be approved by the Trustee.

The Debentures of any series may be engraved, lithographed, printed or typewritten, or partly in one form and partly in another, as the Corporation may determine; provided that if the Debentures of any series are issued in typewritten form, the Corporation will on demand of any holder or holders thereof make available within a reasonable time after such demand without expense to such holder or holders Debentures which are engraved, lithographed or printed in exchange therefore.

2.4 Signature on Debentures and Coupons

All Debentures shall be under the seal of the Corporation or a facsimile thereof (which shall be deemed to be the seal of the Corporation) and shall be signed (either manually or by facsimile signature) by the President or a Vice-President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer of the Corporation holding office at the time of signing. Interest coupons attached to coupon Debentures shall have reproduced thereon the facsimile signature of the present or any future Secretary or the present or any future Treasurer of the Corporation. A facsimile signature upon any of the Debentures and/or coupons shall for all purposes of this Trust Indenture be deemed to be the signature of the person whose signature it purports to be and to have been signed at the time such facsimile signature is reproduced, and notwithstanding that any person whose signature, either manual or in facsimile, may appear on the Debentures or coupons is not at the date of this Trust Indenture, or at the date of the Debentures or at the date of the certifying and delivery thereof, the President, a Vice-President, the Secretary, the Treasurer, an Assistant Secretary or an

Assistant Treasurer, as the case may be, of the Corporation, such Debentures or coupons shall be valid and binding upon the Corporation and entitled to the security of this Indenture.

2.5 Certification

No Debenture shall be issued or, if issued, shall be obligatory, or shall entitle the holder to the benefits of this Indenture, until it has been certified by or on behalf of the Trustee substantially in the form set out in Appendix A hereto or in some other form approved by the Trustee. Such certificate on any Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Corporation and is secured hereby and entitled to the benefits hereof.

The certificate of the Trustee signed on the Debentures or interim Debentures shall not be construed as a representation or warranty by the Trustee as to the validity of this Trust Indenture or of such Debentures or their issuance and the Trustee shall in no respect be liable or answerable for the use made of such Debentures or any of them or the proceeds thereof. The certificate of the Trustee signed on the Debentures or interim Debentures shall, however, be a representation and warranty by the Trustee that such Debentures or interim Debentures have been duly certified by or on behalf of the Trustee pursuant to the provisions of this Trust Indenture.

2.6 Interim Debentures

Pending the preparation and delivery to the Trustee of definitive Debentures of any series or part of a series, the Corporation may execute in lieu thereof (but subject to the same provisions, conditions and limitations as herein set forth) and the Trustee may certify interim printed or typewritten Debentures, in such form and in such denominations and with such appropriate omissions, insertions and variations as may be approved by the Trustee and the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer of the Corporation (whose certification or signature, either manual or in facsimile, as the case may be, on any such interim Debenture shall be conclusive evidence of such approval), entitling the holders thereof to definitive Debentures of such series or part of a series in any authorized denominations and forms when the same are prepared and ready for delivery, without expense to the holders, but the total amount of interim Debentures of any series or part of a series so issued shall not exceed the total amount of Debentures of such series or part of a series for the time being authorized. Forthwith after the issuance of any such interim Debentures, the Corporation shall cause to be prepared the appropriate definitive Debentures for delivery to the holders of such interim Debentures.

Any such interim Debentures when duly issued shall, until exchanged for definitive Debentures, entitle the holders thereof to rank for all purposes as Debenture holders and otherwise in respect of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. When exchanged for definitive Debentures, such interim Debentures shall forthwith be cancelled by the Trustee. Any interest paid upon interim Debentures without coupons shall be noted thereon by the Paying Agent at the time of payment unless paid by warrant or cheque to the registered holder thereof.

2.7 Debentures Not Equally Secured

The Debentures may be issued in such amounts, to such persons, on such terms not inconsistent with the provisions of this Trust Indenture and either at par or at a discount as the directors may determine. The security for Debentures issued hereunder, if any, shall be limited to specific assets of the Corporation and Debentures of different series are not equally and rateably secured hereby.

2.8 Pledge of Debentures

All or any of the Debentures may be pledged, hypothecated or charged from time to time by the Corporation as security for advances or loans to or for indebtedness or other obligations or liabilities of the Corporation and, when redelivered to the Corporation or its nominee(s) on or without payment, satisfaction, release or discharge in whole or in part of any such advances, loans, indebtedness, obligations or liabilities, shall be forthwith delivered to the

Trustee and shall be cancelled by it, and no Debentures shall be issued in substitution therefore except upon due compliance by the Corporation with the provisions of Section 3.5.

2.9 Issue in Substitution for Lost Debentures

(a) In case any of the Debentures issued and certified hereunder shall become mutilated or be lost, stolen or destroyed, the Corporation in its discretion may issue and thereupon the Trustee shall certify and deliver a new Debenture of like date and tenor upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, destroyed or stolen Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Trustee and shall be entitled to the security hereof and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder.

(b) The applicant for a new Debenture pursuant to this section shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Trustee such evidence of ownership and of loss, destruction or theft of the Debenture so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Trustee in their discretion and such applicant may also be required to furnish indemnity in amount and form satisfactory to the Corporation and the Trustee in their discretion and shall pay the reasonable charges of the Corporation and the Trustee in connection therewith.

2.10 Commencement of Interest

(a) All Debentures issued hereunder, whether originally or in exchange or substitution for previously issued Debentures, shall bear interest from their date (or from such other date as may be expressed in such Debentures) or from the last interest payment date to which full interest shall have been paid or made available for payment on the outstanding Debentures of the same series and having the same interest payment dates, whichever shall be later.

(b) The interest payable on each interest payment date shall be deemed to have accrued from day to day during each three-month period in the calendar year ending with the preceding day. Any provision herein for the payment of interest accrued to a specified date shall accordingly mean interest accrued to the end of the preceding day. Interest for any period of less than three months shall be computed, in the case of Debentures denominated in Canadian dollars, on the basis of a year of 365 days and, in the case of Debentures denominated in United States dollars or Euros, on the basis of a year of 365 days.

(c) Whenever interest is computed on the basis of a year (the “**deemed year**”) which contains fewer than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing such product by the number of days in the deemed year.

2.11 Registration of Debentures

(a) The Corporation shall cause to be kept registers hereinafter referred to in which shall be entered the names and addresses of the holders of Debentures and particulars of the Debentures held by such holders respectively and of all transfers of Debentures. No transfer of a Debenture shall be valid unless made on the appropriate register or on one of the appropriate registers by the registered holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Trustee, upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe, and unless such transfer shall have been duly noted on such Debenture by the Trustee or other registrar.

If Debentures of any series are in a form requiring surrender thereof upon transfer of such Debentures, such Debentures shall be surrendered to the Trustee or other registrar and the Trustee or other registrar shall issue a new Debenture in exchange therefore. If Debentures of any series are in a form requiring transfers to be noted on such Debentures,

upon any transfer such transfers shall be duly noted on such Debentures by the Trustee or other registrar.

(b) The registers referred to in this section shall:

- (i) with respect to the Homburg Capital Securities A, be kept by and at the principal office of the Trustee or its agent at Beckeringsstraat 36, 3762 EX Soest, The Netherlands, and at such other place or places and by the Trustee and by such other registrar or registrars, if any, as the Corporation with the approval of the Trustee may designate;
- (ii) with respect to any other series of Debentures, be kept at such place or places and by the Trustee and/or by such other registrar or registrars, if any, as the Corporation with the approval of the Trustee may designate; and
- (iii) with respect to any Homburg Capital Securities A and other series of Debentures be available in electronic form for examination in the Province of Alberta, Canada in compliance with all Applicable Laws.

(c) The registered holder of a Debenture may at any time and from time to time have such Debenture transferred at any of the places at which a register is kept for such Debenture pursuant to the provisions of this section, in accordance with such reasonable regulations as the Trustee may prescribe.

The registered holder of a Debenture may at any time and from time to time have the registration of such Debenture transferred from the register in which the registration thereof appears to another register maintained in another place authorized for that purpose under the provisions of this Trust Indenture upon payment of a reasonable fee to be fixed by the Trustee.

(d) The Trustee and/or any registrar for any of the Debentures and/or the Corporation shall not be charged with notice of or be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any Debenture and may transfer the same on the direction of the registered holder thereof, whether named as trustee or otherwise, as though that person were the beneficial owner thereof.

2.12 Exchanges of Debentures

(a) Debentures of any denomination may be exchanged for Debentures of any other authorized denomination or denominations, any such exchange to be for an equivalent aggregate principal amount of Debentures of the same series, carrying the same rate of interest and having the same redemption and sinking fund provisions, if any, and the same conversion, purchase or other rights, if any. Notwithstanding the foregoing, Debentures denominated in Euros shall not be exchangeable for Debentures denominated in CAD or lawful money of the United States of America and vice versa. All exchanges of Homburg Capital Securities A permitted hereby shall be made only at the principal office of the Trustee at Beckeringsstraat 36, 3762 EX Soest, The Netherlands or at such other office of the Trustee or at the office of such other registrar or registrars as may from time to time be designated by the Corporation for such purpose with the approval of the Trustee or such other registrar. Exchanges of Debentures of any other series shall be made at such place or places as shall be designated by the Corporation for that purpose at the time of the creation and issue thereof or from time to time thereafter. Any Debentures tendered for exchange shall be surrendered to the Trustee or appropriate registrar.

(b) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

(c) Except as otherwise provided herein, upon any exchange of Debentures of any denomination or form for other Debentures and upon any registration of Debentures and upon any discharge from any such registration and upon any transfer of registered Debentures (other than an exchange of interim Debentures for other interim Debentures or for definitive

Debentures or the initial registration of definitive Debentures issued in exchange for bearer interim Debentures), the Trustee or other registrar may make a sufficient charge to reimburse it for any stamp or security transfer tax or other governmental charge required to be paid and, in addition, a reasonable charge for its services, and may charge a reasonable sum for every Debenture issued upon such exchange, registration or transfer, and payment of the said charges shall be made by the party requesting such exchange, registration, discharge from registration or transfer as a condition precedent thereto.

2.13 Registers Open for Inspection

The registers hereinbefore referred to shall at all reasonable times be open for inspection by the Corporation, the Trustee or any Debentureholder in accordance with applicable law. Every registrar (including the Trustee) shall from time to time when requested so to do by the Corporation or by the Trustee furnish the Corporation or the Trustee with a list of the names and addresses of holders of registered Debentures entered on the register kept by such registrar and showing the principal amount and serial numbers of the Debentures held by each such holder.

2.14 Closing of Registers

(a) The Corporation, with the approval of the Trustee, may at any time close any register for any series of Debentures other than those kept at the principal offices of the Trustee at Beckeringhstraat 36, 3762 EX Soest, The Netherlands for Homburg Capital Securities A and transfer the registration of any Debentures registered thereon to another register and thereafter such Debentures shall be deemed to be registered on such other register.

(b) Neither the Corporation nor the Trustee nor any registrar shall be required (i) to make transfers or exchanges of Debentures on any interest payment date or during the 15 preceding Business Days, (ii) to make transfers or exchanges of any Debentures on the day of any selection by the Trustee of Debentures to be redeemed or during the 15 preceding Business Days, or (iii) to make transfers or exchanges of any Debentures which have been selected or called for redemption unless upon due presentation thereof for redemption such Debentures shall not be redeemed.

2.15 Ownership of Debentures and Persons Entitled to Payment

(a) The person in whose name any Debenture shall be registered shall be deemed and regarded as the owner thereof for all purposes of this Trust Indenture and payment of or on account of the principal on such Debenture shall be made only to or upon the order in writing of such registered holder and such payment shall be a good and sufficient discharge to the Corporation and the Trustee for the amount so paid. As the interest on Debentures becomes due (except interest payable on redemption, which shall be paid upon presentation and surrender of such Debentures for payment), unless the Corporation has elected to pay interest on the Homburg Capital Securities A in accordance with Section 3.3, the Corporation shall, at least three days prior to each date on which interest on such Debentures becomes due, forward or cause to be forwarded to the Trustee by wire transfer the interest amount, which wire transfer must be received by the Trustee at least two (2) Business Days prior to each date on which interest on such Debentures is due, and the Trustee shall forward one (1) Business Day prior to each date on which interest on the Debentures is due a cheque or wire transfer in the amount of the interest payable (less any Tax required by law to be deducted or withheld) to the persons registered as holders of the Debentures on the date (the "**Record Date**") which is ten (10) Business Days prior to the date on which interest is due (by prepaid mail or by courier in the case of any payment of interest by cheque and in accordance with the wire instructions of the Debentureholder on file with the Trustee in the case of any payment of interest by wire transfer) such that it is received by the holders of the Debentures on the date on which the interest is due. In the case of joint holders, the cheque or wire transfer shall be payable to all such joint holders and shall be sent by the Trustee to the registered address or wire instructions on file with the Trustee of one of such joint holders. The forwarding of such cheque or wire transfer shall satisfy and discharge the liability for interest upon such Debentures to the extent of the sum or sums represented thereby (plus the amount of any tax deducted as required) unless, in the case of payment by cheque, such cheque be not paid on presentation; provided that in the event of the non-receipt of such cheque by the

registered holder or loss or destruction thereof, the Trustee upon being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it shall issue to such registered holder a replacement cheque for the amount of such cheque. Neither the Trustee nor the Corporation shall be liable to any Debentureholder for any non-receipt of any interest payment by reason of the address or wire instructions of such Debentureholder on file with the Trustee being incorrect or incomplete. In no circumstances shall the Trustee be liable to the Debentureholders for any interest payment which is received by the Debentureholders after the date on which interest on the Debentures is due if such liability arises due to a delay caused by the Trustee receiving funds after the times required by this Section 2.15. The Corporation shall be liable for any such delay and shall hold the Trustee harmless and indemnify the Trustee for any claim made or action taken against the Trustee by the Debentureholders as a result of such delay.

(b) The registered holder for the time being of any Debenture shall be entitled to the principal moneys and interest evidenced by such instruments respectively, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof, and all persons may act accordingly and a transferee of a Debenture shall, after the appropriate form of transfer is lodged with the registrar and upon compliance with all other conditions in that behalf required by this Indenture or by any conditions endorsed on the Debenture or by law, be entitled to be entered on any one of the said registers as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder thereof, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

(c) Delivery to the Corporation by a holder of a Debenture or the receipt of such holder for the principal moneys and interest evidenced by such instruments respectively shall be a good discharge to the Corporation, which shall not be bound to enquire into the title of such holder, save as ordered by a court of competent jurisdiction or as required by statute. Neither the Corporation, the Trustee nor any registrar shall be bound to see to the execution of any trust affecting the ownership of any Debenture nor be affected by notice of any equity that may be subsisting in respect thereof.

(d) Where Debentures are registered in more than one name, the principal moneys and interest from time to time payable in respect thereof may be paid by cheque payable to the order of all such holders, failing joint written instructions from them to the contrary, and the receipt of any one of such holders thereof shall be a valid discharge to the Trustee and any registrar and to the Corporation.

(e) In the case of the death of one or more joint registered holders, the principal moneys of and interest on Debentures may be paid to the survivor or survivors of such registered holders whose receipt therefor shall constitute a valid discharge to the Trustee and any registrar and to the Corporation.

2.16 Place of Payment

Except as otherwise herein provided, all sums which may at any time become payable, whether on a declaration or on redemption or otherwise, on account of any Debenture or any interest thereon shall be payable at the address appearing on the appropriate register as hereinbefore mentioned.

2.17 Payments Free of Taxes

All payments of principal and interest by the Corporation will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the Government of Canada or any province, territory or political division thereof or any authority or agency therein or thereof having power to tax or any political division thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges is required by law or by the interpretation or administration thereof. In that event, the Corporation will (a) make such withholdings or deduction and remit the amount so withheld or deducted to the relevant Governmental Authority in accordance with Applicable Law; and (b) pay such additional amounts as may be

necessary in order that the net amount receivable by a Debentureholder, after such withholding or deduction shall equal the respective amount of principal or interest which would have been receivable in respect of the Debentures, in the absence of such withholding or deduction, except that no such additional amount shall be payable with respect to any Debenture:

- (i) to, or to a third party on behalf of, a Debentureholder who is liable to such taxes, duties, assessments or charges in respect of such Debenture by reason of such Debentureholder having some connection with Canada other than the mere holding or use outside Canada, or ownership as a non-resident of Canada, of such Debenture;
- (ii) to, or to a third party on behalf of, a Debentureholder, in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of such Debentureholder's failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with Canada of such if (a) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other charge and (b) the Corporation has given the Debentureholder or, if such Debentureholder is not the beneficial owner of the Debenture in question, the beneficial owner of such Debentures, at least 30 days' notice that the Debentureholder or beneficial owner will be required to provide such certification, identification, documentation or other requirement;
- (iii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on or before such thirtieth day;
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives;
- (v) presented for payment by or on behalf of a Debentureholder who would have been able to avoid such withholding or deduction by presenting the relevant Debenture, receipt or coupon to another Paying Agent in a Member State of the European Union;
- (vi) to, or to a third party on behalf of, a Debentureholder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of such Debentureholder not dealing at arm's length (within the meaning of the Income Tax Act (Canada)) with Homburg Invest.

As used herein, the "**Relevant Date**" means:

- (A) the date on which such payment first becomes due; or
- (B) if the full amount of the moneys payable has not been received by the Paying Agent on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect shall have been given to the Debentureholders in accordance with Section 17.3.

If the Corporation becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada, references in this Section 2.17 to Canada shall be read and construed as references to Canada and/or to such other jurisdiction(s).

Any reference in this Section 2.17 to "**principal**" and/or "**interest**" in respect of the Debenture shall be deemed also to refer to any additional amounts which may be payable under this Section 2.17.

ARTICLE III ISSUE AND DELIVERY OF DEBENTURES

3.1 Form and Terms of Homburg Capital Securities A

(a) The first series of Debentures to be issued hereunder shall be designated as “Homburg Capital Securities A” (herein called the “**Homburg Capital Securities A**”). The aggregate principal amount of Homburg Capital Securities A that may be issued and outstanding hereunder is a minimum of EUR 25,000,000 to a maximum of EUR 75,000,000.

(b) The Homburg Capital Securities A shall be dated as of 28 February 2009 (the “**Homburg Capital Securities A Issue Date**”).

(c) The Homburg Capital Securities A shall bear interest (subject to the provisions of Section 2.10) from the Homburg Capital Securities A Issue Date at the rate of 9.5% per annum payable (after as well as before default and judgment, with interest on overdue interest at the said rate) quarterly in arrears on 31 March, 30 June, 30 September and 31 December in each year (the “**Interest Payment Date**”), and shall mature on 27 February 2108 (the “**Maturity Date**”).

(d) Except as provided in Section 3.3, the principal of the Homburg Capital Securities A and the interest thereon and all sums which may at any time become payable thereon, whether on redemption or otherwise, shall be payable in Euros at the address of the registered holder as shown on the appropriate register. The Debentureholder shall bear all currency exchange risks associated with receipt of such payments in Euros.

(e) The Homburg Capital Securities A shall be issuable as fully registered Debentures in denominations of EUR 1,000. The Homburg Capital Securities A shall be substantially in the form set out in Appendix A and shall bear such distinguishing letters and numbers as the Trustee shall approve.

3.2 Issue of Homburg Capital Securities A

Homburg Capital Securities A in the aggregate principal amount of a maximum of EUR 75,000,000 and a minimum of EUR 25,000,000 shall be executed by the Corporation and delivered to the Trustee. Upon receipt by the Trustee of an opinion of Counsel to the effect that all legal requirements have been met in respect of the issue of such Homburg Capital Securities A, the said EUR 25,000,000 to EUR 75,000,000 aggregate principal amount of Homburg Capital Securities A shall be certified by the Trustee and delivered to or to the written order of the Corporation without any further act or formality on the part of the Corporation.

The Trustee shall have no duty or responsibility with respect to the issue or application of the Homburg Capital Securities A so certified and delivered or of the proceeds thereof.

3.3 Right to Pay Interest on Homburg Capital Securities A in Class A Preferred Shares

(a) Subject to the other provisions of this Section 3.3, the Corporation may, at its option and subject to Applicable Law, elect to satisfy its obligation to pay interest on the Homburg Capital Securities A by issuing and delivering on the Interest Payment Date a fixed number of Class A Preferred Shares determined by dividing the Issue Price by EUR 1 (which represents the subscription price for each Class A Preferred Share) (the “**Issuance Right**”).

(b) The Corporation’s right to exercise the Issuance Right shall be conditional upon the following conditions being met on the Business Day preceding the Interest Payment Date:

- (i) no Event of Default shall have occurred and be continuing;
- (ii) the board of directors shall have approved the amendment to the Articles of the Corporation to create a Series of Class A Preferred Shares;

- (iii) the Registrar of Corporations in the Province of Alberta shall have issued a Certificate of Amendment; and
- (iv) the receipt by the Trustee of an opinion of Counsel to the effect that such Series of Class A Preferred Shares to be delivered in connection with the Issuance Right have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture and the Articles of the Corporation in payment of interest on the Homburg Capital Securities A, will be validly issued as fully paid and non-assessable.

If the foregoing conditions are not satisfied prior to the close of business on the Business Day preceding the Interest Payment Date, the Corporation shall pay interest on the Initial Debentures in cash in accordance with Section 2.15.

(c) In the event that the Corporation duly exercises its Issuance Right, the Corporation shall on the Interest Payment Date make the delivery to the Trustee for delivery to and on account of the holders of Homburg Capital Securities A certificates representing the Series of Class A Preferred Shares to which such holders are entitled.

(d) A holder shall be treated as the shareholder of record of the respective Series of Class A Preferred Shares issued on due exercise by the Corporation pursuant to the Issuance Right effective immediately after the close of business on the Interest Payment Date, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including unit dividends and dividends or distributions in kind) thereon and arising thereafter, and in the event that the Trustee receives the same, it shall hold the same in trust for the benefit of such holder.

(e) The Corporation shall at all times reserve and keep available out of its authorized capital an adequate number of each Series of Class A Preferred Shares (if the number thereof is or becomes limited) solely for the purpose of issue and delivery upon the exercise of the Corporation's Issuance Right as provided herein, and shall issue to Debentureholders to whom a Series of Class A Preferred Shares will be issued pursuant to the exercise of the Issuance Right such number of the Series of Class A Preferred Shares as shall be issuable in such event. If Class A Preferred Shares are issued on more than one Interest Payment Date, each issuance will constitute a separate Series of Class A Preferred Shares, and all Class A Preferred Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

(f) The Corporation shall comply with all Applicable Laws and Applicable Securities Legislation regulating the issue and delivery of Class A Preferred Shares issued, including upon exercise of the Issuance Right.

3.4 Homburg Capital A Securities to Rank Subordinate and *Pari Passu*

The Homburg Capital Securities A will be direct unsecured obligations of the Corporation. In the event of the voluntary or involuntary liquidation, bankruptcy, winding-up, insolvency, receivership or other similar proceedings, the rights of the holders to payment of the principal amount of the Homburg Capital Securities A, accrued interest thereon and any other amounts due in respect of the Homburg Capital Securities A will rank

- i. *pari passu* with all other subordinated indebtedness of the Corporation without any preference among each other Homburg Capital Security A; and
- ii. subordinate to all other Senior Indebtedness of the Corporation.

3.5 Issue of Additional Debentures

Debentures other than the Homburg Capital Securities A (herein called the “**Additional Debentures**”) may from time to time be executed and issued by the Corporation and certified by the Trustee hereunder subject to the provisions of this section and the requirements and restrictions provided in this Indenture.

The Trustee shall certify and deliver to the Written Order of the Corporation Additional Debentures but only upon the receipt of:

- (a) a Certificate of the Corporation stating that no default exists in respect of any of the covenants, agreements or provisions of this Indenture;
- (b) a Written Request of the Corporation requesting the certification of such Additional Debentures in the principal amount applied for and specifying the person or persons to whom such Additional Debentures shall be delivered;
- (c) a Certified Resolution authorizing the issue and requesting the certification of Additional Debentures of such series in the principal amount applied for and specifying the series thereof and the particulars and provisions to be expressed in or which are to relate to such Additional Debentures in accordance with the provisions hereof;
- (d) a supplemental indenture in form and terms approved by Counsel providing for the issuance of such Additional Debentures; and
- (e) an opinion of Counsel that all legal requirements in respect of the proposed issue of Additional Debentures have been met.

3.6 No Additional Debentures to be Issued During Default

No Additional Debentures shall be certified and delivered if the Corporation is at the time, to the knowledge of the Trustee, in default under any of the provisions hereof, or if at the time to the knowledge of the Trustee any event has occurred which, with the passing of time, would become an event of default hereunder. Any certification and delivery of any Additional Debentures by the Trustee shall be conclusive evidence of the absence of knowledge on the part of the Trustee of any such default at the time of such certification and delivery.

3.7 Trustee Not Bound to Make Enquiries

The Trustee, prior to the certification and delivery of any Debentures under any of the provisions of this Indenture, shall not be bound to make any enquiry or investigation into the correctness of the matters set forth in any of the resolutions, opinions, certifications or other documents required by the provisions hereof, but shall be entitled to accept and act upon the said resolutions, opinions, certificates and other documents; provided, however, that the Trustee may in its discretion cause to be made such independent investigation as it may see fit.

ARTICLE IV REDEMPTION OF DEBENTURES

4.1 General

The Corporation shall have the right, at its option, to redeem at any time the whole of the Debentures issued hereunder of any series or part of a series which by their terms are made so redeemable at such rate or rates of and at such date or dates and on such terms and conditions as shall have been determined at the time of issue of such Debentures and as shall be expressed in this Trust Indenture and/or in the Debentures and/or in the supplemental indenture authorizing or providing for the issue thereof.

4.2 Early Redemption of Homburg Capital Securities A

The Corporation shall have the right at its option to redeem, either in whole or in part, prior to the Maturity Date, any Homburg Capital Securities A at a redemption price equal to 100% of the principal amount thereof, together in each case with accrued and unpaid interest to the date fixed for redemption, by giving not less than thirty (30) nor more than sixty (60) day's notice, upon the occurrence of any of the following events:

- (a) the termination of equity treatment for accounting purposes in respect of the Corporation's future obligations to pay the interest owing under the terms of the Initial Debentures;
- (b) the termination of equity treatment for accounting purposes under IFRS in respect of a Series of Class A Preferred Shares, subject to a de minimis amount of such Series of Class A Preferred Shares then issued and outstanding;
- (c) any payment in respect of the Homburg Capital Securities A becoming subject to additional amounts pursuant to Section 2.17 (as a result of a Change of Law), provided that no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Corporation would be obliged to pay such additional amounts in relation to a payment in respect of the Homburg Capital Securities A in accordance with section 2.17 of this Indenture.

4.3 Optional Redemption of Homburg Capital Securities A

The Homburg Capital Securities A shall be redeemable on 27 February 2014 and on each Interest Payment Date thereafter, in whole or in part, at the option of the Corporation on not less than thirty (30) and not more than sixty (60) day's notice at a redemption price equal to 100% of the principal amount thereof, together in each case with accrued and unpaid interest to the date fixed for redemption.

4.4 Partial Redemption of Homburg Capital Securities A

(a) If less than all of the Homburg Capital Securities A for the time being outstanding are to be redeemed (which partial redemption shall only occur on or after 27 February 2014 and prior to the Maturity Date), the Corporation shall in each such case, at least 15 days before the date on which the notice of redemption is required to be given, notify the Trustee in writing of its intention to redeem Homburg Capital Securities A and of the aggregate principal amount of Homburg Capital Securities A so to be redeemed. The Trustee shall thereupon select the Homburg Capital Securities A to be redeemed on a *pro rata* basis to the nearest multiple of EUR 1,000 in accordance with the principal amount of Homburg Capital Securities A registered in the name of each holder, but in no case shall a Debenture be redeemed in part unless the principal amount redeemed is EUR 1,000 or a multiple thereof. For this purpose the Trustee may make regulations with regard to the manner in which such Debentures may be so selected and regulations so made shall be valid and binding upon all holders of Debentures.

(b) If, as a result of any such redemption, one or more Homburg Capital Securities A of denominations in excess of EUR 1,000 shall become subject to redemption in part only (such part being EUR 1,000 or a multiple thereof), the holder of any such Debenture, upon surrender of such Debenture in accordance with Section 2.12, shall be entitled to receive, without expense to the holder, one or more Homburg Capital Securities A for the unredeemed part of the principal amount of such Debenture so surrendered.

4.5 Notice of Redemption

Notice of intention to redeem any of the Debentures shall be given by or on behalf of the Corporation in the following manner:

- (a) notice of intention to redeem such Debenture shall be given to each holder of

such Debenture by letter or circular sent postage prepaid, addressed to him at his last address appearing upon one of the registers hereinbefore mentioned and mailed, in the case of all Debentures, not less than 30 days and not more than 60 days prior to the date specified for redemption; provided always that the accidental omission to mail any such letter or circular to or the non-receipt of any such letter or circular by any such holder or holders shall not invalidate or otherwise prejudicially affect the redemption of such Debentures;

- (b) every notice of redemption shall designate the series of the Debentures so called for redemption and shall specify the redemption date, the redemption price and places of payment and shall state that in case the Debentures specified in such notice be not presented for redemption on such redemption date, all interest thereon shall cease from and after the said date.

Every notice sent by post or published shall be deemed to have been given on the day on which it is posted.

4.6 Debentures Due on Redemption Dates

Notice having been given as aforesaid, all the Debentures so called for redemption shall thereupon be and become due and payable at the redemption price, on the redemption date specified in such notice and at any of the places where the principal of such Debentures is expressed to be payable, and from and after such redemption date, if the moneys necessary to redeem such Debentures shall have been deposited as provided in Section 4.7 and the Trustee shall have been furnished with affidavits or other proof satisfactory to it as to the mailing of such notices, interest on the said Debentures shall cease. In case any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

4.7 Deposit of Redemption Moneys

The Corporation shall provide for every redemption by irrevocably depositing with the Trustee or any paying agent to the order of the Trustee in trust for the holders of the Debentures called for redemption, before the redemption date specified in the notice of redemption, such sums as may be sufficient to pay the redemption price of such Debentures, including accrued interest on the Debentures so called for redemption to the date fixed for redemption. The Corporation shall also deposit with the Trustee if required by it a sum sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. From the sums so deposited the Trustee shall pay or cause to be paid to the holders of such Debentures so called for redemption, upon surrender of such Debentures, the principal and interest, if any, to which they are respectively entitled on redemption.

4.8 Failure to Surrender Debentures Called for Redemption

In case the holder of any Debenture so called for redemption shall fail within 30 days after the date fixed for redemption to surrender his Debenture or shall not within such time accept payment of the other redemption moneys payable in respect thereof and give such receipt therefore, if any, as the Trustee may require, such redemption moneys shall be set aside in trust for such holder, at such rate of interest as the depositary may allow, in the deposit department of the Trustee and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside, and to that extent such Debenture shall thereafter not be considered as outstanding hereunder and such Debentureholder shall have no other right except to receive payment out of the moneys so paid and deposited upon surrender and delivery up of his Debenture of the redemption price of such Debenture plus such interest thereon, if any, as the depositary may allow.

4.9 Cancellation of Debentures

Subject to the provisions of Section 4.4 as to Debentures redeemed in part, all Debentures purchased or redeemed in whole or in part under the provisions of this Article shall be forthwith delivered to and cancelled by the Trustee and no Debentures shall be issued in substitution therefore.

4.10 Surrender of Debentures for Cancellation

If the principal moneys due upon any Debenture issued hereunder shall become payable by redemption or otherwise, the person presenting such Debenture for payment must surrender the same for cancellation, the Corporation nevertheless paying the interest accrued and unpaid thereon if the date fixed for payment be not an interest payment date. All Debentures which shall have been delivered to and cancelled by the Trustee shall be destroyed by the Trustee and if required by the Corporation the Trustee shall furnish to it a destruction certificate setting forth the numbers and denominations of the Debentures so destroyed.

4.11 Redemption on Liquidation

In the event of proceedings being instituted for the voluntary liquidation of the Corporation (except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Article XVIII are duly observed and performed), all the Debentures shall be redeemed and/or paid by the Corporation at the respective prices at which the Corporation could redeem, purchase or pay the same (at its option, whether or not subject to any condition or conditions pursuant to any covenant or provision requiring redemption) on the date on which the resolution was passed for the winding-up of the Corporation.

4.12 Purchase of Homburg Capital Securities A

The Corporation, when not in default hereunder, may at any time purchase Homburg Capital Securities A in any manner and at any price; provided that any purchases made by tender must be available to all holders alike. Any purchase of Homburg Capital Securities A pursuant to this Section 4.12 shall be subject to the provisions of Section 3.1(d). All Homburg Capital Securities A so purchased shall forthwith be delivered to the Trustee and shall be cancelled by it and no Debentures shall be issued in substitution therefore.

ARTICLE V INTENTIONALLY DELETED

ARTICLE VI INTENTIONALLY DELETED

ARTICLE VII INTENTIONALLY DELETED

ARTICLE VIII SECURITY

8.1 Debentures Unsecured

The Homburg Capital Securities A are unsecured subordinated debt obligations of the Corporation.

**ARTICLE IX
INTENTIONALLY DELETED**

**ARTICLE X
INTENTIONALLY DELETED**

**ARTICLE XI
INTENTIONALLY DELETED**

**ARTICLE XII
COVENANTS OF THE CORPORATION**

12.1 General Covenants

The Corporation hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Debentureholders as follows:

- (a) *To Pay Principal and Interest.* That the Corporation will well, duly and punctually pay or cause to be paid to every Debentureholder the principal of and interest accrued on the Debentures of which he is the holder, thereon on the dates, at the places, in the moneys or other manner mentioned herein and in the Debentures.
- (b) *To Maintain Corporate Existence.* That the Corporation will at all times maintain its corporate existence.
- (c) *To Pay Trustee.* That the Corporation will pay to the Trustee reasonable remuneration for the Trustee's services hereunder and will pay or reimburse the Trustee upon the Trustee's request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under the trust hereof shall be finally and fully performed, except any such expense, disbursement or advance as may arise from the Trustee's negligence or bad faith.
- (d) *Not to Sell Debentures When in Default.* That if the Corporation should be in default in the fulfilment of any of its obligations hereunder at any time, it will not, while such default shall continue, issue, sell, pledge or otherwise dispose of any Debentures.

**ARTICLE XIII
DEFAULT AND ENFORCEMENT**

13.1 Events of Default

The following events are herein referred to as "**Events of Default**":

- (a) if the Corporation makes default in payment of any interest due on any Debenture secured hereby and such default as to interest shall have continued for a period of 30 days;
- (b) if an order shall be made or an effective resolution be passed for the winding-up or liquidation of the Corporation except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Article XVIII are duly observed and performed;
- (c) if the Corporation shall make a general assignment for the benefit of its creditors or a notice of intention to make a proposal or a proposal under the *Bankruptcy and Insolvency Act* (Canada), or shall become insolvent or be declared or adjudged bankrupt, or a receiving order be made against the

Corporation, or if a liquidator, trustee in bankruptcy, receiver, receiver and manager or any other officer with similar powers shall be appointed to the Corporation, or if the Corporation shall propose a compromise, arrangement or reorganization under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation of any jurisdiction providing for the reorganization or winding-up of corporations or business entities or providing for an agreement, composition, extension or adjustment with its creditors;

- (d) if the Corporation shall fail or neglect to carry out, perform or observe any other covenant or condition contained herein on its part to be observed and performed and, after notice in writing has been given by the Trustee to the Corporation specifying such default and requiring the Corporation to put or cause to be put an end to the same, the Corporation shall fail to make good such default within a period of 45 days, unless the Trustee (having regard to the subject matter of the neglect or non-observance) shall have agreed to a longer period, and in such event, within the period agreed to by the Trustee.

13.2 Acceleration on Default

Upon the occurrence of an Event of Default, the Trustee may in its discretion and shall upon receipt of a Debentureholders' Request, subject to the provisions of Section 13.3, declare the principal and interest of all Debentures then outstanding to be due and payable and the same shall forthwith become immediately due and payable to the Trustee, anything herein to the contrary notwithstanding, and the Corporation shall forthwith pay to the Trustee for the benefit of the Debentureholders the principal of and accrued and unpaid interest and interest on amounts in default on such Debentures. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder.

13.3 Waiver of Default

Upon the occurrence of an Event of Default:

- (a) the holders of not less than 66 2/3% of the principal amount of the Debentures then outstanding shall have power (in addition to and subject to the powers exercisable by Extraordinary Resolution as hereinafter provided) by instrument in writing to instruct the Trustee to waive the default and/or to annul any declaration made by the Trustee pursuant to Section 13.2 and the Trustee shall thereupon waive the default and/or annul such declaration upon such terms and conditions as such Debentureholders shall prescribe; and
- (b) the Trustee shall have power to waive the default if, in the Trustee's opinion, the same has been cured or adequate satisfaction made therefor, and in such event to annul any such declaration therefor made by the Trustee in the exercise of its discretion, upon such terms and conditions as to the Trustee may seem advisable,

provided that no act or omission either of the Trustee or of the Debentureholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default or the rights resulting therefrom.

13.4 Enforcement by the Trustee

Subject to the provisions of this section and of Section 13.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders as hereinafter provided:

- (a) all rights of action hereunder may be enforced by the Trustee without the possession of any of the Debentures or the production thereof at the trial or other proceedings relative thereto; and
- (b) upon receipt of a Debentureholders' Request and upon being indemnified to its satisfaction as provided in Section 16.2, the Trustee shall exercise or take

such one or more of the aforesaid remedies as such Debentureholders' Request may direct or, if such Debentureholders' Request contains no direction, as the Trustee may deem expedient; provided that if any such Debentureholders' Request directs the Trustee to take proceedings out of court, the Trustee may in its discretion take judicial proceedings in lieu thereof.

13.5 Enforcement by Debentureholders

No Debentureholder shall have any right to institute any action or proceeding or to exercise any other remedy authorized by this Trust Indenture or by law or by equity for the purpose of enforcing payment of principal or interest, or for the execution of any trust or power hereunder, unless the requisition and indemnity referred to in Section 13.4 has been tendered to the Trustee and the Trustee shall have failed to act within a reasonable time thereafter; in such case but not otherwise, any Debentureholder acting on behalf of himself and all other Debentureholders shall be entitled to take proceedings in any court of competent jurisdiction such as the Trustee might have taken under Section 13.4 but in no event shall any Debentureholder or combination of Debentureholders have any right to enforce any right hereunder or under any Debenture except subject to the conditions and in the manner herein provided, and all powers and trusts hereunder shall be exercised and all proceedings at law shall be instituted, had and maintained by the Trustee, except only as herein provided, and in any event for the equal benefit of all holders of such outstanding Debentures.

13.6 Immunity of Shareholders, etc.

The Debentureholders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future incorporator, shareholder, director or officer of the Corporation or of any successor Corporation for the payment of the interest on any of the Debentures.

13.7 Trustee Appointed Attorney

The Corporation hereby irrevocably appoints the Trustee to be the attorney of the Corporation in the name and on behalf of the Corporation to execute and do any deeds, transfers, conveyances, assignments, assurances and things which the Corporation ought to execute and do, and has not executed or done, under the covenants and provisions contained in this Trust Indenture and generally to use the name of the Corporation in the exercise of all or any of the powers hereby conferred on the Trustee.

ARTICLE XIV SATISFACTION AND DISCHARGE

14.1 Cancellation and Destruction

All Debentures cancelled or required to be cancelled under any provision of this Trust Indenture shall be destroyed by the Trustee and if required by the Corporation the Trustee shall furnish to it a destruction certificate in respect of the Debentures so destroyed.

14.2 Non-Presentation of Debentures

Subject to the provisions of Article IV, in case the holder of any Debenture shall fail to present the same for payment on the date on which the principal thereof and/or the interest thereon becomes payable either on redemption or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Trustee may require:

- (a) the Corporation shall be entitled to pay to the Trustee and direct it to set aside;
- (b) in respect of moneys in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Trustee to set aside; or
- (c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside the principal moneys and/or the interest, as the case may

be, in trust to be paid to the holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Trust Indenture; and thereupon the principal moneys and/or the interest payable on or represented by each Debenture in respect whereof such moneys have been set aside shall be deemed to have been paid and the holder thereof shall thereafter have no right in respect thereof except that of receiving payment of the moneys so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 14.3 hereof.

14.3 Repayment of Unclaimed Moneys

Any moneys set aside under Section 14.2 hereof and not claimed by and paid to holders of Debentures as therein provided within six years after the date of such setting aside shall be repaid to the Corporation by the Trustee on demand and thereupon the Trustee shall be released from all further liability with respect to such moneys and thereafter the holders of the Debentures in respect of which such moneys were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment of the moneys due thereon from the Corporation.

14.4 Discharge

The Trustee shall, at the request of the Corporation, release and discharge this Trust Indenture and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release the Corporation from its covenants herein (other than the provisions relating to the indemnification of the Trustee) upon proof being given to the reasonable satisfaction of the Trustee that the principal of and interest (including interest on amounts in default, if any) on all the Debentures and all other moneys payable hereunder have been paid or satisfied or that all the outstanding Debentures have been duly called for redemption, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and of all other moneys payable hereunder having been duly and effectually provided for in accordance with the provisions hereof.

ARTICLE XV MEETINGS OF DEBENTUREHOLDERS

15.1 Right to Convene Meeting

The Trustee may at any time and from time to time and shall on receipt of a Written Request of the Corporation or a Debentureholders' Request convene a meeting of the Debentureholders. In the event of the Trustee failing within ten days after receipt of any such request to give notice convening a meeting, the Corporation or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held at Soest or at such other place as may be approved or determined by the Trustee. If at any time the Trustee has no directors, the Corporation or such Debentureholders, as the case may be, may convene a meeting at which one or more directors of the Trustee are appointed in accordance with the constating documents of the Trustee.

15.2 Notice of Meetings

At least fifteen (15) days' notice of any meeting shall be given to the Debentureholders in the manner provided in Section 17.3 and a copy thereof shall be sent by post to the Trustee, unless the meeting has been called by it, and to the Corporation, unless the meeting has been called by it, and the notice shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article XV.

15.3 Chairman

Some person, who need not be a Debentureholder, nominated in writing by the Trustee shall be chairman of the meeting and if no person is so nominated, or if the person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, the Debentureholders present in person or by proxy shall choose some person present to be

chairman.

15.4 Quorum

Subject to Sections 15.12 and 15.17, at any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures. If a quorum of the Debentureholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is a non-Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Debentures.

15.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Debentureholders is present may with the consent of the holders of a majority in principal amount of the Debentures represented thereat adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

15.6 Show of Hands

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

15.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting when demanded after a vote by show of hands by the chairman or by one or more Debentureholders and/or proxies for Debentureholders holding at least EUR 20,000 (or the equivalent thereof in lawful currency of Canada or the United States of America) principal amount of Debentures, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of a majority in principal amount of the Debentures represented at the meeting and voted on the poll.

15.8 Voting

On a show of hands every person who is present and entitled to vote, whether as a Debentureholder or as proxy for one or more Debentureholders, or both, shall have one vote. On a poll each Debentureholder present in person or represented by proxy duly appointed by an instrument in writing shall be entitled to one vote in respect of each EUR 1,000 (or the equivalent thereof in lawful currency of Canada or the United States of America) principal amount of Debentures of which he shall then be the holder. A proxy need not be a Debentureholder. In the case of joint registered holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others, but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint registered holders.

15.9 Regulations

The Trustee, or the Corporation with the approval of the Trustee, may from time to time make and from time to time vary such regulations as it shall from time to time think fit providing for and governing:

- (a) the deposit of instruments appointing proxies at such place as the Trustee, the Corporation or the Debentureholders convening the meeting, as the case may be, may in the notice convening the meeting direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same shall be deposited; and
- (b) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed or telecopied before the meeting to the Corporation or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Debentures, or as entitled to vote or be present at the meeting, shall be registered Debentureholders and persons whom registered Debentureholders have by instrument in writing duly appointed as their proxies.

15.10 Corporation and Trustee May Be Represented

The Corporation and the Trustee, by their respective officers and directors, and the legal advisers of the Corporation and the Trustee may attend any meeting of the Debentureholders, but shall have no vote as such.

15.11 Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by Section 16.8 or any other provisions of this Trust Indenture or by law, a meeting of the Debentureholders shall have the following powers exercisable from time to time by Extraordinary Resolution:

- (a) power to sanction and agree to any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders and/or the Trustee against the Corporation or against the undertaking, property and assets or any part thereof of the Corporation, whether such rights arise under this Trust Indenture or the Debentures or otherwise;
- (b) power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Trust Indenture or the Debentures in any manner specified in such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;
- (c) power to waive and direct the Trustee to waive any default on the part of the Corporation complying with any provision of this Trust Indenture or the Debentures either unconditionally or upon any conditions specified in such Extraordinary Resolution;
- (d) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal of or interest on the Debentures, or for the execution of any trust or power hereunder;
- (e) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 13.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;
- (f) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation;

- (g) power to sanction the exchange of Debentures for or the conversion of Debentures into shares, bonds, debentures, notes or any other securities or obligations of the Corporation or any other corporation;
- (h) power to assent to any modification of or change in or omission from the provisions contained herein or any deed or instrument supplemental hereto which shall be agreed to by the Corporation and to authorize the Trustee to concur in and execute any deed or instrument supplemental hereto or thereto embodying such modification, change or omission;
- (i) power to sanction any scheme for the reorganization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other corporation and for the selling or leasing of the undertaking, property and assets of the Corporation or any part thereof, if such reorganization, consolidation, amalgamation or merger otherwise would or might be prohibited hereby;
- (j) power to sanction the distribution of any shares or securities or the use or disposal of the whole or any part of such shares or securities or any cash in such manner and for such purposes as may be deemed advisable;
- (k) power to appoint and remove a committee (herein sometimes called a **"Debentureholders' committee"**) to consult with the Trustee and to delegate to such Debentureholders' committee (subject to such limitations, if any, as may be prescribed in such Extraordinary Resolution) all or any of the powers which the Debentureholders could exercise by Extraordinary Resolution under the foregoing subsections (b), (c), (d), (e), (i) and (j). The Extraordinary Resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such Debentureholders' committee. Such Debentureholders' committee shall consist of such number of persons as shall be prescribed in the Extraordinary Resolution appointing it, and the members need not be themselves Debentureholders. Subject to the Extraordinary Resolution appointing it, every such Debentureholders' committee may elect its chairman and may make regulations respecting its quorum, the calling of meetings, the filling of vacancies occurring in its number, the manner in which it may act and its procedure generally, and such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by a majority of the members thereof or the number of members thereof necessary to constitute a quorum, whichever is the greater. All acts of any such Debentureholders' committee within the authority delegated to it shall be binding upon all Debentureholders; and
- (l) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders.

15.12 Meaning of "Extraordinary Resolution"

(a) The expression **"Extraordinary Resolution"** when used in this Trust Indenture means, subject as hereinafter in this section provided, and subject to Sections 15.15 and 15.17, a resolution proposed to be passed as an extraordinary resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of this Section 15.12 at which the holders of at least 25% in principal amount of the Debentures then outstanding are present in person or by proxy and passed by the favourable votes of the holders of not less than 66 2/3% of the principal amount of Debentures represented at the meeting and voted on a poll upon such resolution.

(b) If, at any such meeting, the holders of 25% in principal amount of the Debentures outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debentureholders, shall be dissolved, but in any other case it shall stand adjourned to such date, being not less than five (5) nor more than thirty (30) days later, and to such place and time as may be appointed by the chairman. Not less than three (3) days' notice shall be given

of the time and place of such adjourned meeting in the manner provided in Section 17.3. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection (a) of this section shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the holders of 25% in principal amount of the Debentures then outstanding are not present in person or by proxy at such adjourned meeting.

(c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

15.13 Powers Cumulative

It is hereby declared and agreed that any one or more of the powers and/or any combination of the powers in this Trust Indenture stated to be exercisable by the Debentureholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise the same or any other such power or powers or combination of powers thereafter from time to time.

15.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Trustee at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Debentureholders, shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings had to have been duly passed and had.

15.15 Instruments in Writing

Subject to Section 15.17, all actions which may be taken and all powers that may be exercised by the Debentureholders at a meeting held as hereinbefore in this Article XV provided may also be taken and exercised by the holders of 66 2/3% of the principal amount of all the outstanding Debentures by an instrument in writing signed in one or more counterparts, and the expression “**Extraordinary Resolution**” when used in this Trust Indenture shall include an instrument so signed.

15.16 Binding Effect of Resolutions

Subject to Section 15.17, every resolution and every Extraordinary Resolution of Debentureholders passed in accordance with the provisions of this Article XV shall be binding upon all the Debentureholders, whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 15.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

15.17 Serial Meetings

(a) If any business to be transacted at a meeting of Debentureholders, or any action to be taken or powers to be exercised by instrument in writing under Section 15.15, especially affects the rights of the holders of Debentures of one or more series in a manner or to an extent differing from that in which it affects the rights of the holders of Debentures of any other series (as to which an opinion of Counsel shall be binding on all Debentureholders, the

Trustee and the Corporation for all purposes hereof), then:

- (i) reference to such fact, indicating each series so especially affected, shall be made in the notice of such meeting and the meeting shall be and is herein called a “**serial meeting**”; and
- (ii) the holders of Debentures of a series so especially affected shall not be bound by any action taken at a serial meeting or by any instrument in writing under Section 15.15 unless in addition to the other provisions of this Article XV:
 - (A) in the case of action taken at a serial meeting, there are present in person or by proxy at the said meeting holders of at least 25% (or for the purpose of passing an Extraordinary Resolution, 25%) in principal amount of the outstanding Debentures of the series so especially affected, subject to the provisions of this Article XV as to adjourned meetings, and the resolution is passed by the favourable votes of the holders of at least a majority (or in the case of an Extraordinary Resolution not less than 66 2/3%) of the principal amount of Debentures of the series so especially affected voted on the resolution; or
 - (B) in the case of action taken or power exercised by instrument in writing under Section 15.15, such instrument is signed in one or more counterparts by the holders of 66 2/3% of the principal amount of outstanding Debentures of the series so especially affected.
- (b) If, in the opinion of Counsel, any business to be transacted at any meeting or any action to be taken or power to be exercised by instrument in writing under Section 15.15 does not adversely affect the rights of the holders of Debentures of one or more particular series, the provisions of this Article XV shall apply as if the Debentures of such series were not outstanding and no notice of any such meeting need be given to the holders of Debentures of such series.

15.18 Covenants Applicable to One Series of Debentures

Notwithstanding anything herein contained, if any business to be transacted at any meeting or any action to be taken or power to be exercised by any instrument or assent having the effect of an Extraordinary Resolution relates only to the waiver, amendment, alteration, modification or cancellation of a covenant or provision hereof which by its terms is applicable and has effect only so long as one or more particular series of Debentures remains outstanding, the provisions of this Article shall be read and construed and shall apply as if the Debentures of such one or more particular series of Debentures were the only Debentures outstanding hereunder. A proposal (i) to reduce the principal amount of Debentures of any series or the rate of interest thereon, (ii) to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series are outstanding (notwithstanding that by its terms such covenant or agreement may, in addition, be effective only so long as Debentures of one or more other series are outstanding), or (iii) to reduce with respect to holders of Debentures of any series any percentage stated in Sections 15.12, 15.15 and 15.17, shall be deemed to especially affect the rights of the holders of the Debentures of such series whether or not a similar reduction, modification or termination is proposed with respect to Debentures of any or all series.

ARTICLE XVI CONCERNING THE TRUSTEE

16.1 Trust Indenture Legislation

(a) The expression “**indenture legislation**” means the provisions of any statute of Canada or any province thereof, and of any regulations under any such statute, relating to trust indentures and to the rights, duties and obligations of trustees under trust indentures and of corporations issuing debt obligations under trust indentures, to the extent that such provisions are at the time in force and applicable to this Trust Indenture or the Corporation.

(b) The Corporation and the Trustee agree that each will at all times in relation to this Trust Indenture and any action to be taken hereunder observe and comply with and be entitled to the benefits of indenture legislation. The Corporation and the Trustee agree and acknowledge that pursuant to Part 7 of the ABCA, the offering and sale by the Corporation of the Initial Debentures would be part of a distribution to the public under subsection 3(2) of the ABCA and, as a result, section 83 of the ABCA would require the appointment under the Trust Indenture of at least one trustee registered under the Loan and Trust Corporations Act (Alberta) ("**LTCA**"). Pursuant to the terms of this Trust Indenture, the Corporation and the Trustee agree that each will at all times in relation to the Trust Indenture observe and comply with Part 7 of the ABCA other than section 83. With respect to section 83, the Corporation and the Trustee agree that the issuance of the Initial Debentures shall be conditional upon receipt of a determination from the Alberta Securities Commission that the issuance of such Initial Debentures is not a distribution to the public under the ABCA or a trustee registered under the LTCA has been engaged to act as co-agent with the Trustee.

(c) If and to the extent that any provision of this Trust Indenture limits, qualifies or conflicts with any mandatory requirement of indenture legislation, such mandatory requirement shall prevail.

16.2 Conditions Precedent to Trustee's Obligation to Act

(a) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Trustee or the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing, when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage the Trustee may suffer by reason thereof.

(b) None of the provisions contained in this Trust Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or obligations or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(c) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Debentureholders at whose instance it is acting to deposit with the Trustee the Debentures held by them, for which Debentures the Trustee shall issue receipts.

16.3 Evidence

(a) In addition to the reports, certificates, opinions and other evidence required by this Trust Indenture, the Corporation shall furnish to the Trustee such additional evidence of compliance with any provision hereof, and in such form (including by way of one or more statutory declarations made by any one or more of the President, a Vice-President, the Secretary or the Treasurer of the Corporation), as may be prescribed by indenture legislation or as the Trustee may reasonably require by written notice to the Corporation.

(b) Proof of the execution of an instrument in writing, including a Debentureholders' Request, by Debentureholders may be made by the certificate of a notary public or other officer with similar powers that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Trustee may consider adequate.

16.4 Delegation; Experts and Advisers

(a) The Trustee may delegate to any corporation or person the performance of any of the trust and powers vested in it by this Trust Indenture and any such delegation may be made upon such terms and conditions and subject to such regulations, not including, however, any power to sub-delegate, as the Trustee may think to be in the interest of the Debentureholders.

(b) The Trustee may employ or retain such counsel, auditors or accountants (who

may be the Corporation's auditors), appraisers, architects, engineers or such other experts or advisers as it may reasonably require for the purpose of discharging its duties hereunder.

(c) The Trustee may pay reasonable remuneration for all services performed for it in the discharge of the trusts hereof by any such agent or attorney, or expert or adviser, without taxation for costs or fees of any counsel, solicitor or attorney.

16.5 Documents, Cash, etc. Held by the Trustee

(a) Any Cash, securities, documents of title or other instruments and other assets that may at any time be deposited with or held by the Trustee in accordance with and subject to the trusts hereof may be placed in the deposit vaults of the Trustee or of any Dutch chartered bank or deposited for safekeeping with any such bank.

(b) Unless herein otherwise expressly provided, pending the application or withdrawal thereof under any of the provisions of this Trust Indenture, any Cash, securities and other assets that may at any time be deposited with or held by the Trustee in accordance with the provisions hereof (including, without limiting the generality of the foregoing, any moneys set aside hereunder pursuant to Section 14.2) shall be held by the Trustee for the exclusive benefit of the Debentureholders, and the Trustee:

- (i) may deposit the same in the name of the Trustee in any Dutch chartered bank at the rate of interest (if any) from time to time current on similar deposits; or
- (ii) may, with the approval of the Corporation, and shall, if so directed by it: (A) deposit the same in the deposit department of the Trustee or of any other loan or trust company authorized to accept deposits under the laws of The Netherlands; or (B) invest and reinvest the same or any part thereof in any Debentures or other indebtedness of or fully guaranteed by the Government of Canada or obligations maturing not more than one year from the date of investment of any Canadian chartered bank or loan or trust company.

(c) All interest or other income received by the Trustee in respect of such deposits and investments and, after the due application of the amount invested in any of such investments, any profits realized by the Trustee upon the sale thereof shall belong to and be forthwith paid to the Corporation.

16.6 Trustee Not Required to Give Security

The Trustee shall not be required to give any Debenture or security in respect of the execution of the trusts and powers of this Trust Indenture or otherwise in respect of the premises.

16.7 Protection of the Trustee

By way of supplement to the provisions of any law for the time being relating to trustees, it is expressly declared and agreed as follows:

(a) The Trustee shall not be liable for or by reason of any failure of or defect in the registration or filing of or renewal of this Trust Indenture (including any instruments ancillary or supplemental thereto).

(b) The Trustee shall not be liable for or by reason of any statements of fact or recitals in this Trust Indenture or in the Debentures (except in the certificate of the Trustee thereon) or required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Corporation.

(c) Nothing herein contained shall impose any obligation on the Trustee to see or to require evidence of the registration or filing (or renewal thereof) of this Trust Indenture (including any instruments ancillary or supplemental thereto), or to procure any further, other or additional instrument of further assurance.

(d) In the exercise of its rights and duties hereunder the Trustee shall not be in any way responsible for the consequence of any breach on the part of the Corporation of any of the Corporation's covenants herein contained or of any acts of the agents or servants of the Corporation.

16.8 Replacement of the Trustee

The Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation at least 90 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. The Debentureholders by Extraordinary Resolution shall have power at any time to remove the Trustee and to appoint a new Trustee. In the event of the Trustee resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Debentureholders; failing such appointment by the Corporation, the retiring Trustee or any Debentureholders may apply to a court in The Netherlands, on such notice as such Judge may direct, for the appointment of a new Trustee, but any new Trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Debentureholders. Any new Trustee appointed under any provision of this section shall be a corporation authorized and qualified to carry on the business of a trust company in The Netherlands and in every other jurisdiction where such authorization or qualification is necessary to enable it to act as Trustee hereunder. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and obligations as if it had been originally named herein as Trustee, without any further assurance, conveyance, act or deed, but there shall be immediately executed, at the expense of the Corporation, all such conveyances or other instruments as may, in the opinion of Counsel, be necessary or advisable for the purpose of assuring to the new Trustee a full estate in the premises. Any corporation into which the Trustee may be merged or with which it may be consolidated or amalgamated, or any corporation resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under this Trust Indenture without the execution of any instrument or any further act.

16.9 Conflict of Interest

The Trustee represents that at the time of execution and delivery hereof, no material conflict of interest exists in the Trustee's role as a fiduciary hereunder.

16.10 Acceptance of Trust

The Trustee hereby accepts the trusts in this Trust Indenture declared and provided for and agrees to perform the same upon the terms and conditions hereinbefore set forth and to hold all the rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

ARTICLE XVII NOTICES

17.1 Notice to the Corporation

Any notice to the Corporation under the provisions hereof shall be valid and effective if delivered to an officer of the Corporation or if given by registered letter postage prepaid addressed to 32 Akerley Boulevard, Dartmouth, Nova Scotia, B3B 1N1, Canada and any notice so delivered shall be deemed to be validly given when delivered and any notice so given by registered mail shall be deemed to have been effectively given on the second Business Day following the day of mailing. The Corporation may from time to time notify the Trustee of a change in address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Trust Indenture.

17.2 Notice to the Trustee

Any notice to the Trustee under the provisions hereof shall be valid and effective if delivered to an officer of the Trustee or if given by registered letter postage prepaid addressed to Stichting Homburg Capital Securities, Beckeringhstraat 36, 3762 EX Soest, The Netherlands, and any notice so delivered shall be deemed to be validly given when delivered and any notice so given by registered mail shall be deemed to have been effectively given on the second Business Day following the day of mailing. The Trustee may from time to time notify the Corporation of a change in address which thereafter, until changed by like notice, shall be the address of the Trustee for all purposes of this Trust Indenture.

17.3 Notice to Debentureholders

Unless herein otherwise expressly provided, any notice to be given hereunder to Debentureholders shall be valid and effective if such notice is sent by ordinary surface or air mail postage prepaid addressed to such holders at their respective addresses appearing on any of the registers hereinbefore mentioned, and if, in the case of joint holders of any Debenture, more than one address appears in the register in respect of such joint holding, such notice shall be addressed only to the first address so appearing.

Any notice so given by mail shall be deemed to be given on the day on which it is mailed. In determining under any provisions hereof the date when notice of any meeting, redemption or other event must be given, the date of giving the notice shall be included and the date of the meeting, redemption or other event shall be excluded. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder shall not invalidate any action or proceeding founded thereon.

ARTICLE XVIII SUCCESSOR CORPORATION

18.1 Certain Requirements

The Corporation shall not, directly or indirectly, sell, lease, transfer or otherwise dispose of all or substantially all of its property and assets to any other corporation, and shall not consolidate, amalgamate or merge with any other corporation (any such corporation being herein referred to as a “**successor corporation**”) unless:

- (a) the successor corporation shall execute, prior to or contemporaneously with the consummation of such transaction, an indenture supplemental hereto, together with such other instruments as are satisfactory to the Trustee and in the opinion of Counsel are necessary or advisable to evidence the assumption by the successor corporation of the due and punctual payment of all the Debentures and the interest thereon and all other moneys payable hereunder and the covenant of the successor corporation to pay the same and its agreement to observe and perform all the covenants and obligations of the Corporation under this Indenture;
- (b) such transaction shall, to the satisfaction of the Trustee and in the opinion of

Counsel, be upon such terms as substantially to preserve and not to impair any of the rights and powers of the Trustee or of the Debentureholders hereunder and upon terms as are in no way prejudicial to the interests of the Debentureholders; and

- (c) no condition or event shall exist as to the Corporation or the successor corporation, either at the time of or immediately after such consolidation, amalgamation, merger, transfer or sale and after giving full effect thereto or immediately after the successor corporation complying with the provisions of subsection (a) above, which constitutes or would constitute, after notice or lapse of time or both, a default or an Event of Default hereunder.

18.2 Vesting of Powers in Successor

Whenever the conditions of Section 18.1 have been duly observed and performed, the successor corporation shall possess and from time to time may exercise each and every right and power of the Corporation under this Trust Indenture in the name of the Corporation or otherwise and any act or proceeding by any provision of this Trust Indenture required to be done or performed by any directors or officers of the Corporation may be done and performed with like force and effect by the like directors or officers of such successor corporation.

ARTICLE XIX SUPPLEMENTAL DEEDS

19.1 Provision for Supplemental Deeds

From time to time the Corporation (when authorized by a resolution of its directors) and the Trustee may, subject to the provisions of these presents, and they shall, when so directed by these presents, execute and deliver, by their proper officers, deeds or instruments supplemental or ancillary hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) evidencing the succession of successor companies to the Corporation and the covenants of and obligations assumed by such successor companies in accordance with the provisions of Article XVIII;
- (b) giving effect to any Extraordinary Resolution passed as provided in Article XV;
- (c) providing for the issue, as permitted hereby, of Debentures of any one or more series other than or in addition to the Homburg Capital Securities A;
- (d) making such provisions not inconsistent with this Trust Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Debentures on any stock exchange or bourse, provided that such provisions are not, in the opinion of the Trustee, prejudicial to the interests of the Debentureholders;
- (e) adding to or altering the provisions hereof in respect of the registration and transfer of Debentures, making provision for the issue of Debentures of denominations other than those herein provided for and for the exchange of Debentures of different denominations, and making any modification in the forms of the Debentures which does not affect the substance thereof;
- (f) making any addition to, deletion from or alteration of the provisions of this Trust Indenture which the Corporation may deem necessary or advisable and which, in the opinion of the Trustee, does not materially and adversely affect the interest of the holders of the Debentures;
- (g) adding to the covenants of the Corporation herein contained for the protection of the Debentureholders or adding to the Events of Default herein specified; provided that such further covenants or Events of Default are not, in the opinion of the Trustee, prejudicial to the interests of the Debentureholders;
- (h) amending Article XVI in such manner as the Corporation and the Trustee

(upon the advice of Counsel) may deem necessary or advisable in order to avoid conflict between such Article XVI and indenture legislation; and

- (i) for any other purpose required by or not inconsistent with the terms of this Trust Indenture, provided that in the opinion of the Trustee the rights of the Trustee or of the Debentureholders are in no way prejudiced thereby.

19.2 Correction of Manifest Errors

The Corporation and the Trustee may correct typographical, clerical and other manifest errors in this Trust Indenture provided that such correction shall, in the opinion of the Trustee, in no way prejudice the rights of the Trustee or of the Debentureholders hereunder, and the Corporation and the Trustee may execute all such documents as may be necessary to correct such errors.

ARTICLE XX EXECUTION

20.1 Counterparts and Formal Date

This Trust Indenture may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear date as of 28 February 2009.

IN WITNESS WHEREOF the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

HOMBURG INVEST INC.

Per:

_____ c.s.*

James F. Miles
Vice President Finance and CFO

APPENDIX A
Form of Homburg Capital Securities A

1.1 The Homburg Capital Securities A, the certificate of the Trustee and the registration panel shall be in the English language, in the forms provided in Sections 1.2 and 1.3.

1.2 The text of the Homburg Capital Securities A, the certificate of the Trustee and the registration panel shall be substantially as follows:

No. • EUR •

HOMBURG INVEST INC.

(Incorporated under the *Business Corporations Act* (Alberta))

9.5% Unsecured Subordinated Debenture ("**Homburg Capital Securities A**")
 Redeemable after 27 February 2014 and Due 27 February 2108

HOMBURG INVEST INC. (hereinafter called the "**Corporation**"), for value received, hereby acknowledges itself indebted and, subject to the provisions of the trust indenture (the "**Trust Indenture**") dated as of 28 February 2009 between the Corporation and Stichting Homburg Capital Securities (the "**Trustee**") promises to pay to the registered holder hereof on 27 February 2108 (the "**Maturity Date**") or on such earlier dates the principal amount hereof may become due in accordance with the provisions of the Trust Indenture the principal sum of EUR 1,000, together with interest thereon, if applicable, on presentation and surrender of this Debenture at the principal office of the Trustee in Soest, The Netherlands in accordance with the terms of the Trust Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from the date hereof, or from the last interest payment date to which interest shall have been paid or made available for payment on the outstanding Debentures, whichever is later, at any of the said places, in like money or Class A Preferred Shares quarterly in arrears on 31 March, 30 June, 30 September and 31 December in each year (the "**Interest Payment Date**") and (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date on the Maturity Date, at the rate of 9.5% per annum (unless this Debenture shall have been previously redeemed in accordance with the provisions of the Trust Indenture hereinafter mentioned), less any tax required by law to be deducted; and should the Corporation at any time make default in the payment of any interest, to pay interest on the amount in default at the same rate after as well as before default or judgement, in like consideration, at any of the said places and quarterly on the same dates. Capitalized terms used herein and not otherwise defined have the meanings given to them in the Trust Indenture.

Interest payable hereon shall be paid on the Interest Payment Date, at the sole option of the Corporation either by:

(a) Cash by cheque mailed by registered mail or by electronic transfer of funds to the registered holder hereof and, subject to the provisions of the Trust Indenture, the mailing of such cheque or electronic transfer shall satisfy and discharge the liability for interest on this Debenture to the extent of the sum represented thereby (plus the amount of any tax which the Corporation is required to and does withhold therefrom) unless such cheque be not paid on presentation; or

(b) provided the conditions set out in Section 3.3 of the Indenture are satisfied, by the issuance and delivery of a fixed number of Series of Class A Preferred Shares in such amount as determined by the Issue Price and having the attributes set out in Appendix B to the Trust Indenture.

This Debenture is one of the 9.5% unsecured subordinated debentures of the Corporation issued or issuable in one or more series under the provisions of the Trust Indenture.

The Debentures which may be issued under the Trust Indenture are (subject to the restrictions, conditions and limitations set out in the Trust Indenture) unlimited and may consist of several series payable in different currencies, bearing different rates of interest and varying

as to the terms on which they may be redeemed and otherwise as specified in the Trust Indenture. Debentures which have been authorized for issue are a minimum of EUR 25,000,000 and a maximum of EUR 75,000,000 aggregate principal amount of Homburg Capital Securities A (of which this is one).

This Debenture and all other Homburg Capital Securities A now or hereafter certified and issued under the Trust Indenture rank *pari passu* and are unsecured obligations of the Corporation. Reference is hereby made to the Indenture for particulars of the rights of the holders of the Debentures and of the Corporation and of the Trustee in respect thereof and the terms and conditions upon which the Debentures are issued and held, to all of which the holder of this Debenture by acceptance hereof assents.

The Debentures are issuable only in denominations of EUR 1,000. Upon compliance with the provisions of the Trust Indenture, Debentures of any denomination may be exchanged for an equal aggregate principal amount of Debentures in any other authorized denomination or denominations.

Except as hereinafter provided, the Homburg Capital Securities A are redeemable at the option of the Corporation on 27 February 2014 and on each Interest Payment Date thereafter, in whole or in part, at the option of the Corporation, on not less than thirty (30) and not more than sixty (60) day's notice at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest to the date fixed for redemption.

The principal amount hereof may also become or be declared due in the events, in the manner and with the effect provided in the Trust Indenture.

The Trust Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by the holders of a specified majority of Debentures outstanding.

Upon presentation at the principal office of the Trustee at Stichting Homburg Capital Securities, Beekeringhstraat 36, 3762 EX, Soest, The Netherlands, subject to the provisions of the Trust Indenture and upon compliance with the reasonable requirements of the Trustee, Debentures may be transferred by the registered holder thereof or his executors, administrators or other legal representatives or his or their attorney duly appointed in writing but no such transfer of a Debenture shall be valid unless it has been duly noted thereon.

This Debenture shall not become obligatory for any purpose until it shall have been certified by the Trustee for the time being under the Trust Indenture.

IN WITNESS WHEREOF HOMBURG INVEST INC. has caused its corporate seal to be hereunto affixed and this Debenture to be signed by its President as of 28 February 2009.

HOMBURG INVEST INC.

by _____ C.S.
*

TRUSTEE'S CERTIFICATE

This Debenture is one of the Homburg Capital Securities A referred to in the Trust Indenture within mentioned.

_____ *

(No writing hereon except by the Trustee or other Registrar)

Date and Place
of Registration

In Whose Name
Registered

Signature of Trustee
or Other Registrar

APPENDIX B**Form of Terms of each Series of Class A Preferred Shares to be created and issued under the Business Corporations Act (Alberta)****I. CLASS A SERIES • PREFERRED SHARES**

The Series of Class A Preferred Shares shall consist of a maximum of 750,000,000 shares designated as Class A Series • Preferred shares. The rights, privileges, restrictions and conditions attaching to each Series of Class A Series • Preferred Shares, as a series, are as follows:

1. Definitions

1.1 When used in these Class A Series • Preferred Share provisions, the following words and phrases shall, have the following meanings:

- (a) "Act" means the *Business Corporations Act* (Alberta) and the regulations thereunder, each as amended from time to time;
- (b) "Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in Halifax, Nova Scotia, Canada or Amsterdam, The Netherlands are authorized or required by law to remain closed;
- (c) "Debentures" means the unsecured Homburg Capital Securities A issued by the Corporation on or about 28 February 2009;
- (d) "Deemed Redemption Date" has the meaning assigned to such term in paragraph 6.2 of these Class A Series • Preferred Shares provisions;
- (e) "Dividend Rate" means a rate of 9.75% per annum;
- (f) "Issue Date" means the date of the first issue of a Class A Series • Preferred Shares;
- (g) "Redemption Amount" in respect of a Class A Series • Preferred Share shall mean the Subscription Price for such Class A Series • Preferred Share plus an amount equal to all dividends which have at the relevant time accrued on the Class A Series • Preferred Share whether declared or not but which have not then been paid (if any);
- (h) "Redemption Date" has the meaning assigned to such term in paragraph 6.3 of these Class A Series • Preferred Shares provisions;
- (i) "Redemption Event" has the meaning assigned to such term in paragraph 6.2 of these Class A Series • Preferred Shares provisions; and
- (j) "Subscription Price" means the sum of EUR 1 per Class A Series • Preferred Share.

2. Limited Issuance

The Corporation shall issue Class A Series • Preferred Shares only pursuant to the terms of the Debentures.

3. Voting and Amendment Rights

3.1 Subject to the Act, holders of Class A Series • Preferred Shares shall not be entitled to receive notice of, attend or vote at any meetings of the shareholders of the Corporation.

3.2 The rights, privileges, restrictions and conditions attached to the Class A Series • Preferred Shares may be amended, modified, suspended, altered or repealed but only if consented to, or approved by, the holders of the Class A Series • Preferred Shares in accordance with the requirements of the Act.

4. Dividends

4.1 The holders of Class A Series • Preferred Shares shall be entitled, rateably with holders of each other Series of Class A Series • Preferred Shares, to receive and the Corporation shall pay, fixed, preferential, cumulative dividends equal to the Dividend Rate on the Redemption Amount, payable, if, as and when declared by the Board of Directors of the Corporation out of the monies of the Corporation properly applicable to the payment of dividends. Such dividends shall accrue from the Issue Date whether or not they are declared by the Board of Directors. The Board of Directors shall be entitled from time to time to declare part of the preferential cumulative dividend for any calendar year notwithstanding that such dividend for such calendar year shall not be declared in full.

4.2 No dividends shall be declared or paid in any year on the Class A Subordinate Voting Shares, Class B Multiple Voting Shares, the Class B Preferred Shares or any other shares of the Corporation ranking junior to the Class A Series • Preferred Shares from time to time with respect to the payment of dividends, unless all accrued, but unpaid dividends on the Class A Series • Preferred Shares then issued and outstanding shall have been declared and paid or declared and provided for at the date of such declaration.

4.3 The rights of holders of Class A Series • Preferred Shares to dividends in any year shall be limited to the cumulative preferential dividend specified in paragraph 4.1 of these Class A Series • Preferred Shares provisions.

5. Liquidation

5.1 In the event of a distribution, holders of Class A Series • Preferred Shares shall be entitled, rateably with the holders of each other Series of Class A Series • Preferred Shares and in priority to the Class A Subordinate Voting Shares, Class B Multiple Voting Shares, Class B Preferred Shares and any other shares ranking junior to the Class A Series • Preferred Shares from time to time with respect to payment on a distribution, to payment of an amount equal to the Redemption Amount for such Class A Series • Preferred Shares and all such amounts shall be paid to the holders of the Class A Series • Preferred Shares before any amounts are paid to the holders of Class A Subordinate Voting Shares, Class B Multiple Voting Shares, Class B Preferred Shares and any other shares ranking junior to the Class A Series • Preferred Shares from time to time with respect to payment on a distribution. The Class A Series • Preferred Shares shall not confer a right to any further participation in the property of the Corporation on a distribution.

6. Redemption by the Corporation

6.1 Subject to the Act and paragraph 6.2, the Corporation may, upon giving notice or upon the waiver of such notice as hereinafter provided, redeem at any time the whole or from time to time any part of the then outstanding Class A Series • Preferred Shares on payment or deposit (in accordance with paragraph 6.5 of these Class A Series • Preferred Share terms) of the Redemption Amount for each Class A Series • Preferred Share to be redeemed. If part only of the Class A Series • Preferred Shares are to be redeemed, the Board of Directors may select the Class A Series • Preferred Shares to be redeemed (i) by lot; (ii) on a *pro rata* basis; or (iii) in such

other manner as the Board of Directors may in their discretion select. If part only of the Class A Series • Preferred Shares represented by any certificate are redeemed, a new certificate for the balance shall be issued at the expense of the Corporation.

6.2 The Corporation shall be deemed to redeem, without prior notice to the holders of the Class A Series • Preferred Shares, all the then issued and outstanding Class A Series • Preferred Shares on any date (the "**Deemed Redemption Date**") that the Corporation: (i) elects to pay interest in cash, in whole or in part, in respect of the Debentures; (ii) declares a dividend in any form on the Class A Subordinate Voting Shares, the Class B Multiple Voting Shares, the Class B Preferred Shares or any shares of the Corporation ranking junior to the Class A Series • Preferred Shares; (iii) redeems, purchases, acquires by any means or returns or distributes capital of the Class A Subordinate Voting Shares, Class B Multiple Voting Shares, Class B Preferred Shares or any shares of the Corporation ranking junior to the Class A Series • Preferred Shares or *pari passu* with the Class A Series • Preferred Shares, if any (each a "**Redemption Event**") and, subject to the Act, shall pay or cause to be paid to holders of Class A Series • Preferred Shares so redeemed, within ten (10) Business Days following the Deemed Redemption Date, the Redemption Amount. In the case of a Redemption Event, prior to such payment the Corporation shall provide a written notice setting out the Redemption Amount per Class A Series • Preferred Shares, the Deemed Redemption Date, and the name of the chartered bank or trust company at which the Redemption Amount has been or will be deposited (if the Redemption Amount may be deposited).

6.3 In the case of a redemption of Class A Series • Preferred Shares pursuant to paragraph 6.1 of these Class A Series • Preferred Share terms, the Corporation shall give notice in writing of the intention of the Corporation to redeem such shares (unless notice is waived in any manner by the holder of the Class A Series • Preferred Shares called for redemption) at least 21 days before the date specified for redemption (the date specified for redemption is referred to in these Class A Series • Preferred Shares provisions as the "**Redemption Date**") to each person who at the date of mailing is a holder of Class A Series • Preferred Shares to be redeemed, provided that accidental failure to give such notice to one or more of such shareholders shall not affect the validity of such redemption. Such notice shall set out the Redemption Amount per Class A Series • Preferred Share, the Redemption Date, the name of the chartered bank or trust company at which the Redemption Amount may be deposited (if the Redemption Amount may be deposited pursuant to paragraph 6.5 of these Class A Series • Preferred Shares terms) and, if part only of the Class A Series • Preferred Shares held by the person to whom such notice is addressed is to be redeemed, the number thereof to be redeemed. From and after the Redemption Date specified in such notice, the Class A Series • Preferred Shares shall be deemed to be redeemed.

6.4 Subject to the Act, the Corporation shall pay to the holder of the Class A Series • Preferred Shares to be redeemed the Redemption Amount of each such share on or after the Redemption Date, provided that such holder has presented and surrendered to the Corporation the certificates representing the Class A Series • Preferred Shares so called for redemption. Subject to paragraph 6.5 of these Class A Series • Preferred Shares terms payment for Class A Series • Preferred Shares to be redeemed by the Corporation shall be made by cheque payable at par in Euro funds at any branch of the Corporation's bankers. Such cheques shall be sent in accordance with the Act to holders of such Class A Series • Preferred Shares.

6.5 The Corporation shall have the right at any time after the mailing of the notice referred to in paragraph 6.2 or 6.3, of these Class A Series • Preferred Shares terms, as applicable, to deposit the Redemption Amount for each Class A Series • Preferred Share so called for redemption, or of such of those shares represented by certificates which have not at the date of such deposit been presented and surrendered by the holders thereof in connection with such redemption, to a special account in any chartered bank or in any trust company in The Netherlands named in such notice, to be paid without interest to or to the order of the respective holders of such Class A Series • Preferred Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing same. Any such deposit shall constitute payment and satisfaction of the Redemption Amount of the Class A Series • Preferred Shares in respect whereof this deposit has been made and the rights of the holders thereof shall be limited to receiving, without interest, the Redemption Amount per Class A Series • Preferred Shares so deposited. Any interest allowed on such deposit shall belong to the Corporation. After the Redemption Amount for such Class A Series • Preferred Shares has been

deposited with any chartered bank or trust company in The Netherlands or any chartered bank or trust company in Canada or, as aforesaid, notice shall be given to the holders of any Class A Series • Preferred Shares called for redemption who have failed to present and surrender the certificates representing such shares within two months of the Redemption Date that the money has been so deposited and may be obtained by the holders of these Class A Series • Preferred Shares upon presentation and surrender of the certificates representing such shares called for redemption at such bank or trust company.

6.6 From and after a Redemption Date or Deemed Redemption Date, the holders of any Class A Preferred Shares shall not be entitled to exercise any of the rights of the holders of Class A Series • Preferred Shares in respect thereof unless payment or deposit of the Redemption Amount per Class A Series • Preferred Shares shall not be made in accordance with the foregoing provisions, in which event the rights of the holders of such Class A Series • Preferred Shares shall remain unaffected.

7. Restricted Payments to the Holders of Shares of Other Classes

7.1 The Corporation shall not make any Restricted Payment (as defined below) to a holder of Class A Subordinate Voting Shares, Class B Multiple Voting Shares, Class B Preferred Shares, or shares of the Corporation of any class other than Class A Series • Preferred Shares if the Corporation is, or would after making the Restricted Payment be, unable to pay to the holders of Class A Preferred Shares, the Redemption Amount for each Class A Series • Preferred Shares held.

7.2 For the purpose of paragraph 7.1 of these Class A Series • Preferred Shares provisions, the Corporation makes a Restricted Payment when it:

- (a) declares or pays a dividend other than a stock dividend consisting of shares of a class other than Class A Series • Preferred Shares,
- (b) makes any payment to purchase, redeem or otherwise acquire by any means, or return or distribute capital on any of the Corporation's shares of any class other than Class A Series • Preferred Shares, or
- (c) gives financial assistance by means of a loan, guarantee or otherwise.

8. Withholding Tax

8.1 In connection with any dividend or other consideration payable to any holder of Class A Series • Preferred Shares, including in connection with a redemption of Class A Series • Preferred Shares, the Corporation shall be entitled to deduct and withhold any such amounts as the Corporation is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada) or any provision of provincial, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Class A Series • Preferred Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required or permitted to be deducted or withheld from any payment or share issuance to a holder exceeds the cash portion of the consideration otherwise payable to the holder, the Corporation is authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to the Corporation to enable it to comply with such deduction or withholding requirement and the Corporation shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale or conversion.

7. TAXATION

The Homburg Capital Securities A represent a ‘cross-border’ investment. Consequently, two tax authorities are involved for a Security Holder namely, those of Canada and The Netherlands, for a Holder resident in The Netherlands.

7.1 Taxation in Canada

The following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires, as a beneficial owner, Homburg Capital Securities A pursuant to this offering, and who, at all relevant times, for purposes of the application of the *Income Tax Act* (Canada) and the *Income Tax Regulations* (collectively, the “Tax Act”), (1) is not, and is not deemed to be, resident in Canada; (2) deals at arm’s length with the Company and with any transferee resident (or deemed to be resident) in Canada to whom the purchaser disposes of the Homburg Capital Securities A; (3) holds Class A Preferred Shares received in satisfaction of the Company’s obligation to pay interest on the Homburg Capital Securities A as capital property; and (4) does not use or hold Homburg Capital Securities A or Class A Preferred Shares in a business carried on in Canada (a “Holder”). Special rules, which are not discussed in this summary, may apply to a non-Canadian holder that is an insurer that carries on an insurance business in Canada and elsewhere.

This summary is based on the current provisions of the Tax Act and the Canada-Netherlands Tax Convention (1986), as amended (the “Canada-Netherlands Tax Treaty”), and on our understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof, and takes into account an advance income tax ruling issued by the Canada Revenue Agency on certain issues in respect of the issue of Homburg Capital Securities A. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of Homburg Capital Securities A should consult their own tax advisors having regard to their own particular circumstances.

Ownership of Homburg Capital Securities A

No Canadian withholding tax will apply to interest or principal paid or credited to a Holder by the Company or to the proceeds received by a Holder on the disposition of Homburg Capital Securities A including a redemption, payment on maturity or purchase for cancellation.

No other tax on income or gains will be payable by a Holder on interest or principal or on the proceeds received by a Holder on the disposition of Homburg Capital Securities A including a redemption, payment on maturity or purchase for cancellation.

Ownership of Class A Preferred Shares

Currency Conversion

For purposes of the Tax Act, all amounts relating to the acquisition, holding, redemption or disposition of the Class A Preferred Shares must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act. The amount of dividends, including any deemed dividends arising on a redemption, and capital gains or capital losses realized by, a Holder may be affected by fluctuations in the Canadian Dollar/Euro exchange rate.

Dividends

Dividends paid or credited on the Class A Preferred Shares to a Holder or deemed to be paid or credited on the Class A Preferred Shares to a Holder (on the redemption of such shares or otherwise) will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Holder is entitled under any applicable income tax convention between Canada and the country in which the Holder is resident. For example, where the Holder is a resident of The Netherlands entitled to benefits under the Canada-Netherlands Tax Treaty, the applicable rate of Canadian withholding tax is generally reduced to 15%.

If the Company redeems Class A Preferred Shares, the Holder will be deemed to have received a dividend equal to the amount, if any, by which the redemption proceeds paid by the Company exceed the paid-up capital of such shares at such time as computed for purposes of the Tax Act.

Disposition

Class A Preferred Shares will be "taxable Canadian property" to the Holder for purposes of the Tax Act. Accordingly, a Holder will be subject to tax under the Tax Act on any capital gain realized on a disposition of Class A Preferred Shares, unless the Holder is entitled to relief under an applicable income tax convention between Canada and the country in which the Holder is resident. For example, where a Holder is a resident of The Netherlands entitled to benefits under the Canada-Netherlands Tax Treaty and the Holder and persons related to the Holder do not own 10 per cent or more of the shares of any class of the capital stock of the Company, the Holder generally will not be subject to Canadian tax on a capital gain realized on the disposition of Class A Preferred Shares. In the absence of such treaty relief, a Holder will be subject to tax under the Tax Act on one-half of the amount of any capital gain (a "taxable capital gain") realized in the year on a disposition of Class A Preferred Shares, including on a redemption of such shares. A Holder's capital gain (or capital loss) on the disposition of a Class A Preferred Share will equal the amount, if any, by which the Holder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Holder of the Class A Preferred Share immediately before the disposition or deemed disposition. The adjusted cost base to the Holder of a Class A Preferred Share will be determined by averaging the cost of such shares with the adjusted cost base of all other Class A Preferred Shares owned by the Holder as capital property at that time.

Where Class A Preferred Shares are redeemed by the Company, for purposes of computing the capital gain or capital loss arising on the disposition of such shares, the amount by which the redemption proceeds paid by the Company exceed the amount of any deemed dividend arising on redemption will be treated as proceeds of disposition.

The notification and withholding provisions of section 116 of the Tax Act will apply to Holders on the disposition of Class A Preferred Shares. Holders should consult their own tax advisors with respect to the potential income tax consequences to them of such provisions.

7.2 Taxation in The Netherlands

The following is a summary of the material Dutch tax consequences of the ownership of Homburg Capital Securities A. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase Homburg Capital Securities A, and prospective investors should consult their professional advisors as to the tax consequences of their purchase, ownership and disposition of these securities, including the consequences under applicable federal, state, local and foreign law. In particular, the summary does not address the tax treatment of holders subject to special tax rules, such as banks, insurance companies and dealers in securities. This summary should not be read as extending by implication to matters not specifically discussed herein. The Dutch rules applying to holders of a "substantial interest", in broad terms, individuals who hold or have held directly or indirectly, either independently or jointly with certain close relatives, at least 5% of the nominal paid-up capital of any class of shares in the Homburg Invest Inc. - or rights to acquire such shares - are not addressed in this summary other than in general terms.

The descriptions of the Dutch tax laws and practices set forth below are based on the statutes, regulations, rulings, judicial decisions and other authorities in force and applied in practice on 1

January 2009, all of which are subject to change (possibly with retroactive effect) and differing interpretations. In this description Dutch legal concepts are sometimes expressed in English terms and not in their original Dutch terms. These concepts may not be identical to the concepts designated by the same English term, as they exist under the laws of jurisdictions other than The Netherlands.

In this section we will address the relevant Dutch personal income tax, corporate income tax and gift, estate and inheritance tax aspects of the ownership of the Homburg Capital Securities A and the Class A Preferred Shares.

1. Personal income tax on interest received by private individuals

Under the Dutch Personal Income Tax Act 2001, income is divided into three separate "boxes" each of which is governed by its own rules:

Box I (work and private residence) includes business and employment income, income from receivables and income from assets made available to a company in which the individual holds a substantial shareholding and income from the main private residence;

Box II (substantial interest) includes dividend income and capital gains from substantial shareholdings; and

Box III (savings and investments) covers passive income from capital.

Losses from one box can, in principle, not be offset against income from another box. The elements of income will be allocated to the spouse or partner that has received the income. A summary of the box system is described below in respect of the Homburg Capital Securities A and any Series of Class A Preferred Shares.

1.1 Resident individuals of The Netherlands and certain non-resident individuals that have elected to be taxed as a resident

Box I (work and private residence)

An individual Dutch investor who holds Homburg Capital Securities A or any Series of Class A Preferred Shares as business assets of an enterprise which is, in whole or in part, carried on for the account of the investor, is liable to income tax on interest and dividends derived from the Homburg Capital Securities A or any Series of Class A Preferred Shares at the progressive rates of Box I, the maximum rate being 52%.

Box II (substantial interest)

Income from substantial interests (broadly, shareholdings of at least 5% in the share capital of the Corporation – or in any class of shares of the Corporation- including rights to acquire such shareholdings) is taxed in Box II. The tax rate amounts to 25%. Losses from a substantial interest may only be offset against income from a substantial interest and not against income from Box I (work and private residence) or Box III (savings and investments). There is a possibility for a credit for losses not compensated against the income tax liability of Box II. Such tax credit is limited to 25% of the amount of the loss, and can only be claimed on condition that the holder of the substantial interest has sold all of that interest and holds no such interest in another entity. Interest related to the financing of a substantial interest is only deductible against the 25% rate.

If a Dutch resident private individual (either directly or indirectly) holds a substantial interest in Homburg Invest Inc., then any income derived from the Homburg Capital Securities A (and capital gains realized on these securities) as well as income from other assets which are made available to the company, are not taxable in Box II, but in Box I. Stock dividends received/derived will not be considered to form taxable income in Box II at the moment of receipt. The purchase price of such stock dividend will in principle amount to zero.

Box III (savings and investments)

Income derived from capital (savings and investments) is taxed according to the regime of Box III. Taxable income is determined annually on the basis of a fictitious – i.e. deemed – return on capital. This deemed return has been fixed at 4% of average net capital, assets less liabilities at market value, on 1 January and 31 December of any year. In this respect, assets and liabilities relating to income from Box I and Box II are not taken into account. The taxable income is computed without regard to the actual income and capital gains received. Thus, if actual income exceeds 4%, tax will still only be levied on the basis of 4%. On the other hand, there is no reduction in tax if the actual income is less than 4%. The deemed income is taxed at 30%.

In principle, under the provisions of the Personal Income Tax Act 2001 and the Dutch – Canadian tax treaty Canadian withholding tax may be credited against the income tax liability, subject to certain limitations. This credit may also be available against tax under Box III.

2. Dutch corporate income tax on interest and dividends received by companies

2.1 Companies resident in The Netherlands

Under the Dutch Corporate Income Tax Act 1969, interest and dividends received on the Homburg Capital Securities A and on any Series of Class A Preferred Shares is in principle taxed at the ordinary Dutch rate. The maximum corporate income tax rate in 2009 is 25.5%. Dutch corporations that are the beneficial owner of the interest or dividends are entitled to a tax credit for the Canadian withholding tax withheld against its Dutch corporate income tax under The Netherlands-Canadian tax treaty. This is subject to certain limitations.

If a corporate shareholder (either directly or indirectly) holds at least 5% of the nominal paid up capital in Homburg Invest Inc, special rules could apply to income derived from the Homburg Capital Securities A and/or any Series of Class A Preferred Shares . These will not be discussed in this Prospectus.

3. Personal income tax and corporate income tax on capital gains in respect of Homburg Capital Securities A and of any Series of Class A Preferred Shares

3.1 Residents of The Netherlands

In principle, capital gains derived from the sale of Homburg Capital Securities A and/or any Series of Class A Preferred Shares by an individual that resides, or is deemed to reside, in The Netherlands are not subject to Dutch personal income tax provided the Homburg Capital Securities A or any Series of Class A Preferred Shares do not form part of a substantial interest and cannot be attributed to the enterprise of that individual. Capital gains realised on the disposal of Homburg Capital Securities A and/or any Series of Class A Preferred Shares that form part of a substantial interest of an individual are subject to tax in Box II at the special 25% rate. If the Homburg Capital Securities A and/or any Series of Class A Preferred Shares form part of the business assets of an enterprise carried on, in whole or in part, for the account of an individual, the capital gain is subject to personal income tax at the ordinary progressive rates of Box I, currently up to 52%.

If the Homburg Capital Securities A and/or any Series of Class A Preferred Shares are held by a Netherlands resident entity, any capital gains derived from the sale of these Securities and/or any Series of Class A Preferred Shares are subject to corporate income tax at 25.5%. Again, if a corporate shareholder (either directly or indirectly) already holds at least 5% of the nominal paid up capital in Homburg Invest Inc, special rules could apply to income derived from the Homburg Capital Securities A. These will not be discussed in this prospectus.

4. Gift, estate or inheritance tax in The Netherlands

Gift tax, estate and inheritance tax is due in The Netherlands with respect to the gift or inheritance of the Homburg Capital Securities A and/or any Series of Class A Preferred Shares if the donor or deceased who owned the shares:

- is or was a resident or is or was deemed to be a resident in The Netherlands; or

- has or had an enterprise or an interest in an enterprise, other than as shareholder, which in its entirety or in part carries, or carried on business in The Netherlands through a permanent establishment or permanent representative to which or to whom the ordinary shares are or were attributable.

No gift, estate or inheritance tax arises in The Netherlands on a gift of the Homburg Capital Securities A and/or any Series of Class A Preferred Shares by, or on the death of, a holder of the ordinary shares who at the moment the gift is made is neither a resident nor deemed to be a resident of The Netherlands, provided that:

- such holder does not die within 180 days after having made a gift, while at the time of his death being a resident or deemed resident of The Netherlands; and
- the Homburg Capital Securities A and/or any Series of Class A Preferred Shares are not attributable to an enterprise which in its entirety or in part is carried on through a permanent establishment or a permanent representative in The Netherlands and which enterprise the donor or the deceased owned, or in which enterprise the donor or the deceased owned an interest, other than as a shareholder.

If the donor or the deceased is an individual who holds the Dutch nationality, he will be deemed to be resident in The Netherlands for purposes of Dutch gift and inheritance taxes if he has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. If the donor is an individual who does not hold Dutch nationality he will be deemed to be resident in The Netherlands for purposes of Dutch gift tax if he has been resident in The Netherlands at any time during the twelve months preceding the date of the gift.

Furthermore, in exceptional circumstances, the donor or the deceased will be deemed to be resident in The Netherlands for purposes of Dutch gift and inheritance taxes if the beneficiary of the gift, or all beneficiaries under the estate jointly, as the case may be, make an election to that effect.

EU Savings Directive

On 7 June 2005, the last necessary approval for the EU Savings Directive ("**Directive**") was granted by the EU's council of Economic and Finance Ministers. Therefore, the Directive has come into effect on 1 July 2005. The Directive requires the disclosure of information by paying agents in EU member states and certain other countries and territories. These paying agents are required to provide to the Tax Authorities of other EU member states details of payments of interest and other similar income paid to individual beneficial owners resident in that other EU member state. Austria, Belgium, Luxembourg and certain other countries and territories will instead of disclosure impose a withholding tax on such payments. As from 1 July 2005 the withholding tax will amount to 15%. On 1 July 2008 and 1 July 2011, the percentages will be increased to 20% respectively 35%.

8. REGISTRATION DOCUMENT

8.1 Important information

This Prospectus comprises a prospectus for the purposes of the Prospectus Directive and the Dutch securities laws. Homburg Invest Inc. accepts responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of Homburg Invest Inc. (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information included in the Prospectus reflects the position at the date of this document and under no circumstances should the issue and distribution of the Prospectus after the date of its publication be interpreted as implying that the information included herein will continue to be correct and complete at any later date.

The Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Included by Reference*"). The Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus. No other document or information, including the contents of the website of Homburg Invest or websites accessible from hyperlinks on the website of Homburg Invest, forms part of, or is incorporated by reference into, this Prospectus.

In connection with the issue and offering of the Homburg Capital Securities A, no person has been authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Certain statements contained in this Prospectus are forward-looking statements. Forward-looking statements generally can be identified by the use of terms such as "may", "will", "expect", "intend", "anticipate", "believe", "estimate", "continue" or similar terms. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are outside of the Company's control and are not possible to predict and which may cause actual results to differ materially from any future results expressed or implied in the forward-looking statements. These forward-looking statements are based on current expectations, estimates, forecasts, projections about the industries in which the Company operates, management's beliefs and assumptions made by management about future events. Prospective investors are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of the Prospectus and are neither predictions nor guarantees of future events or circumstances.

Homburg Invest undertakes no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances after the date of the Prospectus or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws and regulations or by any appropriate regulatory authority.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Homburg Capital Securities A in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Homburg Capital Securities A may be restricted by law in certain jurisdictions. Homburg Invest does not represent that the Prospectus may be lawfully distributed, or that the Homburg Capital Securities A may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Homburg Invest which is intended to permit a public offering of the Homburg Capital Securities A or the distribution of the Prospectus in Canada or in any other jurisdiction where action for that purpose is required. Accordingly, no Homburg Capital Securities A may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Homburg Capital

Securities A may come must inform themselves about, and observe, any such restrictions on the distribution of the Prospectus and the offering and sale of Homburg Capital Securities A. In particular, there are restrictions on the distribution of the Prospectus and the offer or sale of Homburg Capital Securities A in Canada, the United States and the United Kingdom, see "*Restrictions*". Restrictions (below) lists US, Canada, Australia and Japan.

The Homburg Capital Securities A are not being offered for sale in Canada and have not been and will not be qualified for distribution in Canada by the filing of a prospectus with any securities regulatory authority or commission in Canada.

The Homburg Capital Securities A have not been and will not be registered under the U.S. Securities Act of 1933 (the **Securities Act**). Subject to certain exceptions, Homburg Capital Securities A may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). For a further description of certain restrictions on the offering and sale of the Capital Securities A and on distribution of this document, see "*Restrictions*" below.

Each purchaser of Homburg Capital Securities A must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Homburg Capital Securities A or possesses or distributes this Prospectus and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Homburg Capital Securities A under the laws or regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and Homburg Invest shall not have any responsibility therefore.

Terms defined in Chapter 6 (Trust Indenture) and not otherwise defined in the Prospectus have the same meaning herein.

This Prospectus is governed by and construed in accordance with the laws of The Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts are to have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Prospectus. Accordingly, any legal action or proceedings arising out of or in connection with this Prospectus, must be brought exclusively in such courts.

Homburg Invest has retained Homburg Participaties, an investment firm licensed pursuant to Section 2:96 of the Financial Supervision Act, as co-ordinator of the Issue.

Where information has been sourced from a third party, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by such party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

8.2 Restrictions

General

The Issue, the distribution of the Prospectus, any related materials and the making of an offer may, in certain jurisdictions other than in The Netherlands, including, but not limited to, the United States, Canada, Australia and Japan, be restricted by law. This Prospectus does not constitute an offer in countries in which such offer would be illegal. Therefore, persons into whose possession this Prospectus or any related materials comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Homburg Invest does not accept or assume any responsibility or liability for any violation by any person of any such restrictions.

United States, Canada, Australia and Japan

No offer is being made, directly or indirectly, in or into the United States, Canada, Australia or Japan or to any U.S. person (as defined in Regulation S under the Securities Act, as amended), or by use of the mails, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange, of the United States, Canada, Australia or Japan. This includes, but is not limited to, post, facsimile transmission, telex or any

other electronic form of transmission and telephone. Accordingly, copies of the Prospectus and any related other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from the United States, Canada, Australia or Japan. Persons receiving this Prospectus and/or such other documents must not distribute or send them in, into or from the United States, Canada, Australia or Japan, or use such mails or any such means, instrumentality or facilities for any purpose directly or indirectly in connection with the Issue. As used in this section, the 'United States' means the United States of America, its territories and possessions, any states of the United States of America and the District of Columbia.

European Union

No offer of Homburg Capital Securities A is being made in a Member State which has not implemented the Prospectus Directive. In the event a Member State has implemented the Prospectus Directive, no offer of Homburg Capital Securities A will be made to the public of such Member State prior to the publication of a prospectus in relation to the Homburg Capital Securities A, which has been approved by The Netherlands Authority for the Financial Markets and notified to the competent authority in such Member State in accordance with the Prospectus Directive. However, Homburg Invest may, with effect from and including the implementation date of the Prospectus Directive, make an offer of Homburg Capital Securities A in such Member State at any time:

- a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- b) to any legal entity which complies with two or more of the following criteria: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- c) under any circumstances which do not require the publication by Homburg Invest of a prospectus pursuant to Article 3 of the Prospectus Directive as such provision has been implemented into the laws of such Member State in which the offer is made,

provided that Homburg Invest does not require additional licenses or approvals in such Member State in relation to its activities as an investment company, similar to the Financial Supervision Act or any other governmental approvals in any way, shape or form.

For the purposes of this provision, an "offer of Homburg Capital Securities A in any Member State" means the communication in any form and by any means of sufficient information on the terms of the Issue and the Homburg Capital Securities A to be offered so as to enable an investor to decide to purchase Homburg Capital Securities A as outlined by the Issue, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in such Member State.

9. INFORMATION ON HOMBURG INVEST

9.1 Profile

Homburg Invest Inc. is a publicly traded real estate investment company and was incorporated on 8 September 1999 as Basic Realty Investment Company under the Business Corporations Act (Alberta). Its name was changed to Homburg Invest Inc. in 2001. The commercial name of Homburg Invest Inc. is Homburg Invest.

Homburg Invest, has its registered office in Calgary, Alberta and its head office in Halifax, Nova Scotia, Canada. Homburg Invest and its Subsidiaries own a diverse portfolio of real estate including office, retail, warehouse and residential apartment and townhouse properties throughout Canada, the United States and Europe (Germany, Baltics and The Netherlands). 100% of the portfolio is, directly or indirectly, invested in real estate. The Company also owns land assets for development in the provinces of Alberta, Quebec, and Prince Edward Island in Canada. The aim is to grow Homburg Invest substantially, to CAD 8 billion in real estate assets, therefore assets are only acquired when they are intended to be accretive to shareholder value. In general the proceeds of share and bond issues are used for the acquisition of real estate and other general corporate purposes. The combination of share issues at price levels above net asset value and the subsequent acquisition of real estate will have a positive impact on earnings per share.

Homburg Invest is a Canadian company whose Class A Shares and Class B Shares are listed on the TSX and whose Class A Shares are dual listed on Euronext Amsterdam. Homburg Invest is controlled by Mr. Richard Homburg. Mr. Richard Homburg controlled 46.12% of the aggregate issued and outstanding Class A Shares and Class B Shares, representing 71.75% of all votes as at 1 December 2008.

The properties of Homburg Invest and its Subsidiaries are managed by Homburg Canada Incorporated through asset and property management agreements. Homburg Canada Incorporated is a company controlled by Mr. Richard Homburg.

Homburg Invest has obtained a license to operate as an investment institution as defined in Section 2:65 Financial Supervision Act. The license of Homburg Invest is available for inspection at the office of the Homburg Invest office (located in Halifax) and can be downloaded from www.homburginvest.com. Any person may request a copy of the license, which will be provided free of charge. All information which must be filed with the chamber of commerce as a result of legislation can be obtained at the offices of Homburg Invest free of charge, and in addition this information can also be viewed and downloaded from www.sedar.com. In case the Company intends to request an amendment of the license, the Company will announce a request to the AFM under Section 1:104 lid 1 sub a of the Financial Supervision Act on its website and in a Dutch newspaper (*Het Financieele Dagblad*).

The Board of Directors is committed to a high standard of corporate governance practices. The Issuer has generally adopted the corporate governance guidelines set out in National Policy 58-201 *Corporate Governance Guidelines*. The financial statements of Homburg Invest disclose all material related party transactions. In addition, at Board of Director meetings, if a Director concludes that he or she is in conflict they have an obligation to state (declare) clearly that "I have a conflict" or "I am in a conflicting situation" and to explain the nature of the conflict. In so doing any director declaring a conflict should abstain from voting on the matter being discussed, except in the limited circumstances provided in the Business Corporations Act (Alberta) ("ABCA").

There are no arrangements or understandings with any persons pursuant to which any Officer or member of the Board of Directors was appointed. Further, with the exception of options to acquire Class A Shares which are disclosed in accordance with applicable securities regulations and herein under Chapter 9.2.6, there are no arrangements with respect to the acquisition or disposal of the shares of Homburg Invest relating to Officer or Board of Directors appointments.

The Class A Shares and Class B Shares are listed on the TSX and thus Homburg Invest has reporting requirements to the TSX. There is no national or federal securities regulator in Canada. Each province and territory has its own securities commission or similar regulatory

authority. Homburg Invest is a reporting issuer or equivalent in all provinces and territories of Canada where such status exists. The TSX is owned and operated by TSX Group Inc., a public company incorporated in Ontario, Canada. Investment Industry Regulatory Organization of Canada is the market regulation services provider for Canadian equity markets, including the TSX. Reporting is done electronically through The System of Electronic Document Analysis and Retrieval. ("SEDAR") (www.sedar.com).

As an Euronext Amsterdam listed investment company, Homburg Invest is subject to supervision by the AFM and for certain matters relevant to prudential supervision, by the Dutch Central Bank (*De Nederlandsche Bank*).

Homburg Invest reports its financial results under both Canadian Generally Accepted Accounting Principles (Canadian GAAP) and International Financial Reporting Standards (IFRS). All financial information included in this Prospectus is based on Issuer's IFRS financial results.

9.1.1 Important events

The most significant transactions and events during the last several years were:

- June 2005, the acquisition of 11 properties in Germany and The Netherlands for costs of \$495.4 million;
- March 2006, obtained secondary listing on Euronext Amsterdam;
- May 2006, the acquisition of 12 buildings in Germany for \$610.4 million;
- June 2006, completed a public share offering in The Netherlands, issuing 14.3 million Class A Shares, and raising \$67.3 million;
- June 2006, the acquisition of 4 buildings in The Netherlands for \$199.9 million;
- April 2007, the acquisition of 17 buildings in Quebec, Canada through the Alexis Nihon transaction for \$552.6 million;
- June and July 2007, completed a public share offering in Canada, issuing 41.6 million Class A Shares, and raising \$218.6 million;
- December 2007, the acquisition of the CN Central Station Complex in Montreal, Canada for \$369.4 million;
- December 2007 and March 2008, the acquisition of 54 buildings in the Baltics for \$221.9 million; and,
- December 2007, the acquisition of an 80% interest in 9 limited partnerships in the US for \$139.4 million.

For the period from 30 September 2008 to the date of the Prospectus, the Company completed one additional property acquisition in October 2008 wherein it acquired 2 properties in The Netherlands for approximately \$37.6 million

9.1.2 Activities

Homburg Invest's business is the acquisition, development, management and occasionally the divestment of real estate. The focus is primarily on income producing, commercial properties. The portfolio also includes some multi-unit residential properties and also land assets for development in Alberta, Quebec and Prince Edward Island, Canada. In addition, Homburg Invest has strategic investments in other real estate companies.

Management of real estate

The asset and property management activities of Homburg Invest and its Subsidiaries are conducted through asset and property management agreements. These management activities include, acquiring and disposing of real estate, mortgaging and charging real estate, contracting for service, banking, appointment of auditors, capital distributions, sale and acquisition of limited partnership units.

Almost all assets of Homburg Invest and its Subsidiaries are managed under property operating agreements and asset management agreements with Homburg Canada Incorporated.

Divestment of real estate

While Homburg Invest and its Subsidiaries invest in real estate as a long-term investment, attractive opportunities to divest occasionally present themselves that are worthy of further consideration.

Development of real estate

Homburg Invest's strategy in Alberta, is to focus on real estate development and redevelopment rather than acquisitions. Reductions in capitalisation rates in Alberta and the opportunity to acquire development properties and land allows Homburg Invest to consider relevant opportunities in Alberta. A capitalisation rate is the rate used to discount rents related to a property which provide an estimate of the market value of that property.

Acquisition of real estate projects and development projects

Homburg Invest is constantly looking for acquisitions throughout Canada, the United States and Europe. As at 30 September 2008, Homburg Invest owned 260 properties with an estimated fair value of CAD \$3.8 billion represented by approximately 20.2 million square feet.

Once opportunities are identified and letters of intent or term sheets are signed, a due diligence on the financial, structural and environmental aspects of each project is performed in order to determine if that project is appropriate for Homburg Invest.

More than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information. Real estate acquired in the past has sometimes been partially paid for in shares. Future acquisitions may also be paid partially in shares. This will limit the cash outflow consequences of Homburg Invest's expansion plans.

Strategic investments

Homburg Invest also holds, through a Subsidiary, 50,000 common shares, which represent approximately 0.1% of the outstanding shares, of Cedar Shopping Centers, Inc., a real estate investment trust listed on the New York Stock Exchange.

There are no known past changes in government regulations or tax regulations in Canada, the US, and Europe that had adversely affected operations of the Company and its Subsidiaries or will adversely affect future operations of the Company and its Subsidiaries in those countries.

9.1.3 Structure

Homburg Invest's corporate structure is designed to minimize financial and legal risks. This is accomplished through the use of limited partnerships. In this structure there are two kinds of partners to an asset: a limited partner and a general partner. The limited partner is the equity investor and beneficial holder, which means this partner is entitled to the economic proceeds and the general partner is the operational manager of the assets.

Individual property risk

Homburg Invest holds the majority of the real estate assets through special purpose limited partnerships. Each of these partnerships was established to acquire a specific real estate asset or assets. Each limited partnership is named Homco Realty Fund Limited Partnership (**Homco**), and can be identified by the number granted to the limited partnership (e.g. Homco Realty Fund (1) Limited Partnership, abbreviated to Homco 1).

This structure allows Homburg Invest to separate the operational management activities from the economic beneficial ownership of the real estate assets. Homburg Invest is the sole limited partner, except for Homcos 20, 21, 22, 26, 49 and 140 in which Homburg Invest holds less than 100%. The majority in these six limited partnerships are held by third parties.

This Homco structure is used for several reasons. Primarily, it permits Homburg Invest to obtain financing without providing collateral security or general corporate guarantees as each asset is treated as a stand-alone entity. As a result, a poor performing property will in principle only affect the Subsidiary which owns the asset. The maximum exposure of Homburg Invest to each of the properties is therefore in principle limited to the amount of equity invested in the Subsidiary. In addition, the purchase or sale of limited partnership units does not attract land transfer taxes. It also provides a measure of financial reporting discipline, as each limited

partnership is accounted for as a stand-alone entity. Finally, the structure allows all the entities to be effectively consolidated for Canadian income tax purposes.

Flow of funds

Certain Homcos in which the Company is the sole limited partner do not maintain separate bank accounts, all funds in respect of those particular Homco's flow through the accounts of the Company.

Each month, Homburg Canada Incorporated will invoice the Company for services rendered in respect of the property pursuant to asset management agreements. The Company will pay on behalf of the Homcos, and allocate to each of the Homcos the relevant amount.

Based on the year end financial statements of each Homco, the profit will be determined. This profit will be distributed to the limited partner(s) of each Homco. With respect to the Homcos without separate bank accounts, the profits to which the Company is entitled as limited partner are paid from an account held by the Company. As a result, this payment has the impact of reducing the inter-company receivables which the Company holds on the Homco.

General partner

All Homcos are managed by the general partner as defined in the limited partnership agreement. The general partner for each Homco in most instances is Homburg LP Management Incorporated, a subsidiary of Homburg Canada Incorporated.

On behalf of each Homco, the general partner has entered into property and asset management service agreements with Homburg Canada Incorporated. Services which are provided, pursuant to these agreements, include general management and repair services, as well as strategic planning and marketing, advising on the purchase and sale of properties and finance management.

Homburg LP Management Incorporated, as the general partner, has full power and authority to transact the business of the partnership and to deal with the assets for the use and benefit of the partnership. For these purposes, the general partner has sole, complete and unfettered power and authority to manage and conduct the business of the limited partnership and to do everything required in connection with the limited partnership including, but not limited to, acquiring and disposing of real estate, mortgaging and charging real estate, contracting for service, banking, appointment of an auditor, capital distributions, sale and acquisition of limited partnership units.

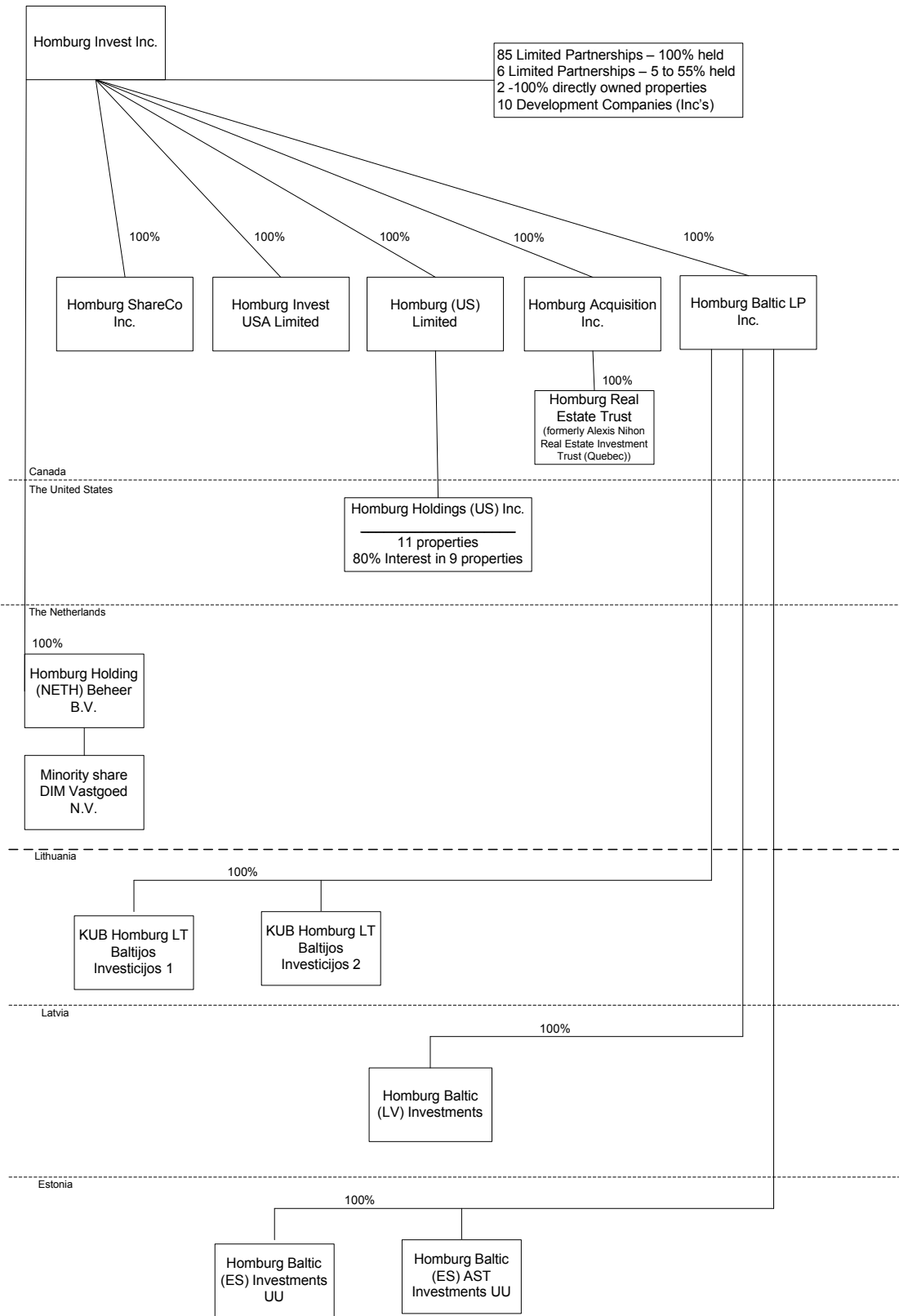
The general partner does not receive remuneration for services rendered to Homcos, except for the Homcos in which the Company has less than 100% ownership (see Chapter 9.2.7).

According to the laws of Nova Scotia, Canada, each limited partnership must distribute all net profits to its limited partner(s).

As the limited partner, Homburg Invest cannot direct Homburg LP Management Incorporated as the general partner, and can only remove Homburg LP Management Incorporated as the general partner of a limited partnership upon bankruptcy of Homburg LP Management Incorporated or default under the applicable limited partnership agreement.

Schedule

Homburg Invest holds its interests in the limited partnerships as a limited partner. The schedule below sets forth the interests of Homburg Invest as of 31 December 2008.



9.2 General information

9.2.1 Head office, registered office and registrar and transfer agent

Head office and business address

Homburg Invest Inc.
Suite 600
1741 Brunswick Street
Halifax
Nova Scotia, B3J 3X8
Canada
Tel: 001 902 468 3395
Fax: 001 902 468 2457
Internet: www.homburginvest.com

All Directors and Officers have chosen the business address of Homburg Invest as their business addresses.

Registered Office

Macleod Dixon LLP
3700 Canterra Tower
400 Third Ave. S.W.
Calgary AB, Canada
T2P 4H2

Registrar and Transfer Agent

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, ON M5C 2W9
CANADA

Homburg Invest is incorporated in the Province of Alberta, Canada with Alberta Registrar of Corporations corporate access number 2010010615.

9.2.2 Homburg Invest Board of Directors and Officers

BOARD OF DIRECTORS:

RICHARD HOMBURG, (1) *Dr. Comm.*

Richard Homburg is the Chairman of the Board of Directors and Chief Executive Officer of the Company, Chairman of the executive board of Homburg N.V., Chairman and member of the board of management of Homburg Canada and Chairman of Homburg Uni-Corp Inc. Mr. Homburg is also a member of the board of directors of Cedar Shopping Centers.

Born and educated in the Netherlands, Mr. Homburg came to Canada at the age of 23 and started to expand the import/export business he had started as a teenager. Profits from his business were invested in real estate. These investments in real estate expanded from Atlantic Canada to Alberta, British Columbia and into the United States. In 1991, Mr. Homburg became Chief Executive Officer of Uni-Invest N.V., a publicly listed Dutch real estate fund. In 2002, Uni-Invest N.V., one of the largest real estate funds in the Netherlands, was acquired by a consortium that included Lehmann Brothers Real Estate Partners.

In addition to his varied business interests, Mr. Homburg has served on many boards of directors, including those of Investment Property Owners of Nova Scotia (of which he is also a former president), Evangeline Trust and the World Trade Center in Eindhoven, the Netherlands, as well as on the board of directors and advisory boards of other large charitable organizations.

MICHAEL H. ARNOLD, (2) CA,

Michael H. Arnold is the Vice Chairman of the Board of Directors. He was born in Summerside, Prince Edward Island, Canada. He obtained his Chartered Accountancy designation in Québec in 1966 through McGill University and the Québec Institute of Chartered Accountants, while working for accounting firm MacDonald, Currie & Co. Furthermore, he worked as sessional lecturer at Prince of Wales College from 1967 to 1969 and assistant professor of Business Administration at the University of Prince Edward Island from 1969 to 1973.

He has been involved in a number of business activities over the years, including the acquisition and management of Holman's of P.E.I., a department store chain in Halifax. Through his company Dyne Holdings Limited, he developed Confederation Court Mall, National Bank Tower and BDC Place in Charlottetown, Prince Edward Island. After successfully owning and operating these properties for many years, he sold them to Homburg in 1999.

Mr. Arnold is currently President of Dyne Holdings Limited, a member of the boards of directors of SpellRead PAT Learning Systems and Diagnostic Chemicals Limited and a member of the Institute for Chartered Accountants.

RUDOLF D. BAKHUIZEN, (3)

Rudolf D. Bakhuizen is a member of the supervisory board of Homburg N.V. He was born in Hilversum, the Netherlands. He is an educated and experienced building constructor. In the early seventies, his focus shifted from construction to real estate.

Mr. Bakhuizen is a seasoned real estate expert, with a vast experience in real estate management, operation and acquisition. He has led many real estate companies as Chief Executive Officer, such as Hooze Readt Groep B.V.

He is currently Chief Executive Officer of Huis en Haard Beheer B.V., a real estate investment company. He is also a director of the Dutch charitable organizations General Association of Third World Aid Shops (Algemene Vereniging van Wereldwinkels) and the Femi Foundation (as Chairman).

DR. TREVOR CARMICHAEL

Trevor A. Carmichael was born in Barbados and educated at Harrison College and the University of the West Indies, Mona, Jamaica. After pursuing post graduate studies in the United States, he was called to the United Kingdom Bar. He is a former Deputy Secretary General of the International Bar Association, a Life Fellow of the Institute for Advanced Legal Studies in the United Kingdom, a Life Member of the Commonwealth Magistrates and Judges Association and a member of the International Law Association.

Dr. Carmichael is a panel member of the International Centre for Settlement of Investment Disputes of the World Bank in Washington. He is also a member of the Legal Affairs and Properties Committee of the International Council of Museums in Paris, France. Dr. Carmichael has been the keynote speaker at the Canadian Condominium Institute's Annual Meetings in Toronto, Canada. He is a recipient in the National Honours List of the Silver Crown of the Merit for his contribution to law, financial services and the preservation of the national heritages.

Dr. Carmichael is a Principal of Chancery Chambers, a Barbados-based law firm engaged primarily in international business law, environmental law and the law relating to charities.

WALTER R. FITZGERALD, (5)

Walter R. Fitzgerald was born in Halifax. He attended Dalhousie University where he obtained a Bachelor's Degree (1958), a Bachelor in Education Degree (1959) and a Master's Degree (1960).

Mr. Fitzgerald began his career as a teacher and administrator. He was elected alderman for the city of Halifax in 1966. In 1971, he was elected mayor of Halifax. In total, Mr.

Fitzgerald has been alderman for 10 years and mayor for 14 years spread over several terms. In between the aforementioned terms, he was a member of the Legislative Assembly in the province of Nova Scotia for six years and was made a member of the Cabinet as Minister of Labour and Minister responsible for Housing.

Furthermore, Mr. Fitzgerald remains involved in many boards and commissions. Amongst others, he was Chairman of the Halifax County Residential Tenancies Board and President of the Halifax Homeowners Association.

EDWARD P. OVSENNY, (6)

Edward P. Ovsenny is a Commerce and Finance graduate from the University of Toronto. As a retiring Vice President of Mortgage Real Estate Investments for the Canada Life Insurance Company, he has 24 years of experience in commercial real estate financing and portfolio management of Canada Life's Canadian and U.S. mortgages.

Mr. Ovsenny has served on numerous Canada Life and investment industry committees and advisory groups. Other distinctions include his standing as a Fellow of the Life Management Institute and successful completion of the Executive MBA programme at Queen's University.

Mr. Ovsenny is Principal of Ovsenny Advisors Real Estate Consultants. In addition, he is a member of the board of directors of the Canada Life Insurance Company and serves on its Audit and the Conduct Review Committee of the Canada Life Insurance Company.

GEORGE EDWARD ANTHONY PACAUD

Mr. Pacaud was born in Montreal, Quebec. He received his B.Sc. Degree in 1961 from Bishop's University and a law degree from Dalhousie University in 1964. In 1975 he enrolled in the Advanced Management Program at Harvard University and then in 2006 he completed his education with a Director's course from the University of Toronto.

Mr. Pacaud started his career by articling and practicing with Osler Hoskin & Harcourt from 1966 to 1969. He joined M.E.P.C. Canadian Properties Limited in 1970 in the capacity of Senior VP and Secretary and then as Director. In 1976 he became Senior VP at Morguard Properties Limited, which managed the Assets of M.E.P.C. In 1980 LePage hired Mr. Pacaud as President/Director to form and manage Penlea Investments Ltd. a pension investment vehicle owned by Air Canada, HOOP, OMERS and Bell Canada. In 1982 he became President/Chairman for Greiner – Pacaud Management Associates in which he formed GPMA to carry out discretionary, national real estate investment and development activities for several closed end pools owned by Canadian Pension Funds. For eight years he served as Director and Vice Chairman of Integrated Asset Management Corporation and in March 2007 he resigned from the Corporation board and retired from GPMA.

OFFICERS:

RICHARD HOMBURG, *Dr. Comm, Chief Executive Officer*

See under "*Board of Directors*"

Drs. J. RICHARD STOLLE, (7)

J. Richard Stolle is the President and Chief Operating Officer of the Company. He is responsible for all of the operational aspects of the Company.

Mr. Stolle has a Masters Degree in Economics (Drs.) from Erasmus University in Rotterdam and worked for ABN AMRO Bank before joining Uni-Invest N.V. From 1993 to 2002, Mr. Stolle was Chief Financial Officer of Uni-Invest N.V. and from 2002 to 2005 was Chief Executive Officer of Uni-Invest N.V., at that time a publicly listed Dutch real estate fund. In 2002, Uni-Invest N.V. was acquired by a consortium that included Lehman Brothers Real Estate Partners. At the time of the acquisition by the consortium, Uni-Invest N.V. was one of the largest real estate funds in the Netherlands.

Mr. Stolle is also the Chief Executive Officer of Stollburgh Capital B.V., a private real estate investment and advisory firm and a member of the supervisory board of ActiveInvestor Management B.V., a management company of private investment funds.

JAMES F. MILES, (4) CA

James F. Miles is Vice President Finance and Chief Financial Officer of Homburg. He is responsible for all financial aspects of the Company. In addition, he is Chief Financial Officer and a director of Homburg Canada Incorporated.

Mr. Miles holds a Bachelor's Degree in Commerce from Dalhousie University and is qualified as a Chartered Accountant (New Brunswick) in 1988. He was employed at Grant Thornton LLP for 10 years, where he provided audit and accounting services to clients ranging from owner/manager businesses to public companies.

Mr. Miles is a member of the Institute of Chartered Accountants of Nova Scotia, the Canadian Institute of Chartered Accountants and the Financial Executives Institute.

ASHLEY L. PHILLIPS

Ashley Phillips is the Vice President, Canadian Operations for Homburg and is directly responsible for the operational aspects of the Canadian real estate portfolio.

Mr. Phillips graduated from Acadia University with a Bachelors Degree in Economics. He also graduated from the Building Owners and Managers Institute (BOMA) with the designation of Real Property Administrator (RPA).

Mr. Phillips joined Homburg in 1992 and has covered various aspects of the Company's real estate.

NOTES:

- (1) Mr. Homburg serves as chairman of the executive committee*
- (2) Mr. Arnold serves on the audit committee*
- (3) Mr. Bakhuizen serves on the executive committee*
- (4) Mr. Miles serves on the executive committee*
- (5) Mr. Fitzgerald serves on the audit committee*
- (6) Mr. Ovsenny serves as chairman of the audit committee*
- (7) Mr. Stolle serves on the executive committee*

There are no family relationships between any of the persons named above. Further, none of the persons stated above have been convicted or have been imposed with other legal sanctions in relation to fraudulent offences in the last five years. Moreover, there are no bankruptcies, receiverships or liquidations of any entities in which members of our Board of Directors or Officers held any office, directorships or senior management positions in the last five years.

In addition to the above, there is no official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for at least the previous five years.

There might be a potential conflict of interest for Mr. Richard Homburg and Mr. Rudolf Bakhuizen, respectively, with the interests of the Company due to their shareholdings in the Company. Richard Homburg indirectly controls the majority of the voting stock of Homburg Invest. Mr. Rudolf Bakhuizen has a material relationship with Homburg Invest. No other Director or Officer has a potential conflict of interest.

Remuneration committee

Homburg Invest does not have a remuneration committee as it has no employees.

Audit committee

The audit committee is a sub-committee of the Board of Directors and is composed of Mr. Edward P. Ovsenny (Chairman), Mr. Michael H. Arnold, CA and Mr. Walter R. Fitzgerald, two of whom are independent and all of whom are financially literate (as defined by Canadian laws and regulations).

The audit committee is ultimately responsible for the policies and practices relating to integrity of the Company's financial and regulatory reporting as well as internal controls to achieve the objectives of safeguarding of our assets, reliability of information, and compliance with policies and laws. The audit committee is also responsible for identifying principal risks of the business and ensuring appropriate risk management techniques are in place.

The audit committee charges Management with developing and implementing procedures to:

- ensure internal controls are appropriately designed, implemented and monitored; and
- ensure reporting and disclosure of required information is complete, accurate and timely.

The audit committee reviews the Company's interim unaudited consolidated financial statements and annual audited consolidated financial statements and certain corporate disclosure documents, including the annual information form, Management's discussion and analysis and annual and interim earnings press releases before they are approved by the Board of Directors and makes recommendations to the Board of Directors in respect of the appointment and compensation of the external auditor. Furthermore, it monitors accounting, financial reporting, control and audit functions and regulatory reporting following the execution of the Audit Committee's responsibilities as described in the mandate. The audit committee meets with and has direct independent access to the Company's auditor, Ernst & Young LLP. In addition, the Board of Directors has specifically authorised individual Directors to engage outside advisors at the Company's expense subject to the approval of the Audit Committee.

The audit committee also meets to discuss and review the audit plans of external auditors and is directly responsible for overseeing the work of the external auditor with respect to preparing or issuing the auditor's report or the performance of other audit, review or attest services, including the resolution of disagreements between our executive Officers and the external auditor regarding financial reporting. The audit committee questions the external auditor independently of the executive Officers and reviews a written statement of its independence based on the criteria found in the recommendations of the Canadian Institute of Chartered Accountants.

Powers of the audit committee may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of the committee who would have been entitled to vote on that resolution at a meeting of the Audit Committee. At all meetings of the Audit Committee, every question will be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairman of the meeting will be entitled to a second or casting vote. Resolutions of any committee in writing may be signed in counterparts.

Unless otherwise determined by the Board of Directors, a quorum for meetings of the audit committee will be a majority of its members. The Audit Committee is appointed annually by the Board of Directors and currently consists of three members of the Board of Directors, with a quorum of two being required to conduct the business of the Committee. The Board of Directors may fill vacancies in the audit committee by appointment from among their members. Provided that a quorum is maintained, the audit committee may continue to exercise its powers notwithstanding any vacancy among its members.

The audit committee has recommended to the Board of Directors and the Board of Directors has approved a charter for the Audit Committee. The charter can be found in its entirety in the Company's Annual Information Circular, dated March 28, 2008. The Annual Information Circular is available on SEDAR at www.sedar.com and on the Company's website on www.homburginvest.com.

Executive committee

The executive committee is appointed by the Board of Directors and is composed of Mr. Richard Homburg, Mr. Rudolf Bakhuizen, Mr. Jamie Miles C.A. and Mr. Richard Stolle.

The Board of Directors has constituted an executive committee which shall be comprised of the Chairman of the Board of Directors, the President, Chief Financial Officer and one Director, all of Homburg Invest. The Business Corporations Act (Alberta) requires that certain authority and actions must be retained by the Board of Directors. The duties which must be retained by the Board of Directors include:

- (a) submitting to the shareholders any question or matter requiring the approval of the shareholders;
- (b) filling a vacancy among the Directors or in the office of auditor;
- (c) appointing additional Directors between general meetings of shareholders;
- (d) issuing securities, save for those in the manner and on the terms authorized by the Directors;
- (e) declaring dividends;
- (f) purchasing, redeeming or otherwise acquiring shares issued by Homburg Invest, save for those in the manner and on the terms authorized by the Directors;
- (g) paying certain commissions;
- (h) approving a management proxy circular;
- (i) approving the audited annual consolidated financial statements of Homburg Invest; and
- (j) adopting, amending or repealing the by-laws of Homburg Invest.

The Board of Directors has delegated to the Executive committee, the authority to consider, negotiate and conclude the acquisition or disposal of assets amounting, at fair market value, in the aggregate to no greater than CAD \$100 million.

9.2.3 Personnel and organisation

Homburg Invest is operated through asset management and property management agreements and as a result, Homburg Invest has no employees. Homburg Invest also pays no salaries or benefits including pension or other retirement benefits or termination benefits to the members of the Board of Directors or Officers.

All Directors do receive an annual retainer from the Company for their services in the amount of CAD \$25,000 paid quarterly in arrears. In addition, the Vice-Chair and Chair of the audit committee receive a further \$7,500, in addition to their annual Director's retainer, while audit committee Members receive a further \$5,000 per annum in addition to their annual Director's retainer. Directors are also entitled to be reimbursed by the Company for reasonable travelling and other expenses properly incurred by them for attending meetings of the Board of Directors or any committee thereof. The Officers of the Company do not receive an annual retainer from the Company.

Remuneration of the members of the Board of Directors:

| Remuneration (in CAD unaudited) | 2007 | 2006 | 2005 |
|--|----------------------------|-------------|-------------|
| <i>Name</i> | | | |
| Richard Homburg | <i>All Payments Waived</i> | | |
| Rudolf D. Bakhuizen | 23,750.00 | 4,950.00 | 5,350.00 |
| Michael H. Arnold | 29,800.00 | 9,100.00 | 10,000.00 |
| Edward P. Ovsenny | 36,125.00 | 11,025.00 | 10,750.00 |
| Dr. Trevor A. Carmichael | 23,750.00 | 5,100.00 | 5,650.00 |
| Walter R. Fitzgerald | 22,269.00 | 9,200.00 | 10,150.00 |
| George Edward Anthony Pacaud | 6,250.00 | - | - |

Homburg Invest may grant options to acquire Class A Shares to the members of the Board of Directors and Officers and to employees of Homburg Canada Incorporated. For details on the

general policy with respect to the granting of options see Chapter 9.5. For a break down of options currently held by members of the Board of Directors and Officers see Chapter 9.2.6.

Terms for the Directors of Homburg Invest expire concurrently with the Company's annual meeting of shareholders, the date of which varies, at which time, Directors are elected or re-elected as the case may be.

Homburg Invest has no statutory restrictions on its investment activities. However, Homburg Invest has committed itself to invest solely in real estate and/or real estate companies. Any change in scope of the investment activities must be approved by the Board of Directors.

Also Board of Directors approval is required for all borrowings or guarantees and the authority cannot be delegated. There are no further restrictions on the amount of borrowing and or leverage for Homburg Invest.

9.2.4 Articles and by-laws of Homburg Invest

The Articles are available for inspection at the office of Homburg Invest (located in Halifax, Canada) and on SEDAR. Any person may request a copy of the Articles, which will be provided free of charge.

The Articles and by-laws of Homburg Invest provide that the Board of Directors shall consist of not less than three or more than fifteen members. The number of Directors is determined by resolution of the shareholders. A summary of the Articles and by-laws of Homburg Invest are reflected below.

The Company shall announce any proposed amendment (and the execution of the proposed amendment) of its Articles on its website and in a Dutch newspaper (*Het Financieele Dagblad*) (the "**Announcement**"). Each (execution of the) proposed amendment will be explained on the website of the Company.

In addition, any amendment to the Articles which would affect rights or securities of shareholders negatively should be filed so that it will come into force not earlier than 3 months after the Announcement. Any amendment to the investment policy of the Company will come into force not earlier than three months after the amendment has been announced in the manner described above.

DIRECTORS

Number of directors

The Articles provide for a maximum of fifteen, and a minimum of three Directors. The number of Directors of the Corporation shall be set annually by the shareholders at the Annual General Meeting. Currently, the number of Directors is set at seven.

Calling and notice of meetings

Meetings of the Board of Directors shall be called and held at such time and at such place as the Board of Directors, the Chairman of the Board of Directors, the President or any two Directors may determine, and the secretary or any other officer shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the Board of Directors shall be given to each Director not less than forty-eight hours before the time when the meeting is to be held, provided that, if a quorum of Directors is present, the Board of Directors may without notice hold a meeting immediately following an annual meeting of shareholders. Notice of a meeting of the Board of Directors may be given verbally, in writing or by telephone, telegraph, facsimile transmission or any other means of communication. A notice of a meeting of Directors need not specify the purpose of or the business to be transacted at the meeting, except where required by the Act. Notwithstanding the foregoing, the Board of Directors may from time to time fix a day or days in any month or months for regular meetings of the Board of Directors at a place and hour to be named, in which case, provided that a copy of any such resolution is sent to each Director forthwith after being passed and forthwith after each Director's appointment, no other notice shall be required for any such regular meeting except where the Act requires specification of the purpose or the business to be transacted thereat.

Place of meetings

Meetings of the Board of Directors may be held at any place in or outside Alberta. A Director who attends a meeting of Directors, in person or by telephone, is deemed to have consented to the location of the meeting except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

Meetings by telephone

With the consent of the chairman of the meeting or a majority of the Directors present at the meeting, a Director may participate in a meeting of the Board of Directors or of a committee of the Board of Directors by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A Director participating in such a meeting in such manner shall be considered present at the meeting and at the place of the meeting.

Quorum

The quorum for the transaction of business at any meeting of the Board of Directors shall consist of a majority of Directors or such greater or lesser number of Directors as the Board of Directors may from time to time determine.

Chairman

The chairman of any meeting of the Board of Directors shall be the Director present and willing to so act at the meeting who is the first mentioned of the following Officers as have been appointed: Chairman of the Board of Directors, Vice-Chairman of the Board, President or a vice-president (in order of seniority). If no such Officer is present and willing to act, the Directors present shall choose one of their number to be chairman.

Action by the Board of Directors

At all meetings of the Board of Directors every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. The powers of the Board of Directors may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the Directors who would be entitled to vote on that resolution at a meeting of the Board of Directors. Resolutions in writing may be signed in counterparts.

Adjourned meeting

Any meeting of Directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

Remuneration and expenses

The Directors shall be paid such remuneration for their services as the Board of Directors may from time to time determine. The Directors shall also be entitled to be reimbursed for reasonable traveling and other expenses properly incurred by them in attending meetings of the Board of Directors or any committee thereof. Nothing herein contained shall preclude any Director from serving the Corporation in any other capacity and receiving remuneration therefrom.

Officers

The Board of Directors from time to time may appoint one or more Officers of the Corporation and, without prejudice to rights under any employment contract, may remove any Officer of the Corporation. The powers and duties of each Officer of the Corporation shall be those determined from time to time by the Board of Directors and, in the absence of such determination, shall be those usually incidental to the office held.

Agents and attorneys

The Board of Directors shall have the power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

COMMITTEES

Transaction of business

The powers of any committee of Directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. At all meetings of committees every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall be entitled to a second or casting vote. Resolutions in writing may be signed in counterparts.

Procedure

Unless otherwise determined by the Board of Directors, a quorum for meetings of any committee shall be a majority of its members, each committee shall have the power to appoint its chairman and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing the Board of Directors. Each member of a committee shall serve during the pleasure of the Board of Directors and, in any event, only so long as he shall be a Director. The Directors may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

PROTECTION OF DIRECTORS AND OFFICERS

Limitation of liability

No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or with which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith and with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Indemnity

The Corporation shall, to the maximum extent permitted under the Alberta Business Corporations Act, indemnify a Director or Officer, a former Director or Officer, and a person who acts or acted at the Corporation's request as a director or officer of a body corporate of

which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a Director or Officer of the Corporation or such body corporate, including (without limitation) any such action by or on behalf of the Corporation or such body corporate to procure a judgment in its favour, and the Corporation shall use its reasonable best efforts to obtain any approval or approvals necessary for such indemnification.

9.2.4.1 Share provisions

The rights, privileges, restrictions and conditions attaching to the Class A Shares and the Class B Shares (in this section also referred to as respectively Class A Subordinate Voting Shares and Class B Multiple Voting Shares) are summarized in this section. Provisions relating to take-over bid protections are set out in Section 5. Class A Shares and Class B Shares are entitled to a pro rata portion of the equity of the Corporation.

Class A Shares and Class B Shares will only be issued within certain limits of the market price, determined pursuant to the rules of the TSX. Generally, the TSX considers the market price to be the five day volume weighted average trading price for the five trading days immediately preceding the relevant date. In certain circumstances, this price may not accurately reflect the current market price and the TSX may adjust this price based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is determined as at the date: (a) provided for in a signed term sheet, engagement letter, letter of intent, agency agreement, underwriting agreement or other similar agreement obligating the issuer to issue the securities or (b) the date that a request for price protection is received by the TSX.

The full share provisions are reflected. The shares have no par value, are fully paid, and the Issuer is authorized to issue an unlimited number of Class A Subordinate Voting Shares; the Class B Multiple Voting Shares are closed; and as otherwise indicated herein, the Issuer is authorized to issue an unlimited number of Class A Preferred Shares. As of the date hereof, there are no acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital (other than the issuance of any Series of Class A Preferred Shares in connection with the issue of Homburg Capital Securities A). Please note that the definitions in these share provisions are not the same definitions as in the other parts of the Prospectus as this is an excerpt from the Articles of the Issuer.

The rights, privileges, restrictions and conditions attaching to the Class A Subordinate Voting Shares and the Class B Multiple Voting Shares are as follows:

1. Definitions

1.1 For the purposes of these provisions, unless there is something in the subject matter or context inconsistent therewith:

- (a) "Affiliate" has the meaning ascribed to it by the Securities Act (Ontario) as amended from time to time;
- (b) "Associate" has the meaning ascribed to it by the Securities Act (Ontario) as amended from time to time;
- (c) "Converted Shares" means the Class B Multiple Voting Shares resulting from the conversion of Class A Subordinate Voting Shares into Class B Multiple Voting Shares pursuant to Section 5.1;
- (d) "Expiry Date" means the last day upon which holders of Class B Multiple Voting Shares may accept an offer;
- (e) "Offer" means an offer to acquire Class B Multiple Voting Shares which:

(i) must, by reason of applicable securities legislation or the requirements of a stock exchange on which the Class B Multiple Voting Shares are listed, be made to all or substantially all holders of Class B Multiple Voting Shares who are on the books of the Corporation in a province of Canada to which the requirement applies; and

(ii) is not made concurrently with an offer to acquire Class A Subordinate Voting Shares made to all or substantially all holders of Class A Subordinate Voting Shares, whose last address on the books of the Corporation is in a province of Canada, that is identical to the Offer in terms of price per share and percentage of outstanding shares to be taken up exclusive of shares owned immediately prior to the Offer by the Offeror, and in all other material respects, with no condition attached other than the right not to take up and pay for Class A Subordinate Voting Shares tendered if no Class B Multiple Voting Shares are purchased pursuant to the Offer,

and for the purposes of this definition if an offer to acquire Class B Multiple Voting Shares is not an Offer as defined above but would be an Offer if it were not for sub-clause (ii) hereof, the varying of any term of an Offer shall be deemed to constitute the making of a new offer unless an identical variation is made to the corresponding offer to purchase Class A Subordinate Voting Shares;

(f) "Offer Date" means the date on which an Offer is made;

(g) "Offeror" means the person, company or other entity making the Offer and shall include all associates and affiliates of the Offeror and any person or persons acting jointly or in concert with the Offeror;

(h) "Offer Period" means the period of time commencing on the eighth day after the Offer Date and ending at the latest time for deposit of Class B Multiple Voting Shares on the Expiry Date;

(i) "Offer to acquire" has the meaning ascribed to such phrase by the Securities Act (Ontario), as amended from time to time; and

(j) "Transfer Agent" means the transfer agent for the Class A Subordinate Voting Shares and the Class B Multiple Voting Shares from time to time.

2. Voting Rights - Class A Subordinate Voting Shares and Class B Multiple Voting Shares

2.1 Holders of the Class A Subordinate Voting Shares shall be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation, voting together with the holders of the Class B Multiple Voting Shares, except for meetings at which only holders of a specified class or series are entitled to vote. Holders of Class A Subordinate Voting Shares shall be entitled to one vote for each Class A Subordinate Voting Share held.

2.2 Holders of Class B Multiple Voting Shares shall be entitled to receive notice of, to attend and to vote at all meetings of the shareholders of the Corporation, voting together with the holders of the Class A Subordinate Voting Shares, except for meetings at which only holders of a specified class or series are entitled to vote. Holders of Class B Multiple Voting Shares shall be entitled to 25 votes for each Class B Multiple Voting Share held.

3. Dividends - Class A Subordinate Voting Shares and Class B Multiple Voting Shares

3.1 Subject to the prior rights of the holders of shares of any other class ranking senior to the Class A Subordinate Voting Shares and the Class B Multiple Voting Shares in respect of dividends, the holders of Class A Subordinate Voting Shares and Class B Multiple Voting Shares shall be entitled to receive, on a share for share basis, such dividends as may be declared by the Board of Directors of the Corporation, and all dividends so declared shall be declared contemporaneously and paid at the same time and in the same amount per share on all the Class A Subordinate Voting Shares

and Class B Multiple Voting Shares at the time outstanding, without preference or priority of one share over another.

4. Dissolution - Class A Subordinate Voting Shares and Class B Multiple Voting Shares

4.1 Subject to the rights of the holders of shares of any other class ranking senior to or equally with the Class A Subordinate Voting Shares and the Class B Multiple Voting Shares in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of Class A Subordinate Voting Shares and Class B Multiple Voting Shares shall be entitled to receive, equally on a share for share basis, the remaining property of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, without preference or priority of one share over another.

5. Take-over Bid Protection - Class A Subordinate Voting Shares

5.1 Subject to Section 5.5, in the event that an Offer is made, holders of Class A Subordinate Voting Shares shall have the right, at their option, at any time during the Offer Period, to convert all or any number of their Class A Subordinate Voting Shares into Class B Multiple Voting Shares on the basis of one Class B Multiple Voting Share for each Class A Subordinate Voting Share so converted.

5.2 Holders of Class A Subordinate Voting Shares desiring to exercise their option to convert their Class A Subordinate Voting Shares or any of them into Class B Multiple Voting Shares shall deliver to the Transfer Agent, no later than 1:00 p.m. (Halifax time) on the Expiry Date or, if the Offer Period ends on or prior to 4:00 p.m. (Halifax time) on the Expiry Date, then no later than three hours prior to the end of the Offer Period:

(a) a notice (the "Election Notice") in writing executed by the holder of Class A Subordinate Voting Shares or by his attorney duly authorized in writing specifying the number of Class A Subordinate Voting Shares to be converted;

(b) the share certificate or certificates representing the Class A Subordinate Voting Shares, duly endorsed, which the holder of Class A Subordinate Voting Shares wishes to have converted;

(c) any letter of transmittal (the "Letter of Transmittal") in such form as may be required under the Offer or in such form as may be required by the Transfer Agent to facilitate the acceptance of the Offer in accordance with Section 5.5, including the execution and delivery of any documents required from the holder of Class A Subordinate Voting Shares in order to accept the Offer; and

(d) a power of attorney (the "Power of Attorney") in such form as may be required by the Transfer Agent to facilitate the acceptance of the Offer in accordance with Section 5.5, including the execution and delivery of any documents required from the holder of Class A Subordinate Voting Shares in order to accept the Offer.

5.3 Upon receipt by the Transfer Agent of the Election Notice, the share certificate or certificates representing the Class A Subordinate Voting Shares, the Letter of Transmittal and the Power of Attorney, the Corporation shall issue, or cause to be issued, a share certificate representing the appropriate number of Class B Multiple Voting Shares. If less than all the Class A Subordinate Voting Shares represented by any certificate or certificates accompanying the Election Notice are to be converted, the holder shall be entitled to receive, at the expense of the Corporation, a new share certificate representing the Class A Subordinate Voting Shares represented by the certificate or certificates surrendered as aforesaid which are not to be converted. The holder shall pay any governmental tax or other charge imposed on or in respect of such conversion.

5.4 An election by a holder of Class A Subordinate Voting Shares to exercise the conversion right provided for in Section 5.1 shall be deemed to also constitute an irrevocable election by such holder:

- (a) to deposit the Converted Shares under the Offer (subject to the holder's rights to subsequently withdraw the shares from the Offer in accordance with the terms thereof and applicable law);
- (b) to exercise the right to convert the Converted Shares, in the event that less than 50% of the Class B Multiple Voting Shares outstanding immediately prior to the Offer (other than Class B Multiple Voting Shares owned by the Offeror or Associates or Affiliates of the Offeror) are deposited pursuant to the Offer, to Class A Subordinate Voting Shares on a one-for-one basis, in which case the said conversion of such shares into Class A Subordinate Voting Shares shall be effective immediately prior to the time the Offeror takes up and pays for any share to be acquired by the Offeror under the Offer;
- (c) to exercise the right to convert the Converted Shares, in respect of which the holder exercises his right of withdrawal from the Offer in accordance with the terms thereof and applicable law, to Class A Subordinate Voting Shares on a one-for-one basis, in which case the said conversion of such shares into Class A Subordinate Voting Shares shall be effective at the time such withdrawal is exercised;
- (d) in respect of an Offer which is completed in accordance with its terms, to exercise the right to convert the Converted Shares of the holder which are not ultimately taken up and paid for under the Offer to Class A Subordinate Voting Shares on a one-for-one basis, in which case the said conversion of such shares into Class A Subordinate Voting Shares shall be effective immediately following the time by which the Offeror is required by applicable securities legislation to take up and pay for all shares to be acquired by the Offeror under the Offer; and
- (e) in respect of an Offer which is abandoned, withdrawn or expires and is not completed in accordance with its terms, to exercise the right to convert the Converted Shares of the holder to Class A Subordinate Voting Shares on a one-to-one basis, in which case the said conversion of such shares into Class A Subordinate Voting Shares shall be effective at the time the Offer is abandoned, withdrawn or expires.

5.5 No share certificates representing Converted Shares shall be delivered to or to the order of the holders thereof and such shares shall be deposited under the Offer by the Transfer Agent in accordance with its terms. The Transfer Agent shall designate any such Converted Shares to be deposited under the Offer in a manner which makes them distinguishable from other Class B Multiple Voting Shares which may be deposited under the Offer. Upon completion of the Offer, the Transfer Agent shall deliver or cause to be delivered to the holders entitled thereto all consideration received by the Transfer Agent from the Offeror pursuant to the Offer in respect of the Converted Shares. If Converted Shares are converted into Class A Subordinate Voting Shares pursuant to the deemed election under Section 5.4(b), 5.4(c), 5.4(d) or 5.4(e), the Transfer Agent shall deliver to the holder entitled thereto a share certificate representing the Class A Subordinate Voting Shares resulting from the conversion, unless certificates representing Converted Shares to be converted into Class A Subordinate Voting Shares pursuant to the deemed election under Sections 5.4(b), 5.4(c), 5.4(d) or 5.4(e) have already been forwarded to each such holder by or on behalf of the Offeror, in which case the depositing holder shall forthwith deliver such certificates to the Transfer Agent for conversion to Class A Subordinate Voting Shares. The Corporation shall make all arrangements with the Transfer Agent necessary or desirable to give effect to this Section 5.5.

5.6 Notwithstanding the foregoing provisions, the conversion right provided for in Section 5.1 shall not come into effect if, within seven days after the Offer Date, there has been delivered to the Transfer Agent and to the Secretary of the Corporation a certificate or certificates signed by or on behalf of one or more shareholders of the Corporation owning in the aggregate more than 50 percent of the Class B Multiple

Voting Shares then outstanding, exclusive of shares then owned by the Offeror, which certificate or certificates shall, in the case of each such shareholder, confirm:

- (a) the number of Class B Multiple Voting Shares owned by the shareholder;
- (b) that such shareholder is not making the Offer and is not an Associate or Affiliate of, or acting jointly or in concert with, the person or company making the Offer;
- (c) that such shareholder will not tender any shares in acceptance of the Offer, including any varied form of the Offer, without giving the Transfer Agent and the Secretary of the Corporation written notice of such acceptance or intended acceptance at least seven days prior to the Expiry Date; and
- (d) that such shareholder shall not transfer any Class B Multiple Voting Shares, directly or indirectly, prior to the Expiry Date without giving the Transfer Agent and the Secretary of the Corporation written notice of such transfer or intended transfer at least seven days prior to the Expiry Date, which notice shall state, if known to the transferor, the name of the transferees and the number of Class B Multiple Voting Shares transferred or to be transferred to each transferee.

5.7 If a notice referred to in Section 5.6(c) or 5.6(d) is given and the conversion right provided for in Section 5.1 has not come into effect by reason of Section 5.6, the Transfer Agent shall either forthwith upon receipt of the notice or forthwith after the seventh day following the Offer Date, whichever is later, determine the number of Class B Multiple Voting Shares in respect of which there are subsisting certificates that comply with Section 5.6. For the purpose of this determination, certificates in respect of which such a notice has been filed shall not be regarded as subsisting, the transfer that is the subject of any notice referred to in Section 5.6(d) shall be deemed to have already taken place at the time of the determination, and the transferee in the case of any notice referred to in Section 5.6(d) shall be deemed to be a person or company from whom the Transfer Agent does not have a subsisting certificate unless the Transfer Agent is otherwise advised by the transferee in writing. If the number of Class B Multiple Voting Shares so determined does not exceed 50% of the number of then outstanding Class B Multiple Voting Shares, exclusive of shares then owned by the Offeror, Section 5.6 shall cease to apply and the conversion right provided for in Section 5.1 shall be in effect for the remainder of the Offer Period.

5.8 As soon as reasonably practicable after the seventh day after the Offer Date, the Corporation shall send to each holder of Class A Subordinate Voting Shares a notice advising such holders as to whether they are entitled to convert their Class A Subordinate Voting Shares into Class B Multiple Voting Shares pursuant to Section 5.1 and the reasons therefore. If such notice discloses that the holders of Class A Subordinate Voting Shares are not so entitled but it is subsequently determined that they are so entitled by virtue of Section 5.6, or otherwise, the Corporation shall forthwith send another notice to such holders advising them of that fact and the reasons therefore.

5.9 If a notice referred to in Section 5.8 discloses that the conversion right provided for in Section 5.1 has come into effect, the notice shall:

- (a) include a description of the procedure to be followed to effect the conversion and to have the Converted Shares tendered under the Offer;
- (b) include the information set out in Section 5.4; and
- (c) be accompanied by a copy of the Offer and all other material sent to holders of Class B Multiple Voting Shares in respect of the Offer, unless the Offer and such other materials have already been forwarded to each such holder by or on behalf of the Offeror, and as soon as is reasonably practicable after any additional material, including a notice of variation, is sent to the holders of Class B Multiple Voting Shares in respect of the Offer, the Corporation shall send a copy of such additional material to each such holder of Class A Subordinate Voting Shares, unless such additional

material has already been forwarded to each such holder by or on behalf of the Offeror.

5.10 Prior to or forthwith after sending any notice referred to in Section 5.9, the Corporation shall cause a press release to be issued through a Canadian news wire service describing the contents of the notice.

6. Issuance of Class B Multiple Voting Shares

6.1 The Corporation will not issue any Class B Multiple Voting Shares other than in respect of the conversion rights of holders of Class A Subordinate Voting Shares pursuant to paragraph 5 and other than in respect of the issuance of Class B Multiple Voting Shares pursuant to any stock options which are granted and outstanding under the Corporation's employee stock option plan on the date that these rights, privileges, restrictions and conditions are created.

7. Adjustments - Class A Subordinate Voting Shares and Class B Multiple Voting Shares

7.1 In the event of the subdivision, consolidation, reclassification or other change to the Class B Multiple Voting Shares or the Class A Subordinate Voting Shares, the shares of the other class will be similarly subdivided, consolidated, reclassified or changed, as the case may be, and the provisions theretofore attaching to each class shall otherwise remain unaffected.

7.2 Neither the Class A Subordinate Voting Shares nor the Class B Multiple Voting Shares shall be decreased in authorized number by way of an amendment to the Articles of the Corporation, unless contemporaneously therewith, the number of shares of the other class is changed in the same manner and in the same proportion.

The Board of Directors will approve a resolution to create and issue any Series of Class A Preferred Shares and to file the Articles of Amendment if and when the Board of Directors determines to issue any Series of Class A Preferred Shares in lieu of a cash payment for the interest payable on the Homburg Capital Securities A. A new Series of Class A Preferred Shares shall be created and issued for each interest payment satisfied through the issuance of any Series of Class A Preferred Shares. The Board of Directors also approved the corresponding amendment to the Articles. The rights and privileges of any Series of Class A Preferred Shares can be found in Appendix B to the Trust Indenture, which is set out in Chapter 6.

9.2.4.2 Amending shareholders rights

Generally, changes to the share capital structure or provisions/rights attaching to any class of share require the approval of a two thirds majority of the Corporations' shareholders voting on any such amending resolution and may require a class vote in certain circumstances. The approval of the majority of the minority shareholders all voting at a duly constituted special meeting of shareholders may be required for a business combination or related party transaction.

The majority of the minority vote excludes votes attached to shares beneficially owned or over which control or direction is exercised by: (i) any person or company that beneficially owns, directly or indirectly, greater than 20% of the outstanding common shares; (ii) any associate, affiliate or insider (as defined in the Securities Act (Ontario)) of any person or company described in (i); and (iii) any affiliate of the Corporation or any other person or company which, alone or in concert with others, effectively controls the Corporation.

9.2.4.3 Homburg Invest shareholders meetings

The Corporation will provide notification of its shareholders meetings to its registered shareholders at least 21 days prior to the meeting date (and to intermediaries at least 24 days prior to the meeting date in accordance with Canadian securities regulations) and shall advertise the meeting and the record date for the meeting at least seven days prior to the record date set for the meeting by advertisement in a newspaper published in the place where

the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of its shares may be recorded and by written notice to the TSX in accordance with the ABCA requirements. The Corporation shall also announce its shareholders meetings by an advertisement on its website, in a Dutch newspaper (*Het Financieele Dagblad*) and in the Dutch Official List of Euronext Amsterdam (*Officiële Pijscourant*) at least 14 days prior to the meeting date.

Chairman, secretary and scrutineers

The chairman of any meeting of shareholders, who need not be a shareholder of the Corporation, shall be the first mentioned of the following Officers as have been appointed and are present in and are willing to so act at the meeting: Chairman of the Board of Directors, vice chairman of the Board of Directors, President or a vice-president (in order of seniority). If no such Officer is present and willing to act as chairman within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. The chairman shall conduct the proceedings at the meeting in all respects and his decision in any matter of thing, including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders. The secretary of any meeting of shareholders shall be the secretary of the Corporation, provided that, if the Corporation does not have a secretary or if the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. The Board of Directors may from time to time appoint in advance of any meeting of shareholders one or more persons to act as scrutineers at such meeting and, in the absence of such appointment, the chairman may appoint one or more persons to act as scrutineers at any meeting of shareholders. Scrutineers so appointed may, but need not be, shareholders, Directors, Officers or employees of the Corporation.

Persons entitled to be present

The only persons entitled to be present at a meeting of shareholders shall be:

- (a) those entitled to vote at such meeting;
- (b) the Directors and auditors of the Corporation;
- (c) others who, although not entitled to vote, are entitled or required under any provision of the *Securities Act*, the articles or the by-laws to be present at the meeting;
- (d) legal counsel to the Corporation when invited by the Corporation to attend the meeting; and
- (e) any other person on the invitation of the chairman or with the consent of the meeting.

Quorum

A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than 5% of the outstanding shares of the Corporation carrying voting rights at the meeting, provided that, if there should be only one shareholder of the Corporation entitled to vote at any meeting of shareholders, the quorum for the transaction of business at a meeting of shareholders shall consist of the one shareholder.

Representatives

The authority of an individual to represent a body corporate or association at a meeting of shareholders of the Corporation shall be established by depositing with the Corporation a certified copy of the resolution of the Directors or governing body of the body corporate or association, as the case may be, granting such authority, or in such other manner as may be satisfactory to the chairman of the meeting.

Action by shareholders

The shareholders shall act by ordinary resolution unless otherwise required by the *Securities Act*, articles, by-laws or any unanimous shareholders agreement. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

Show of hands

Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

Ballots

A ballot required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the *Securities Act* (Ontario) or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

Meetings by telephone

With the consent of the chairman of the meeting or the consent (as evidenced by a resolution) of the persons present and entitled to vote at the meeting, a shareholder or any other person entitled to attend a meeting of the shareholders may participate in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a person participating in such a meeting by those means shall be considered present at the meeting and at the place of the meeting. (The costs of phone meetings are paid by the Corporation. Participants may be in a variety of locations, but the calls will be initiated from Halifax).

9.2.5 Reporting

The Corporation reports quarterly and annually under IFRS as well as under Canadian GAAP. The Corporation issues press releases regarding its financial performance and significant events. The quarterly financial statements, annual financial statements and press releases can be obtained from www.homburginvest.com or www.sedar.com. The Corporation is required to file its year end audited financial statements within 90 days of its year end, the quarterly financial statements have to be filed no later than 45 days after the end of the quarter.

On a quarterly basis, the Corporation prepares and files unaudited financial statements and MD&A, which include the following items;

- the total amount of the assets
- the composition of the investments
- the total number of issued and outstanding shares

9.2.6 Shares and options held by Directors and Officers

Current as of 1 December 2008 (Unaudited) (pre-consolidation)

| Name | Class A Shares held | Class B Shares held | Class A Shares stock options |
|--------------------------|--------------------------------|--------------------------------|---|
| Richard Homburg | 67,454,480 (1) (2) | 24,745,277 (1) (3) | 4,360,691 |
| Rudolf D. Bakhuizen | 246,085 | 25,000 | 125,000 |
| Michael H. Arnold | 141,274 | 38,143 | 60,000 |
| Edward P. Ovsenny | 88,774 | 25,703 | 80,000 |
| Dr. Trevor A. Carmichael | nil | nil | 125,000 |
| Walter R. Fitzgerald | nil | nil | 125,000 |
| J. Richard Stolle | 469,945 (1) | nil | 675,000 |
| James F. Miles | 96,829 | 40,279 | 675,000 |
| Ashley Phillips | 106,902 | 38,780 | 470,000 |
| George E.A. Pacaud | nil | nil | nil |

(1) Direct and indirect holdings.

(2) Including 43,553,570 Class A Shares held by Homburg North America Limited.

(3) Including 23,434,850 Class B Shares held by Homburg North America Limited.

9.2.7 Subsidiaries

As per 31 December 2008 Homburg Invest has the following Subsidiaries.

| Subsidiary | % owned | country of incorporation | Subsidiary | % owned | country of incorporation |
|-------------------------------|----------------|-------------------------------------|----------------------------------|----------------|-------------------------------------|
| Homco Realty Fund (1) LP | 100% | CA | Homco Realty Fund (88) LP | 100% | CA |
| Homco Realty Fund (2) LP | 100% | CA | Homco Realty Fund (89) LP | 100% | CA |
| Homco Realty Fund (4) LP | 100% | CA | Homco Realty Fund (91) LP | 100% | CA |
| Homco Realty Fund (7) LP | 100% | CA | Homco Realty Fund (92) LP | 100% | CA |
| Homco Realty Fund (8) LP | 100% | CA | Homco Realty Fund (94) LP | 100% | CA |
| Homco Realty Fund (9) LP | 100% | CA | Homco Realty Fund (95) LP | 100% | CA |
| Homco Realty Fund (11) LP | 100% | CA | Homco Realty Fund (96) LP | 100% | CA |
| | | | North Calgary Land Ltd. | 100% | CA |
| Homco Realty Fund (12) LP | 100% | CA | Homco Realty Fund (98) LP | 100% | CA |
| Hardegane Investments Limited | 100% | CA | Homco Realty Fund (102) LP | 100% | CA |
| Kent Realty Limited | 100% | CA | Homco Realty Fund (103) LP | 100% | CA |
| Dyne Holdings Limited | 100% | CA | Homco Realty Fund (104) LP | 100% | CA |
| Homco Realty Fund (13) LP | 100% | CA | Homco Realty Fund (105) LP | 100% | CA |
| Homco Realty Fund (14) LP | 100% | CA | Homco Realty Fund (106) LP | 100% | CA |
| Homco Realty Fund (15) LP | 100% | CA | Homco Realty Fund (110) LP | 100% | CA |
| Homco Realty Fund (16) LP | 100% | CA | Valbonne Real Estate 5. BV | 100% | NL |
| Homco Realty Fund (17) LP | 100% | CA | Moto Objekt Campeon Gmgh & Co KG | 93.37% | DE |
| Homco Realty Fund (18) LP | 100% | CA | Homco Realty Fund (111) LP | 100% | CA |
| Homco Realty Fund (20) LP | 38% | CA | Homco Realty Fund (112) LP | 100% | CA |
| Homco Realty Fund (21) LP | 5.79% | CA | Homco Realty Fund (113) LP | 100% | CA |
| Homco Realty Fund (22) LP | 5.63% | CA | Homco Realty Fund (114) LP | 100% | CA |
| Homco Realty Fund (24) LP | 100% | CA | Homco Realty Fund (115) LP | 100% | CA |
| Homco Realty Fund (25) LP | 100% | CA | Homco Realty Fund (116) LP | 100% | CA |
| Homco Realty Fund (26) LP | 38.46% | CA | Homco Realty Fund (116) BV | 100% | NL |
| Homco Realty Fund (28) LP | 53.33% | CA | Homco Realty Fund (117) LP | 100% | CA |
| Homco Realty Fund (29) LP | 55.55% | CA | Homco Realty Fund (117) BV | 100% | NL |
| Homco Realty Fund (30) LP | 100% | CA | Homco Realty Fund (118) LP | 100% | CA |
| Homco Realty Fund (31) LP | 100% | CA | Homco Realty Fund (118) BV | 100% | NL |
| Homco Realty Fund (32) LP | 100% | CA | Homco Realty Fund (119) LP | 100% | CA |
| Homco Realty Fund (33) LP | 100% | CA | Homco Realty Fund (119) BV | 100% | NL |
| Homco Realty Fund (34) LP | 100% | CA | Homco Realty Fund (120) LP | 100% | CA |
| Homco Realty Fund (36) LP | 100% | CA | Homco Realty Fund (121) LP | 100% | CA |

| | | | | | |
|-------------------------------------|------|----|---|--------|-----|
| Homco Realty Fund (37) LP | 100% | CA | Homco Realty Fund (122) LP | 100% | CA |
| Homco Realty Fund (38) LP | 100% | CA | Homco Realty Fund (123) LP | 100% | CA |
| Homco Realty Fund (39) LP | 100% | CA | Homco Realty Fund (120) GmbH | 100% | DE |
| Homco Realty Fund (40) LP | 100% | CA | Homco Realty Fund (130) LP | | |
| Homco Realty Fund (41) LP | 100% | CA | Homburg SNS Property Finance LP (formerly Homco Realty Fund (140) LP) | 50% | CA |
| Homco Realty Fund (42) LP | 100% | CA | Homco Realty Fund (143) LP | 100% | CA |
| Homco Realty Fund (43) LP | 100% | CA | Homburg ShareCo Inc. | 100% | CA |
| Homco Realty Fund (44) LP | 100% | CA | Homburg Invest (USA) Limited | 100% | CA |
| Homco Realty Fund (45) LP | 100% | CA | Homburg (US) Inc. | 100% | CA |
| Homco Realty Fund (46) LP | 100% | CA | Homburg Holdings (US) Inc. | 100% | USA |
| Homco Realty Fund (49) LP | 5% | CA | Blackfoot Development Ltd. | 100% | CA |
| Homco Realty Fund (52) LP | 100% | CA | Homburg Baltic (LV) Investments KS | 100% | LV |
| Homco Realty Fund (53) LP | 100% | CA | Homburg Baltic (ES) Investments UU | 100% | ES |
| Homco Realty Fund (55) LP | 100% | CA | Homburg Baltic (ES) AST Investments UU | 100% | ES |
| Homco Realty Fund (56) LP | 100% | CA | Homburg Harris Development Ltd. | 100% | CA |
| Homco Realty Fund (57) LP | 100% | CA | Citadel West Development Ltd. | 100% | CA |
| Homco Realty Fund (59) LP | 100% | CA | Churchill Estates Development Ltd. | 100% | CA |
| Homco Realty Fund (61) LP | 100% | CA | Inverness Estates Development Ltd. | 100% | CA |
| Homco Realty Fund (62) LP | 100% | CA | Holland Gardens Development Ltd. | 100% | CA |
| Homco Realty Fund (63) LP | 100% | CA | Homburg Holding (NETH) Beheer B.V. | 100% | NL |
| Homco Realty Fund (64) LP | 100% | CA | High River Developments Ltd. | 100% | CA |
| Homburg Capital (CDN) Investment LP | 100% | CA | Castello Development Ltd | 100% | CA |
| Homco Realty Fund (67) LP | 100% | CA | CP Development Ltd | 100% | CA |
| Homco Realty Fund (68) LP | 100% | CA | Homburg Baltic LP Inc. | 100% | CA |
| Valbonne Real Estate B.V. | 94% | NL | Homburg Kai Development Ltd | 100% | CA |
| Homco Realty Fund (69) LP | 100% | CA | Homburg Acquisition Inc. | 100% | CA |
| Valbonne Real Estate 2 B.V. | 94% | NL | Homburg REIT | 100% | CA |
| Homco Realty Fund (70) LP | 100% | CA | KUB Homburg LT Baltijos Investicijos 1 | 100% | LT |
| Coet B.V. | 94% | NL | KUB Homburg LT Baltijos Investicijos 2 | 100% | LT |
| Homco Realty Fund (71) LP | 100% | CA | UAB Homburg NT | 100% | LT |
| Homco Realty Fund (72) LP | 100% | CA | Viger LP | 33.33% | CA |
| Homco Realty Fund (73) LP | 100% | CA | Homburg Realty Fund (126) LP | 100% | CA |
| | | | Homburg Realty Fund (127) LP | 100% | CA |
| Homco Realty Fund (74) LP | 100% | CA | 333 Sherbrooke Street East LP | 33.33% | CA |
| Homco Realty Fund (76) LP | 100% | CA | Chestermere Land Development LP | 33.33% | CA |
| Homco Realty Fund (77) LP | 100% | CA | Homco Realty Fund (142) LP | 100% | CA |
| Homco Realty Fund (81) LP | 100% | CA | | | |
| Homco Realty Fund (83) LP | 100% | CA | | | |
| Homco Realty Fund (84) LP | 100% | CA | | | |
| Homco Realty Fund (84) BV | 100% | NL | | | |
| Homco Realty Fund (85) LP | 100% | CA | | | |
| Homco Realty Fund (85) BV | 100% | NL | | | |
| Homco Realty Fund (86) LP | 100% | CA | | | |
| Homco Realty Fund (86) BV | 100% | NL | | | |
| Homco Realty Fund (87) LP | 100% | CA | | | |
| Homco Realty Fund (87) BV | 100% | NL | | | |

CA: Canada
DE: Germany
ES: Estonia

NL: Netherlands
LT: Lithuania

USA: United States of America
LV: Latvia

Virtually all real estate of the Company is held by its Subsidiaries, whereby, for the most part, one Subsidiary only holds one property. Therefore a poor performing property will only affect the Subsidiary which owns this asset; the maximum exposure of the Company to each of the properties is the amount of equity invested in the relevant Subsidiary (see Chapter 9.1.2). Included in the above list are seven limited partnerships which currently hold no properties.

9.2.8 Canadian withholding taxes

The registered office of the Corporation is 3700 Canterra Tower, 400 Third Ave. S.W., Calgary AB T2P 4H2 Canada. Currently the Corporation through its Subsidiaries has foreign operations in the United States, and Europe. All income earned outside of Canada is subject to the appropriate income tax in the relevant country. In Canada, the Corporation is subject to tax on its worldwide income. The Corporation is also responsible for the withholding of tax in Canada on certain amounts paid or payable by it to non-residents of Canada. In such circumstances, the Corporation will withhold the amount of such tax and pay it directly to the tax authorities. The amount of any withholding tax will be deducted and withheld from the amount paid to shareholders and Security Holders.

Canadian withholding tax will generally not apply to interest or principal paid or credited by the Company or to the proceeds received by a Holder on the disposition of Homburg Capital Securities A. Canadian withholding tax will apply to dividends paid or credited, or deemed to be paid or credited, on the Class A Preferred Shares. The Company is not obligated to pay a Holder additional amounts in respect of such withholding tax. Reference is made to Chapter 7.1 (Taxation in Canada).

9.2.9 Concentration risks

When the Company determines that it is in its best interest to invest in property(ies) in excess of 20% of its gross assets, the Company spreads its risk in relation to those significant investments by purchasing the assets through a combination of mortgage debt, issue of shares and cash out of the Company's working capital. As well, risk is minimized through its credit policies, interest rate minimization and currency policy. In addition, our portfolio of properties is geographically diverse so as to minimize the effects in any one location. Nevertheless, Homburg Invest is exposed to currency risks due to the fact that there is no 100% match between revenues and expenses in the various currencies (currently CAD, USD and EUR). Currency losses (and gains) deriving from uninsured currency exposures have impacted the Company's financial condition.

Currently no investments exceeding 20% of the gross assets of the Company are made in another collective investment undertaking.

9.2.10 Investment restrictions

The Company has no restrictions as to the investment undertakings that may be made. If the Company should make an investment in excess of 20% of its gross assets in another company or more than 20% of its gross assets are exposed to the creditworthiness or solvency of any one counterparty (including its subsidiaries or affiliates), the following will be disclosed:

- (a) information relating to each underlying collective investment undertaking as if it were an issuer under minimum disclosure requirements for the registration document schedule for securities issued by collective investment undertaking of the closed-end type; or
- (b) if securities issued by an underlying collective investment undertaking have already been admitted to trading on a regulated or equivalent market or the obligations are guaranteed by an entity admitted to trading on a regulated or equivalent market, the name, address, country of incorporation, nature of business and name of the market in which its securities are admitted.

9.2.11 Related party transactions

Related party transactions with companies controlled by Homburg Invest's Chairman and Chief Executive Officer

The Company is directly and indirectly controlled by Mr. Richard Homburg, the Chairman and Chief Executive Officer. The Company has entered into property and asset management agreements with companies directly or indirectly controlled by Mr. Richard Homburg such as Homburg Canada Incorporated. Further, the Company and its Subsidiaries may invest (in)directly in other (related) investment companies.

Each month Homburg Canada Incorporated will invoice the Company for services rendered under the property and asset management agreements. The Company will pay on behalf of the relevant Subsidiaries and allocate to each of the Subsidiaries the relevant amount.

Compared to US and Canadian peers, Homburg Invest is of the opinion that the fees it pays are market average.

Property management agreements

The Company's properties and real estate assets owned by the Company or its respective Subsidiaries are managed by Homburg Canada Incorporated through a master property and asset management agreement entered into with the Company and each of the Subsidiaries. A copy of this agreement is available electronically on SEDAR at www.sedar.com. Homburg Canada Incorporated is a Canadian company directly and indirectly controlled by Mr. Richard Homburg.

As property manager, Homburg Canada Incorporated provides general property management services on behalf of the Company and its Subsidiaries. The master property and asset management agreement has an initial term expiring on 30 June 2016 with automatic renewal terms of one year. Homburg Invest is entitled to terminate the master property and asset management agreement prior to the expiry of the initial term or any renewal term by providing six months' prior written notice and, except where termination results from the gross negligence of Homburg Canada Incorporated, by paying an amount equal to (i) 20% of the average total monthly compensation for its property management services multiplied by the number of months remaining in the then current term, and (ii) the asset management fees paid over the previous two years. Homburg Canada Incorporated shall be entitled to terminate the master property and asset management agreement by providing 12 months prior written notice to Homburg Invest.

As compensation for the services rendered under the property management agreements, Homburg Canada Incorporated receives the following compensation:

- a maximum of 5% of all cash receipts (i.e. total basic rent and any expense recoveries with VAT) in respect of real estate situated in Canada or the United States;
- 1.5% - 3.5% of rents collected in respect of real estate situated in Europe (except for properties leased on a triple net basis, in that case the fee drops to 0%);
- construction fees equal to 10% of the costs of construction;
- leasing fees equal 10% of the first year revenue for leases with a term of one to two years, 15% of the first year revenue for leases of three to four years and 20% of the first year revenue for leases of five years or longer.

The Company and its Subsidiaries further authorised Homburg Canada Incorporated to operate trust accounts on their behalf as required to conduct their business.

Homburg Canada Incorporated subcontracted the property management services for European properties to other companies indirectly controlled by Richard Homburg.

Asset management agreements

Pursuant to the master property and asset management agreement, Homburg Canada Incorporated is involved in strategic planning and marketing, financial reporting and public disclosure, advising on the purchase and sale of properties and managing financing for the Company. Homburg Canada Incorporated is entitled to the following fees under the asset management agreements:

- for investment properties situated in Canada or the United States, annual fees of 0.30% of the total assets base, calculated on a quarterly basis for properties where Single Tenant Triple Net Leases are in place, and 0.75% of the total asset base, calculated on a quarterly basis, for properties where Single Tenant Triple Net Leases are not in place;
- for investment properties situated in Europe, annual fees of 0.20% of total asset base, calculated on a quarterly basis;
- share issue fees of 5% of the total gross proceeds raised in share issues of Homburg Invest, provided that Homburg Canada Incorporated will assume all costs relating to such share issues (including selling commissions payable to intermediaries, legal fees, marketing expenses, travel expenses and additional out-of-pocket expenses).
- No fees are payable by Homburg Invest to Homburg Canada Incorporated with respect to shares issued to a vendor of a property acquired by Homburg Invest or private placements to related parties;
- and acquisition and disposition fees of 2.5% of the total acquisition or disposition price of the relevant property, provided however that:
 - in the context of a series of transactions forming part of the same transaction, the 2.5% fee is only payable once based on the total acquisition or disposition price, as the case may be and
 - Homburg Canada Incorporated will not be entitled to be reimbursed for any due diligence successful or unsuccessful.

Homburg Canada Incorporated subcontracted the asset management services for the European properties to other companies indirectly controlled by Mr. Richard Homburg.

Limited partnership agreements

Homburg LP Management Incorporated, a subsidiary of Homburg Canada Incorporated is the general partner in each of the Homcos in which the Company is limited partner. The limited partner(s) are solely entitled to the profit of the Homco in question. The general partner is not entitled to any compensation. This is only different for the Homcos in which the Company is not a 100% limited partner, as described above. In those specific partnerships, the general partner is entitled to a part of the profit of the Homcos in which the Company is less than a 100% limited partner. For Homco (20), (21), (22), (26), (29) the general partner is entitled to 30% of the profit (before taxes) after the limited partners have received a cumulative return on equity of 11% (before taxes) on an annual basis. For Homco (49) the general partner is entitled to 30% of the profit (before taxes) after the limited partners have received a cumulative return on equity of 8% (before taxes) on an annual basis.

Issuance of bonds

Homburg Invest issued bond series 1, 2, 4, 5, 6, 7, 8, 9, 10 and 11 (the bond series 2, 4, 5, 6 and 7 collectively referred to as the "mortgage bonds"). Homburg Participaties, a company directly and indirectly controlled by Mr. Richard Homburg acted as intermediary and, for the services rendered to the Company, received a fee representing 4% of each bond issue.

Currency guarantee

Furthermore, the Company entered into a currency guarantee arrangement with Uni-Insurance Inc., a company directly and indirectly controlled by Mr. Richard Homburg for the principal amount of each of the mortgage bonds to maturity, pursuant to which the Company is protected against fluctuations in the Canadian dollar and the Euro. The cost of this guarantee fee per annum until maturity or redemption is 2.0% on the series 2 mortgage bonds and 1.6% on the series 4, series 5, series 6 and series 7 mortgage bonds, which were current market rates at the time that the individual guarantees were entered into.

Insurance

Homburg Insurance Company Limited, a company directly and indirectly controlled by Mr. Richard Homburg, acts as the Company's broker for certain insurances. The total fees paid to Homburg Insurance Company Limited amounted to CAD 717,000 in 2007 compared to CAD 700,000 in 2006.

Other related party transactions

A subsidiary sub-contracted the management in respect of the property Confederation Court Complex, Charlottetown, Canada, to a company owned by Michael Arnold, the vice chairman of the Company. The total fees paid to this company in 2007 amounted to CAD 321,000 compared to a fee of CAD 314,000 in 2006.

The terms of this property management agreement are generally the same as the other property management agreements entered into, however after 30 April 2008 the agreement may be terminated by either party upon 60 days notice. In addition, the property manager receives the following compensation for services rendered:

- 4% of all gross revenues plus CAD 40,000 for an on-site manager;
- construction fees equal to 10% of the costs of construction;
- leasing fees equal 10% of the first year revenue for leases with a term of one to two years, 15% of the first year revenue for leases of three years and 20% of the first year revenue for leases of four years or longer; and
- market rate commission for the sale of the real estate.

Further, since 1 March 2006, Stollburgh Capital B.V., a company controlled by Richard Homburg and J. Richard Stolle, President and Chief Operating Officer of Homburg Invest, occasionally performs asset management services in respect of certain opportunities as subcontractor of Homburg Canada Incorporated. On 1 December 2006, the Company acquired four investment properties from Stollburgh Capital B.V. for total consideration of approximately \$61 million. The Board of Directors unanimously approved the acquisition based in part on the recommendation of an independent committee of the Board of Directors comprised of two independent directors formed to consider the acquisition and to determine whether the consideration paid by Homburg Invest was fair and whether the acquisition was in the best interest of Homburg Invest.

The fees charged by Stollburgh Capital B.V. are included in the fees paid by the Company to Homburg Canada Incorporated under the asset management agreements.

Summary of payments to related parties

A summary of the various revenues and expenses between related parties is as follows:
(In CAD thousands)

| | Nine Months Ended 30 September 2008 (unaudited) <u>2008</u> | Nine Months Ended 30 September 2007 (unaudited) <u>2007</u> |
|--|--|--|
| Rental revenue earned | \$ (994) | \$ (270) |
| Asset and construction management fees incurred | \$ 14,618 | \$ 9,553 |
| Property management fees incurred | \$ 2,882 | \$ 1,287 |
| Insurance incurred | \$ 1,178 | \$ 514 |
| Service fees incurred | \$ 690 | \$ 504 |
| Property acquisition/disposal fees incurred | \$ 2,153 | \$ 31,487 |
| Mortgage bond guarantee fees incurred | \$ 2,703 | \$ 2,776 |
| Share and subscription receipts issue costs incurred | \$ NIL | \$ 950 |
| Bond and other debt issue costs incurred | \$ 4,907 | \$ 6,530 |

The transactions are recorded at exchange amounts.

The service fees that are incurred relate to operating costs such as fuel, advertising, repairs, and wages that are paid to Homburg Canada Incorporated and other related parties. Service fees are paid to a company owned by Michael Arnold, the vice chairman of the Company for an amount of CAD 142,000 for the period ended 30 September 2008 compared to CAD 152,000 for the period ended 30 September 2007. The remainder of the service fees are paid to Homburg Canada Incorporated.

The total amount paid to related parties for services rendered amounted to CAD 29.1 million for the first nine months ended on 30 September 2008 and CAD 53.6 million for the first nine months ended on 30 September 2007.

There are no related party transactions between Homburg Invest and the following Directors and Officers:

Rudolf D. Bakhuizen
Edward P. Ovsenny
Dr. Trevor A. Carmichael
Walter R. Fitzgerald
George Edward Anthony Pacaud
James F. Miles
Ashley L. Phillips

9.2.12 Appraisals of properties

Being a Euronext Amsterdam listed company, the Company is required to report according to IFRS as endorsed by the European Union. The Company has to comply with the endorsed IAS-40 Investment Property for investment properties, and the endorsed IAS-16 Property, Plant and Equipment for its investment properties under development, and has chosen the fair value method of presenting its investment properties and the revaluation model for presenting its investment properties under development, where fair value can be reliably measured, in the financial statements. To the extent that fair value cannot be reliably measured, the investment properties under development are carried at cost until completion of the development, or until fair value can be reliably measured. Development properties being developed for resale are carried at the lower of cost and net realizable value. The fair value of investment properties is based upon independent and management valuations where they are current. The Company obtains independent valuations as a part of due diligence carried out upon new acquisitions, and for financing purposes. In the absence of current reports at the time of a period end, the Company has developed its own model to assess fair value. Under this model, for most properties, the Company first assesses the net operating income (property revenue less operating expenses) of each property for permanent changes. If there are permanent changes, either positive or negative, the Company must reassess the fair value of the property. Secondly, the Company engages independent consultants to assess the capitalization rates to be applied to each property's net operating income to determine the fair value. The independent consultants produce a range of up to 50 basis points that is representative of the majority of the transactions for that property type in that particular market. The Company then utilizes a rate within this range as the capitalization rate to apply to the net operating income for each property to determine the fair value. For a few properties where there are fluctuations in the revenue stream, the Company determines fair value based on discounted cash flows for those specific properties.

Included in the value of investment properties at 30 September 2008 are cumulative unaudited unrealized valuation changes of CAD 186.7 million produced by this model.

The Company is satisfied that this model is fair and reasonable for the following reasons:

- The Company utilizes a rate within the range provided by independent consultants.
- Any disposal of assets by the Company or its Subsidiaries have been at values either equal to or greater than the fair value the Company produced from its own valuation model (see above).
- Independent appraisals produced for financing purposes have been at values greater than the fair value the Company produced from its own valuation model.

The effective date of the last valuation of the portfolio was 30 September 2008, and at that time the fair values were produced using the internal net operating income and externally provided capitalization rates. The Company has increased its investment properties by over CAD 3 billion from 31 December 2004 to 30 September 2008 and thus 90% (31 December 2007: 90%) of the portfolio value had either been purchased in an arms length transaction, or subject to an independent appraisal within the last three years. This percentage is communicated by Homburg Invest through their quarterly financial reports.

A summary of the property fair values / carrying values as at 30 September 2008 (the last date for which Fair Value is currently available) is given below.

| Property Type | Number of properties | Fair Value CAD (thousands) 30 September 2008 Unaudited |
|----------------------------------|-----------------------------|---|
| Offices (O) | 103 | 1,887,974 |
| Retail (S) | 91 | 915,867 |
| Residential (R) | 13 | 88,551 |
| Industrial (W) | 38 | 537,859 |
| Sub total | 245 | 3,430,251 |
| Properties held for development | 7 | 121,709 |
| Construction projects for resale | 6 | 143,520 |
| Properties under construction | 2 | 136,397 |
| Total | 260 | 3,831,877 |

Region (Investment Properties Only)

| | Fair Value CAD (thousands) 30 September 2008 Unaudited |
|-----------------|---|
| The Netherlands | 595,985 |
| Germany | 1,114,221 |
| The Baltics | 275,691 |
| Canada | 1,275,999 |
| USA | 168,355 |
| Total | 3,430,251 |

Properties owned by the Company and its Subsidiaries as of 30 September 2008 plus properties acquired up to the date of this Prospectus, that have been valued by external appraisers are reflected in the following schedule.

These appraisals are performed under the following assumptions:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash or in terms of financial arrangements comparable thereto;
- the price represents normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The Company, beginning in June 2008, advises shareholders of the net asset value per share in the quarterly news release.

Below is a schedule which shows all properties owned by the Company and its Subsidiaries as of 30 September 2008 plus properties acquired up to the date of the Prospectus, that have been valued by external appraisers.

| Subsidiary | Interest in Subsidiary | Property | City, province/ state, Country* | Gross Square Footage | Net Leasable Area | Appraisal Date | Appraisal Done By ** |
|------------|------------------------|----------------------------------|---------------------------------|----------------------|-------------------|----------------|----------------------|
| HOMCO 01 | 100% | 356 Windmill Road | Dartmouth, NS | 28,800 | | 28-Oct-03 | CBRE |
| HOMCO 02 | 100% | 31 Highfield Park | Dartmouth, NS | 27,195 | | 15-Jul-08 | Colliers |
| | | 35 Highfield Park | Dartmouth, NS | 29,259 | | 15-Jul-08 | Colliers |
| | | 11 Joseph Young Street | Dartmouth, NS | 27,195 | | 15-Jul-08 | Colliers |
| HOMCO 04 | 100% | 141 Albro Lake Road | Dartmouth, NS | 10,044 | | 5-Oct-99 | KAL |
| | | 295 George Street | Sydney, NS | 21,663 | 16,010 | 5-Oct-99 | KAL |
| HOMCO 07 | 100% | 5157 Morris Street - Residential | Halifax, NS | 93,836 | 93,836 | 29-Jul-03 | CBRE |
| | | 5157 Morris Street - Commercial | Halifax, NS | 28,524 | 28,524 | 29-Jul-03 | CBRE |
| HOMCO 08 | 100% | 11 Akerley/2 Morris | Dartmouth, NS | 127,314 | 127,314 | 29-Jul-03 | CBRE |
| HOMCO 09 | 100% | 640, 720 & 820 – 28th Street NE | Calgary, AB | 175,863 | 175,863 | 1-Aug-08 | Colliers |
| HOMCO 12 | 100% | Confederation Court Mall | Charlottetown, PEI | 309,149 | 232,856 | 1-Jan-04 | Altus |
| HOMCO 13 | 100% | 800-842 Crowfoot Crescent | Calgary, AB | 19,805 | 19,728 | 1-Aug-08 | Colliers |
| HOMCO 15 | 100% | 220-221 - 62nd Avenue SE | Calgary, AB | 7,685 | 7,685 | 1-June-08 | Colliers |
| | | 253 - 62nd Avenue SE | Calgary, AB | 8,180 | 8,180 | 1-June-08 | Colliers |
| | | 6223 - 2nd Street SE | Calgary, AB | 12,286 | 12,286 | 1-June-08 | Colliers |
| | | 6227 - 2nd Street SE | Calgary, AB | 30,554 | 30,554 | 1-June-08 | Colliers |
| HOMCO 16 | 100% | 150 Henri Dunant Street | Moncton, NB | 65,600 | 65,600 | 23-Oct-03 | Altus |
| | | 140 Commerce Street | Moncton, NB | 54,000 | 54,000 | 28-Jul-03 | Altus |
| | | 1199 St. George Boulevard | Moncton, NB | 60,000 | 60,000 | 23-Sep-03 | Altus |
| | | Arsenault Court (Parking Lot) | Moncton, NB | | | | |
| HOMCO 17 | 100% | Willowbend - Glenforest Drive | Halifax, NS | 63,751 | | 16-May-05 | CBRE |
| HOMCO 20 | 38% | 1741 Brunswick Street | Halifax, NS | 46,566 | 39,537 | 16-Jul-08 | Ingram Varner |
| HOMCO 21 | 5.79% | 807-42nd Ave SE | Calgary, AB | 4,513 | 4,513 | 1-Jun-08 | Colliers |
| HOMCO 22 | 5.63% | 1300 St. Peters Avenue | Bathurst, NB | 14,000 | 12,179 | 13-Jun-07 | Colliers |
| HOMCO 24 | 100% | 715 Laurier Street | Dieppe, NB | 22,776 | | 14-Jul-03 | Altus |
| | | 735 Laurier Street | Dieppe, NB | 22,776 | | 14-Jul-03 | Altus |
| | | 678 Evangeline Street | Dieppe, NB | 22,776 | | 14-Jul-03 | Altus |
| HOMCO 25 | 100% | 3660 - 20th Avenue NE | Calgary, AB | 23,696 | 23,696 | 10-Aug-08 | Colliers |

| | | | | | | | |
|----------|--------|--|---------------------------|---------|---------|-----------|--------------|
| HOMCO 26 | 38.46% | 4033 Bow Trail SW | Calgary, AB | 3,538 | 3,538 | 7-Jun-02 | Royal LePage |
| HOMCO 29 | 55.55% | 229 - 11th Avenue | Calgary, AB | 9,906 | 9,906 | 14-Feb-01 | Royal LePage |
| HOMCO 30 | 100% | 231 J.D. Gauthier Boulevard | Shippagan, NB | 70,035 | 70,035 | 7-Jul-08 | Colliers |
| HOMCO 31 | 100% | 123 Halifax Street | Moncton, NB | 80,693 | 80,693 | 6-Dec-07 | Colliers |
| | | 85 Halifax Street (Parking Lot) | Moncton, NB | | | 6-Dec-07 | Colliers |
| | | 114 Price Street | Moncton, NB | 182,582 | 182,582 | 6-Dec-07 | Colliers |
| | | 33 Henri Dunant Street | Moncton, NB | 118,354 | 118,354 | 6-Dec-07 | Colliers |
| | | 24 Carr Crescent | Gander, NF | 60,410 | 60,410 | 6-Dec-07 | Colliers |
| | | 20 Record Street | Dieppe, NB | 51,438 | 51,438 | 6-Dec-07 | Colliers |
| | | 11 Wright Street | Sackville, NB | 19,585 | 19,585 | 6-Dec-07 | Colliers |
| | | | Port Hawkesbury, NS | 17,259 | 17,259 | 6-Dec-07 | Colliers |
| HOMCO 32 | 100% | 1 MacLean Court | Dartmouth, NS | 114,630 | 114,630 | 23-Apr-03 | CBRE |
| HOMCO 33 | 100% | 118 Wyse Road | Calgary, AB | 46,976 | 46,976 | 21-Jul-08 | Colliers |
| HOMCO 34 | 100% | 4124 - 9th Street SE | Edmonton, AB | 12,349 | 12,349 | 26-Mar-01 | Colliers |
| HOMCO 37 | 100% | 139th Avenue & Manning Crossing | Bedford, NS | 23,456 | 23,456 | 1-Dec-99 | Piccott |
| HOMCO 38 | 100% | 950 Bedford Highway | Lower Sackville, NS | 9,970 | 9,970 | 1-Mar-01 | Piccott |
| HOMCO 39 | 100% | 619 Sackville Drive | Easter Passage, NS | 14,665 | 14,665 | 1-Mar-01 | Piccott |
| HOMCO 40 | 100% | 69 Cow Bay Road, | St. John's, NF | 107,400 | 107,400 | 31-Oct-04 | CBRE |
| HOMCO 41 | 100% | 24 Stavenger Drive, St. John's | Halifax, NS | 112,423 | 112,423 | 31-Oct-04 | CBRE |
| HOMCO 42 | 100% | 194 Chain Lake Drive, Halifax | Granby, PQ | 114,259 | 114,259 | 31-Oct-04 | CBRE |
| HOMCO 43 | 100% | 100 St-Jude Street, Granby, QC | Ancaster, ON | 108,628 | 108,628 | 31-Oct-04 | CBRE |
| HOMCO 44 | 100% | 60 Martindale Crescent, Ancaster, ON | Simcoe, ON | 74,250 | 74,250 | 31-Oct-04 | CBRE |
| HOMCO 45 | 100% | 129 Queensway East, Simcoe, ON | Listowel, ON | 80,005 | 80,005 | 31-Oct-04 | CBRE |
| HOMCO 46 | 100% | 600 Mitchell Road, South, Listowel, ON | Westbank, BC | 105,670 | 105,670 | 31-Oct-04 | CBRE |
| HOMCO 49 | 5% | 3571 Old Okanagan Road, Westbank, BC | Edmonton, AB | | 11,000 | 10-Nov-05 | Colliers |
| HOMCO 55 | 100% | 139th Avenue and 42nd Street NE | St-Jean Sur-Richelieu, PQ | 3,832 | 3,832 | 31-Oct-04 | CBRE |
| | | 920 Douglas Street, QC | Arthabaska, PQ | 3,800 | 3,800 | 31-Oct-04 | CBRE |
| | | 950 Justras E. Boulevard, QC | Chateauguay, PQ | 3,832 | 3,832 | 31-Oct-04 | CBRE |
| | | 99 St.-Jean-Baptiste Boulevard, QC | Ste-Julie, PQ | 3,800 | 3,800 | 31-Oct-04 | CBRE |
| | | 1950 Leonard-de-Vinci Street, QC | Saint- | 3,840 | 3,840 | 31-Oct-04 | CBRE |
| | | 324 Curee-Labelle | | | | | |

| | | | | | | | | |
|---------------------|------|--|----------------------------|-----------|-----------|-----------|---------------------|--|
| | | Boulevard., QC | Jerome, PQ | | | | | |
| | | 484-25th Avenue, QC | Saint-Eustache, PQ | 4,100 | 4,100 | 31-Oct-04 | CBRE | |
| | | 2054 Cure-Labelle Boulevard., QC | Saint-Jerome, PQ | 4,100 | 4,100 | 31-Oct-04 | CBRE | |
| | | 121 Visitation Street, QC | Joliette, PQ | 4,100 | 4,100 | 31-Oct-04 | CBRE | |
| | | 670 Principale Street, QC | Saint-Agathe-des-Monts, PQ | 4,100 | 4,100 | 31-Oct-04 | CBRE | |
| | | 1837 Gascon Road, QC | Lachenaie, PQ | 4,100 | 4,100 | 31-Oct-04 | CBRE | |
| | | 3711/3715 61st Avenue SE | Calgary, AB | 20,675 | 20,675 | 23-Jul-08 | Colliers | |
| HOMCO 56 | 100% | | | | | | | |
| HOMCO 59 | 100% | 4411-6 th street SB | Calgary, AB | 40,845 | 40,845 | 1-Aug-08 | Colliers | |
| HOMCO 77 | 100% | 846 Park Street | Kentville, NS | 14,700 | 14,700 | 8-Feb-05 | ARA | |
| | | 155, 25e Avenue, Saint Eustache, QC | Saint-Eustache, PQ | 7,406 | 7,406 | 26-Jan-06 | CBRE | |
| HOMCO 81 | 100% | | Prince George, BC | 78,818 | 78,818 | 12-Apr-01 | NCA | |
| Homburg Invest Inc. | | 1801 1st Avenue | George, BC | 78,818 | 78,818 | 12-Apr-01 | D.R. Coell & Assoc. | |
| | | 535 Yates Street Furtherstrasse 205-215, Nurnberg, Germany | Victoria, BC | 19,291 | 19,291 | 5-Aug-98 | | |
| HOMCO 68 | 100% | | Nürnberg, GER | 2,606,706 | 2,606,706 | 1-Dec-05 | Colliers CRE | |
| HOMCO 69 | 100% | Phillppestrasse 3, Bochum, Germany | Bochum, GER | 285,461 | 285,461 | 5-Mar-05 | Meeus | |
| HOMCO 70 | 100% | Elbestrasse 1-3, Marl, Germany | Marl, GER | 169,178 | 169,178 | 5-Mar-05 | Weatherall | |
| | | Binnerhelde 26, Schwerte, Germany | Schwerte, GER | 54,584 | 54,584 | 5-Mar-05 | Weatherall | |
| | | Industriestrasse 19, Hassmersheim, Germany | Hassemersheim, GER | 304,567 | 304,567 | 5-Mar-05 | Weatherall | |
| | | Wolfraamweg 2, Wolvega | Wolvega, NL | 191,836 | 191,836 | 5-Mar-05 | Weatherall | |
| HOMCO 71 | 100% | Meldoomkade 22-24, Houten, NL | Houten, NL | 193,178 | 193,178 | 30-Mar-05 | Weatherall | |
| | | Industriestraat 6, 8, 10, Numansdorp, NL | Numansdorp, NL | 92,517 | 92,517 | Jun-05 | Weatherall | |
| HOMCO 72 | 100% | | | | | | | |
| HOMCO 73 | 100% | Fortranweg 10, Amersfoort, NL | Amersfoort, NL | 100,514 | 100,514 | 1-Nov-04 | Meeus | |
| HOMCO 74 | 100% | Industrielaan 24, Uden, NL | Uden, NL | 437,825 | 437,825 | 5-Mar-05 | Meeus | |
| | | Daalakkersweg 2, 2-A and 8, Eindhoven, NL | Eindhoven, NL | 364,921 | 364,921 | 1-Apr-06 | Weatherall | |
| HOMCO 76 | 100% | | | | | | | |
| HOMCO 91 | 100% | 20 Rue de Toulouse | Granby, QC | 4,400 | 4,400 | 16-Jan-08 | Colliers | |
| | | 8 boel Bromont | Bromont, QC | 4,400 | 4,400 | 16-Jan-08 | Colliers | |
| | | 50 boel Lionel-Groulx | Sherbrooke, QC | 4,800 | 4,800 | 16-Jan-08 | Colliers | |
| | | 641 King ST., East | Gananonoque, QC | 1,875 | 1,875 | 16-Jan-08 | Colliers | |

| | | | | | | | |
|----------------------------------|--------|--|--|------------------|------------------|------------------------|--------------------------------|
| | | 39 Warne Cres. 268 North Front St. | Kingston, ON Belleville, ON | 4,700 | 4,700 | 16-Jan-08 | Colliers |
| | | | | 4,500 | 4,500 | 16-Jan-08 | Colliers |
| | | 1 Commerce Rd. 429/431 Kent Street West | Lindsay, ON Lindsay, ON | 5,110 | 5,110 | 16-Jan-08 | Colliers |
| | | | | 6,238 | 6,238 | 16-Jan-08 | Colliers |
| HOMCO 92 | 100% | Old Highway #2 Hardwareweg 11 | Trenton, ON t Harde, NL | 4,300 147,054 | 4,300 147,054 | 16-Jan-08 28-Oct-05 | Colliers Troostwijk CBRE |
| HOMCO 102 | 100% | Amersfoort, NL | Amersfoort, NL | 52,948 | 52,948 | 15-Dec-05 | |
| HOMCO 103 | 100% | 170 Labelle Blvd. 101 Blvd. Arthur Sauve | Rosemere, QC St. Eustache, QC | 3,314 | 3,314 | 26-Jan-06 | CBRE |
| | | 255 Cremaize Blvd. | Montreal, QC | 2,508 | 2,508 | 26-Jan-06 | CBRE |
| | | 2986 St Charles Blvd. | | 3,945 | 3,945 | 26-Jan-06 | CBRE |
| | | Campeon Complex | Kirkland, QC | 2,497 | 2,497 | 26-Jan-06 | CBRE |
| HOMCO 110 | 93.37% | Tarasconweg 2, | Munich, GER Eindhoven, NL | | | 3-Mar-06 | King |
| HOMCO 111 | 100% | Franse Baan 606 | | 84,615 | 84,615 | 10-Aug-06 | DTZ Zadelhoff |
| HOMCO 112 | 100% | Valkstraat 14 Sheffieldstraat 21- 39 | Sittard, NL | 27,560 | 27,560 | 10-Aug-06 | DTZ Zadelhoff |
| | | Stuttgartstraat 30- 44 | Rotterdam, NL | | | | |
| HOMCO 113 | 100% | Corkstraat 38-46 Reitse | | 150,932 | 150,932 | 10-Aug-06 | DTZ Zadelhoff |
| | | Hoevenstraat 233- 241 Beelaarts van Bloklandstraat 10- 14 | | | | | |
| HOMCO 114 | 100% | | Tilburg, NL | 237,615 | 237,615 | 10-Aug-06 | DTZ Zadelhoff |
| HOMBURG HOLDINGS (US) INC. | 100% | 555 East Pikes Peak Rd., Colorado Springs, CO | Colorado Springs, CO | 39,285 | 37,251 | 13-Jan-03 | TC & AI |
| | | 557 East Pikes Peak Rd., Colorado Springs, CO | Colorado Springs, CO | 27,174 | 27,000 | 13-Jan-03 | TC & AI |
| | | 559 East Pikes Peak Rd., Colorado Springs, CO | Colorado Springs, CO | 31,515 | 30,137 | 13-Jan-03 | TC & AI |
| | | 4575 Hilton Parkway, Colorado Springs, CO | Colorado Springs, CO | 10,524 | 9,998 | 22-Jan-03 | TC & AI |
| | | 3535 Van Teylingen Dr., Colorado Springs, CO | Colorado Springs, CO | 11,040 | 10,335 | 10-Feb-03 | TC & AI |
| | | 669 Airport Freeway, Hurst TX | Hurst, TX | 53,265 | 53,265 | 3-Dec-02 | Yates Realty |
| | | 15510 Lexington | Sugarland, | 17,825 | 17,825 | 9-Jan-03 | Murphy Appr |

| | | | | | | | | | |
|--------------|------|--|-------------------|-----------|-----------|-------------|--|-------------------|--|
| | | | 122 | | | | | | |
| | | Bldv, Sugarland, TX | TX | | | | | Grp | |
| | | 8400 Blanco Rd., San Antonio, TX | San Antonio, TX | 14,986 | 14,986 | 12-Feb-03 | | McNeel, W & A Inc | |
| | | 3740 Colony Dr., San Antonio, TX | San Antonio, TX | 24,399 | 24,399 | 12-Feb-03 | | McNeel, W & A Inc | |
| | | 10800 and 10829 Hillpoint Dr., San Antonio, TX | San Antonio, TX | 22,216 | 22,216 | 31-Jan-03 | | McNeel, W & A Inc | |
| | | 4718 and 4738 Cotton Belt Dr., San Antonio, TX | San Antonio, TX | 22,474 | 22,474 | 12-Feb-03 | | McNeel, W & A Inc | |
| HOMCO 84 | 100% | Stationsplein 7 & 9 | Groningen, NL | 343,582 | 343,582 | 13-Jun-06 | | CBRE | |
| HOMCO 85 | 100% | Mathildelaan 1 | Eindhoven, NL | 523,162 | 523,162 | 20-Mar-06 | | BRE RT | |
| HOMCO 86 | 100% | Benthemstraat 10 | Rotterdam, NL | 104,637 | 104,637 | 20-Mar-06 | | BRE RT | |
| HOMCO 87 | 100% | Energieweg 9 | Rotterdam, NL | 35,306 | 35,306 | 14-Mar-06 | | BRE RT | |
| HOMCO 104 | 100% | 101311 117 th Ave. | Grand Prairie, AB | 10,358 | 10,358 | 18-Dec-06 | | Colliers | |
| | | 5300 47 th Ave. | Taber, AB | 7,334 | 7,334 | 17-Dec-06 | | Colliers | |
| HOMCO 115 | 100% | Gentsweg 5-19 | Gouda, NL | 41,237 | 41,237 | 11-Dec-06 | | Colliers | |
| HOMCO 116 | 100% | Hoevenweg 11-11a | Eindhoven, NL | 62,990 | 62,990 | 11-Dec-06 | | Colliers | |
| HOMCO 117 | 100% | Wilhelminaplein 26 | Roermond, NL | 22,357 | 22,357 | 11-Dec-06 | | Colliers | |
| HOMCO 118 | 100% | Wilhelminasingel 5 | Roermond, NL | 41,925 | 41,925 | 8-Dec-06 | | Colliers | |
| HOMCO 119 | 100% | Noorderpoort 33 | Venlo, NL | 20,613 | 20,613 | 11-Dec-06 | | Colliers | |
| HOMCO 120 | 100% | Keesomlaan 6-10 | Amstelveen, NL | 133,214 | 133,214 | 10-Feb-07 | | CBRE | |
| HOMCO 123 | 100% | Platinawerf 22 | Beuningen, NL | 164,710 | 164,710 | 30-Mar-07 | | DTZ Zadelhoff | |
| ALEXIS NIHON | 100% | Place Alexis Nihon | Montreal, PQ | 1,302,885 | 1,302,885 | 5 30-Apr-08 | | Altus | |
| | | 777 St. Catherine | Montreal, PQ | 26,326 | 26,326 | 1-Jun-06 | | Altus | |
| | | Spheredtech | Montreal, PQ | 189,195 | 189,195 | 1-Jun-06 | | Altus | |
| | | 1500 Le Corbusier | Montreal, PQ | 701,932 | 701,932 | 31-Oct-07 | | Altus | |
| | | St. Jerome Mega Centre | St Jerome, PQ | 195,953 | 195,953 | 12-Mar-04 | | Altus | |
| | | 1200 Place Nobel | Montreal, PQ | 65,099 | 65,099 | 5-Jan-06 | | Altus | |
| | | Rue Therrien/Tremblay | Montreal, PQ | 24,875 | 24,875 | 5-Jan-06 | | Altus | |
| | | 1200-1220 Des Promenades | Montreal, PQ | 8,143 | 8,143 | 5-Jan-06 | | Altus | |
| HOMCO 126 | 100% | 3101 Royal Blvd. | Shawinigan, PQ | 195,221 | 195,221 | 30-May-07 | | Colliers | |
| | | 3353-3493 Royal Blvd. | Shawinigan, PQ | 23,548 | 23,548 | 30-May-07 | | Colliers | |
| HOMCO 127 | 100% | 230 Des Bois-Francis | Victoriaville, PQ | 8,210 | 8,210 | 25-Apr-08 | | Colliers | |
| | | 3005 King Street W. | Sherbrooke, PQ | 5,768 | 5,768 | 25-Apr-08 | | Colliers | |
| | | 736 Kind Street | Sherbrooke | 6,000 | 6,000 | 25-Apr-08 | | Colliers | |
| HOMCO 142 | 100% | 8 IJsbaanpad | Amsterdam, NL | 71,472 | 60,999 | 01-Jun-08 | | Savills | |
| | | Bruistensingel 500-598 | Den Bosch, NL | 49,019 | 87,478 | 01-Jun-08 | | Savills | |
| HOMCO 143 | 100% | 32 Akerley Blvd. | Dartmouth, | 14,662 | 14,446 | 29-Sep-08 | | Colliers | |

| | |
|-----|-------------------------------|
| AB | Alberta (Canada) |
| BC | British Columbia (Canada) |
| CO | Colorado (USA) |
| GER | Germany |
| NB | New Brunswick (Canada) |
| NF | Newfoundland (Canada) |
| NL | Netherlands |
| NS | Nova Scotia (Canada) |
| ON | Ontario (Canada) |
| PEI | Prince Edward Island (Canada) |
| PQ | Quebec (Canada) |
| TX | Texas (USA) |

| | | | |
|----------------------|---|-----------------|--|
| Altus | Altus Group 740 Main Street, Suite 100 Moncton, NB, E1C 1E6 | Grp | The Murphy Appraisal Group 9219 Katy Freeway, Suite 195 Houston, Texas 77024 |
| APAI | Anderson Preece & Associates Inc Suite 260, Riverside Office Plaza Red Deer, AB, T4N 6C9 | NCA | North Country Appraisals 1531 8th Avenue, Prince George, British Columbia |
| ARA | Atlantic Realtor Advisors 15 Dartmouth Road, Suite 310 Bedford, NS, B1A 3X6 | ORAI | Outlook Realty Advisors Inc Suite 204, 301-14 th Street NW Calgary, AB, T2N 2A1 |
| CBRE | CB Richard Ellis Limited 5855 Spring Garden Road, Suite A200 Halifax, NS, B3H 4S2 | Piccott | Piccott Real Estate Appraisals Ltd Ancaster Place, 201 Brownlow Avenue, Suite 44 Dartmouth, NS, B3B 1W2 |
| Colliers | Colliers International Suite 1000, Royal Bank Building, 335-8 th Avenue SW Calgary, AB, T2P 1C9 | Royal LePage | Royal Le Page 144 – 4th Avenue SW, Suite 900 Calgary, AB, T2P 3N4 |
| EA & CS | Elford Appraisal & Consulting Services Ltd # 355, 3132 – 26 Street NE Calgary, AB, T1Y 6Z1 | TC & AI | Thomas Colon & Associates Inc 308 West Fillmore Street, Suite 50 Colorado Springs, Colorado 80901 |
| KAL | Kempton Appraisals Limited 376 Portland Street Dartmouth, NS, B2Y 1K8 | Troostwijk | Troostwijk Taxaties B.V. Anderlechtlaan 181 1066 HM Amsterdam |
| King | King Sturge GmbH International Property Consultants Kaiserstrasse 6 60311 Frankfurt am Main | Wheaterall | Weatherall Vastgoed Adviseurs Triport 1 1118 ZS Luchthaven Schiphol |
| McNeel, W & A Inc | McNeel, Weissler & Associates Inc 3201 Cherry Ridge, Suite A-108 | Yates Realty | Yates Realty Advisors Inc 364 Belle Circle Aledo, Texas 76008 |

San Antonio, Texas 78230

DTZ Zadelhoff DTZ Zadelhoff
Postbus 74030
1070 BA Amsterdam

9.2.13 Expense ratio

The expense ratio which, within the scope of the Financial Supervision Act, should be reported by investment institutions in order to provide clear and comparable information on the level of costs, amounts to 13,24% over the financial year 2007. The expense ratio is calculated as the total costs compared to the weighted average net asset value in respect of a financial year, whereby total costs include all property operating expenses, stock based compensation, general and administrative expenses, foreign exchange losses and amortisation and income taxes but does not include interest costs.

9.2.14 Corporate governance

The Board of Directors is committed to a high standard of corporate governance practices. The Board of Directors believes that this commitment is not only in the best interests of the shareholders but that it also promotes effective decision making at the Board of Directors level. The Board of Directors is of the view that its approach to corporate governance is appropriate given the size and the nature of the Company. At a meeting of the Board of Directors held on 23 December 2008, the Board approved the formation of a Corporate Governance Committee which will be completed within the next financial year.

Compliance with corporate governance guidelines

While there is no mandated corporate governance code in Canada, provincial securities commissions have adopted National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") which sets out guidelines for best governance practices and Multilateral Instrument 52-110 - *Audit Committees* ("MI 52-110") which mandates the composition and the responsibilities of audit committees.

Corporate governance guidelines

The guidelines set out in NP 58-201 are prescriptive and companies are encouraged to consider these guidelines in formulating practices which are best suited to them. The Company has generally adopted the guidelines set forth in NP 58-201, with the following material exceptions:

1) NP 58-201 recommends that the majority of the Board of Directors be independent as defined in National Instrument 58-101 ("NI 58-101"). Of the current Board of Directors, a majority are independent: Dr. Carmichael, Mr. Fitzgerald, Mr. Ovsenny and Mr. Pacaud. Mr. Richard Homburg is deemed not to be independent as he serves as chairman of the Board of Directors and he directly and indirectly controls the majority of the voting stock. Mr. Rudolf Bakhuizen has been determined by the Board of Directors not to be independent as he has a material relationship with Homburg Invest. Mr. Michael Arnold provides, through his private company, management services to one of the Company's properties and thus would not be considered independent as defined in NI 58-101. The property and the fees paid in conjunction with the property are not material to the Company.

2) NP 58-201 recommends that the Chairman of the Board of Directors be an independent Director or if the Chairman is not an independent Director, that a "lead Director" who is independent be appointed. Mr. Richard Homburg is not an independent Director for the reasons set out above and the Board of Directors has ascertained that a lead Director is not necessary given the size of the Board of Directors and the approach the Board of Directors takes to provide leadership for its independent Directors. Directors are selected not only for their proven business skills but also for their ability to participate fully and freely in discussions in the decision making process. All members of the Board of Directors are given the time necessary to ask questions and to express their independent views. Independent Directors may request to meet separately from the rest of the Board of Directors, if and when they believe it is appropriate, and the Board of Directors routinely establish independent committees to deal with matters which involve approval of a matter where one or more

Directors has a significant conflict of interest or where required by securities legislation rules and regulations.

Audit committee mandate

The Company complies with all of the mandated rules for audit committees set out in MI 52-110 with the exception of the independence of one member of the audit committee. MI 52-110 requires each member of the audit committee be independent. MI 52-110 defines independence to mean the absence of any direct or indirect material relationship between the Director and the issuer and deems that the consultancy relationship between Mr. Michael Arnold and the related entity to the Company would reasonably interfere with the exercise of the person's independent judgement. While the Board of Directors acknowledges that Mr. Michael Arnold is not independent, it concludes that Mr. Michael Arnold's financial and real estate knowledge and experience are important to the work of the audit committee and that he will carry out his duties independently.

9.3 Financial key figures

FINANCIAL HIGHLIGHTS (IFRS)

(in CAD thousands except per share amounts)

| | 9 months ended 30 September 2008 Unaudited | 9 months ended 30 September 2007 Unaudited | Year ended 31 December 2007 Audited | Year ended 31 December 2006 Audited | Year ended 31 December 2005 Audited |
|---------------------------------------|---|---|--|--|--|
| OPERATIONS | | | | | |
| Property Revenue | \$ 228,572 | \$150,582 | \$ 211,025 | \$ 116,742 | \$ 56,743 |
| Realized Valuation Changes | \$ NIL | \$1,050 | \$ 924 | \$ 8,775 | \$ 4,693 |
| Unrealized Valuation Changes | (29,414) | \$ 40,903 | \$ 55,757 | \$ 76,225 | \$ 50,387 |
| Net Earnings | \$ 25,412 | \$ 67,011 | \$ 140,495 | \$ 94,766 | \$ 54,863 |
| Earnings Per Share – Basic | | | | | |
| (pre-consolidation) | \$ 0.13 | \$0.44 | \$ 0.86 | \$ 0.86 | \$ 0.69 |
| BALANCE SHEET | | | | | |
| Total Assets | \$ 4,057,967 | \$ 3,145,557 | \$ 3,820,379 | \$ 2,425,964 | \$ 1,079,660 |
| Investment and Development Properties | \$ 3,831,877 | \$ 2,977,480 | \$ 3,693,422 | \$ 2,259,565 | \$ 969,872 |
| Long Term Debt | \$ 2,619,629 | \$1,881,389 | \$ 2,117,580 | \$ 1,599,780 | \$ 678,951 |
| Shareholders' Equity ⁽¹⁾ | \$ 887,528 | \$799,531 | \$ 886,271 | \$ 504,004 | \$ 259,468 |

Note: (1) These numbers reflect changes on a pre-consolidation basis. The Class A Shares and the Class B Shares were consolidated on 1 for 10 basis effective 16 December 2008.

(2) The source of the 30 September 2007 Balance sheet information is the Unaudited Consolidated Statements for the nine Months ended 30 September 2007; the source of the 30 September 2008 Balance sheet information is the Unaudited Consolidated Statements for the nine Months ended 30 September 2008.

9.3.1 Restatement and subsequent events

Stock dividend

During the period ended 30 September 2008, the Issuer declared a dividend of \$0.24 per share on all issued and outstanding Class A Shares and Class B Shares. The dividend was paid "in-kind" by issuing Class A Shares at a volume weighted average price, less a discount of 3%, of \$3.49 per share. The effect of this stock dividend has been to retrospectively adjust all share and per share amounts reported for previous periods to reflect the additional 0.06877 Class A Shares issued for each Class A Share and Class B Share outstanding at that time.

2005 restatement

The financial highlights for 2005 have been restated to reflect a change in accounting policy related to deferred financing costs. The policy change was made in June 2006 and was applied retrospectively. The impact of the change is explained in the notes to the 2006 financial statements included in this Prospectus.

Stock consolidation

In December 2008, the Company's shareholders approved a 1 for 10 stock consolidation of all Class A and Class B Shares. Whereas this consolidation was not approved until after the release of the 30 September 2008 financial results, which are incorporated within this prospectus, no share and per share information included in this Prospectus have been adjusted to reflect the consolidation. Future financial information releases will be retrospectively adjusted to reflect the impact of this stock consolidation.

Normal Course Issuer Bid (NCIB)

In October 2008, the Company announced its intention to reacquire, for cancellation, its own Class A and Class B Shares under an approved NCIB. On a pre-consolidation quantity basis, the NCIB allows the Company to acquire up to a total of 10,510,000 Class A Shares (47,538 shares per day) and up to a total of 1,575,000 Class B Shares (868 shares per day) over a period of one year ending October 2009. The Class A and Class B Shares bought under the NCIB are being purchased by the Bank of Montreal for Homburg Invest and then they are immediately to be cancelled. Homburg Invest is the beneficial holder for the brief period of time it takes CIBC Mellon to cancel the Shares held by Homburg Invest. Homburg files a report at the end of each month with the TSX which reflects, if applicable, the number of Shares repurchased and cancelled. As of 31 December 2008 the Company has purchased and cancelled 512,100 Class A and 12,400 Class B Shares (pre-consolidation quantities) under their Normal Course Issuer Bid at an average cost of \$1.48 per Class A Share and \$1.44 per Class B Share. It should be noted that the NCIB, if acted upon by the Company, will trigger the early redemption of each Series of Class A Preferred Shares (reference is made to Section 6 of Chapter 6, Appendix B).

Share purchase by Company controlled by Mr. Richard Homburg

On 21 November 2008 Homburg Invest announced that through Homburg Finance AG of Zurich Switzerland, part of the Homburg Group of Companies under the control of Mr. Richard Homburg, 13,127,042 Class A Shares in Homburg Invest were acquired at the market price of EUR 1.03 from an European Investment Group in a private transaction.

Re-development of Confederation Court Mall, Charlottetown, Prince Edward Island, Canada

On 27 November 2008 the Company announced that Homburg Invest has undertaken a three staged re-development of the Confederation Court Mall which will significantly improve services and commercial spaces of the historic downtown of Charlottetown. Phase 1 has already commenced construction and will be a new eight-storey Class A commercial office building on Fitzroy Street and when completed will be comprised of 50,000 square feet featuring all the latest amenities. Phase 2 began last year with the re-development of the food court in The Shops of Confederation Court Mall and with the creation of the Urban Eatery, which offers quality fresh food in a market-style atmosphere and continues with a major refurbishment of the interior and exterior of the entire Confederation Court Complex. This 400,000 square foot office and retail complex was built 30 years ago and requires modernization and expansion to ensure it remains the major anchor in the capital city of the province. Phase 3 of the development will be a 10-storey, 82-room boutique hotel that will be located above The Shops of Confederation Court Mall. Construction for the hotel is scheduled to commence early in 2009. All three phases are scheduled to be completed in the next 24 to 30 months. Total re-development costs are estimated to be CAD 45 million.

Disposal of interest in DIM Vastgoed N. V. in exchange for Common Stock of Equity One Inc.

On 12 January 2009 Homburg Invest announced that it had entered into a so-called exchange agreement with Equity One Inc. ("Equity One" – NYSE:EQY). Concurrently with the exchange agreement Equity One and Homburg Invest entered into a so-called voting rights transfer agreement. Under the exchange agreement, Homburg Invest has disposed of approximately 2 million ordinary shares of DIM Vastgoed N.V. ("**DIM**") to Equity One in exchange for shares of common stock of Equity One ("**Common Stock**"). At initial closing, Homburg Invest has acquired 866,373 shares of Common Stock in exchange for a total of 1,151,276 DIM shares and 86,400 rights to DIM Shares. In addition, under the voting rights transfer agreement, Homburg Invest has granted an irrevocable proxy to Equity One with respect to another 766,573 DIM shares that Homburg has an obligation to acquire on 1 October 2010. The exchange agreement also provides, subject to certain conditions, that Equity One will acquire these DIM shares from Homburg once Homburg has obtained the DIM shares at the same exchange ratio, being an aggregate of 536,601 shares of Common Stock.

9.3.2 Risk of material adverse change

The Company last published unaudited financial results for the period ended 30 September 2008, and is currently working on preparation of audited financial results for the year ended 31 December 2008. While the preparation and audit of the financial statements for the year ended 31 December 2008 are still ongoing, the findings to date, based solely on preliminary figures, and subject to the performance of necessary audit procedures, can be summarized as follows:

1. There has been no material adverse change to the Company's direct operations of leasing out properties and earning property revenue and incurring property operating expenses.
2. As a result of the current global market conditions, the Company expects to report an unrealized valuation decrease in the fair value of its investment properties. The unrealized valuation decrease, as also discussed in Chapter 2 "*Risk Factors*", when completed for the year ended 31 December 2008, is expected to impact the fair value of the Company's investment properties by at least 4% or \$135 million. The Company has not completed its internal assessment of this impact; however, each additional 1% unrealized valuation decrease will further impact earnings before income taxes by an additional \$35 million.
3. Other non-direct operational items expected to be impacted include: long term investments in the shares of other publicly traded real estate entities and the related loss in value of these investments due to the current global market conditions; goodwill which is being assessed for impairment in light of reductions in the related investment properties; and foreign exchange loss, due to the increase in the exchange rate between the Canadian dollar and the Euro on 31 December 2008.

While the items referred to in items 2 and 3 above have no impact on the Company's cash position, or on its reported Funds from operations, as they are non-cash in nature and are unrealized write downs, they will have a negative impact on the Company's reported Shareholders' Equity. Currently, the Company is not able to make an assessment of this impact.

The share price of Homburg Invest has decreased from EUR 15.90 on 30 September 2008 (the last period for which unaudited financial information was published) to EUR 7.50 on 30 January 2009 (based on the post-consolidation shares).

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company and its Subsidiaries are aware) during a period covering the previous 12 months which may have, or have had in the recent past significant effects on the financial position or profitability of the Company and its Subsidiaries.

9.4 Equity

9.4.1 Share price

Closing share prices (post-consolidation) on Euronext Amsterdam in EUR per month:³

| Type of shares | Month | Closing Price |
|----------------|----------------|---------------|
| Class A Shares | January 2008 | 26.95 |
| Class A Shares | February 2008 | 26.95 |
| Class A Shares | March 2008 | 19.18 |
| Class A Shares | April 2008 | 22.83 |
| Class A Shares | May 2008 | 26.20 |
| Class A Shares | June 2008 | 22.74 |
| Class A Shares | July 2008 | 21.52 |
| Class A Shares | August 2008 | 22.08 |
| Class A Shares | September 2008 | 15.90 |
| Class A Shares | October 2008 | 13.50 |
| Class A Shares | November 2008 | 9.80 |
| Class A Shares | December 2008 | 6.98 |
| Class A Shares | January 2009 | 7.50 |

9.4.2 Share capital

9.4.2.1 Homburg Invest shares

As of 30 September 2008 the Company has issued 155,579,016 Class A Shares and 31,514,782 Class B Shares with no par value. These shares are listed on the TSX and have the share codes HII.A and HII.B respectively. Both types of shares are priced in Canadian dollars and are governed by Canadian corporate law and securities regulations, including the rules and regulations of the TSX.

The Class A Shares are also listed on Euronext Amsterdam. These shares are identical to the Class A Shares traded on the TSX under ISIN code CA4368712069, and are priced in EUR.

The shareholders of Homburg Invest approved the consolidation of the Issuer's Class A Shares and Class B Shares at a general meeting held on 11 December 2008. Homburg Invest consolidated its Shares effective 16 December 2008 on a 10 for 1 basis, that is, each 10 existing Class A Shares were consolidated into one post-consolidated Class A Share and each 10 existing Class B Shares were consolidated into one post-consolidated Class B Shares. The Class A Shares and Class B Shares began trading on a post-consolidated basis on the TSX on 16 December 2008 and on Euronext Amsterdam on 23 December 2008. Whereas this consolidation was not approved until after the release of the 30 September 2008 financial results, which are incorporated within this Prospectus, no share and per share information within this Prospectus have been adjusted to reflect the consolidation. Future financial information releases will be retrospectively adjusted to reflect the impact of this stock consolidation.

At the annual meeting of the Company held on 1 April 2005, the shareholders approved a resolution amending the capital stock. The Company is now authorized to issue an unlimited number of Class A Shares, an unlimited number of Class A Preferred Shares, issuable in series, and an unlimited number of Class B Shares and Class B Preferred Shares, issuable in series. No Class A Preferred Shares or Class B Preferred Shares are currently issued. (For details on the Class A Shares, Class B Shares and Class A Preferred Shares, see Chapter 9.2.4.1 of the Prospectus).

According to sub-section 6.1 of the Articles (see Chapter 9.2.4.1) the Company will not issue any further Class B Shares.

³ source: NYSE Euronext at (<https://mylisting.euronext.com>). This information has been accurately reproduced and no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Class A Shares and Class B Shares have substantially the same attributes except that the Class A Shares have one vote per share, the Class B Shares have 25 votes per share and the Class A Shares are convertible into Homburg Invest Class B Shares, but only in certain limited circumstances (see also Chapter 9) involving offers made to all or substantially all holders of Class B Shares.

The Company's major shareholders do not have voting rights different from other shareholders.

Securities are in registered form and are certificated as issued by CIBC Mellon Trust Company, the Company's Registrar and Stock Transfer Agent.

Any issue of listed or participating shares and options convertible into listed or participating shares must be reported to the TSX and the Ontario Securities Commission (unless an exemption is available). Part of the notification procedure is a verification that the issuing price is within a certain bandwidth, dictated by the trading price of the relevant shares in the period preceding the issue. In certain circumstances, issued shares may be subject to a hold period of 4 months and 1 day from the date of distribution of the Shares pursuant to Canadian securities laws.

9.4.2.1.1 Reconciliation of the number of shares outstanding (pre-consolidation basis)

Retrospectively adjusted for stock dividend as detailed in Chapter 9.4.2.2.

(All figures in CAD thousands)

| | # of Common Shares | # of Class A | # of Class B | Stated Capital |
|---|-------------------------------|-------------------------|-------------------------|---------------------------|
| Issued and outstanding at 31 December 2003 | 49,558 | - | - | \$48,547 |
| Exercise of options | 128 | - | - | 108 |
| Acquisitions | 173 | - | - | 250 |
| Private placements | 8,905 | - | - | 12,000 |
| Dividend reinvestment plan | 2,055 | - | - | 2,786 |
| Quarterly redemption of shares | (495) | - | - | (486) |
| Issue costs | - | - | - | (170) |
| Issued and outstanding at 31 December 2004 | 60,324 | - | - | \$63,035 |
| Exercise of options | 611 | - | - | 628 |
| Private placements | 2,843 | - | - | 7,500 |
| Dividend reinvestment plan | 1,538 | - | - | 4,091 |
| Issue costs | - | - | - | (415) |
| Share reorganization | | | | |
| 1 April 2005 | (65,316) | 34,754 | 30,562 | - |
| Acquisitions | - | 25,359 | - | 72,482 |
| Exercise of options | - | 329 | 283 | 628 |
| Dividend reinvestment plan | - | 2,381 | - | 8,682 |
| Private placement | - | 1,077 | - | 5,039 |
| Issued and outstanding at 31 December 2005 | - | 63,900 | 30,845 | \$161,670 |
| Exercise of options | - | 390 | 52 | 1,200 |
| Acquisitions | - | 7,694 | - | 40,798 |
| Repayment of acquisition debt | - | 3,206 | - | 19,395 |
| Acquisitions | - | 20 | - | 66 |
| Private placements | - | 15,266 | - | 68,406 |
| Issue costs, net of income taxes | - | - | - | (466) |
| Dividend reinvestment plan | - | 4,707 | - | 20,091 |

| | | | | |
|---|----------|----------------|---------------|------------------|
| Issued and outstanding at 31 December 2006 | - | 95,183 | 30,897 | \$311,160 |
| Exercise of options | - | 1,536 | 618 | 4,344 |
| Acquisition of properties | - | 5,012 | - | 30,051 |
| Private, public and other share issues | - | 52,801 | - | 259,763 |
| Issue costs, net of income taxes | - | - | - | (7,127) |
| Dividend reinvestment plan | - | 6,791 | - | 35,074 |
| Issued and outstanding at 31 December 2007 | - | 161,323 | 31,515 | \$633,265 |
| Dividend reinvestment plan | - | 7,089 | - | 22,572 |
| Stock dividend | - | - | - | 44,788 |
| Issue costs, net of income taxes | - | - | - | (51) |
| Issued and outstanding 30 September 2008 | <u>-</u> | <u>168,412</u> | <u>31,515</u> | <u>\$700,574</u> |

Notes:

- (1) This table reflects the number of shares on a pre-consolidation basis. Homburg Invest consolidated its Class A Shares and Class B shares on a 10 for 1 basis effective December 16, 2008.

9.4.2.2 Dividends

As at 30 September 2008, the indicative annual dividend was \$0.48 per share. Any dividend payments are declared at the sole discretion by the Board of Directors, taking into account the corporations obligations under the Business Corporation Act (Alberta) (ABCA). Details related thereto, will be advertised at least seven days prior to the record date set for determining who should receive the dividends in a newspaper published or distributed where the Company has its registered office and in each place in Canada where the Company has a transfer agent or where the transfer of Shares may be recorded and, by written notice, to each stock exchange in Canada on which the Shares are listed for trading and will also be announced on the website of the Company, as well as by an advertisement in a Dutch newspaper (*Het Financieele Dagblad*) and in the Dutch Official List of Euronext Amsterdam (*Officiële Prijscourant*). Dividends are paid by the company's transfer agent CIBC Mellon Trust Company. Dividends are paid less withholding tax, to each shareholder on or about the payment date. Dividends to beneficial owners are paid to the broker/agent holding the shares on behalf of the owner less withholding tax.

Eligible shareholders of the Company may opt to participate in the dividend reinvestment plan (for full details see Dividend Reinvestment Plan on www.homburginvest.com). The dividend reinvestment plan enables shareholders of the Company to invest the cash dividends (less withholding tax, if any) on the Class A Shares and Class B Shares in additional Class A Shares. A participant in the plan may elect to invest cash dividends paid on its shares with respect to all of its shares or 50% of its shares. Shares bought under the dividend reinvestment plan are acquired at 97% of market value (subject to Board of Directors approval).

Unclaimed dividends shall be forfeited and shall revert to the Company after a period of six years from the date on which the dividend has been declared payable.

9.5 Option schemes

The Company may grant options to acquire Class A Shares to the members of the Board of Directors, and the Officers and to persons engaged to provide ongoing management or consulting services to the Company, including but not limited to directors, officers and employees of Homburg Canada Incorporated.

Class A Shares acquired through the exercise of options are tradeable on either the TSX and Euronext Amsterdam.

The options are granted pursuant to the terms of the stock option plan which was approved by the annual and special general meeting on 1 April 2005. The principal features of the stock option plan include the following:

1. The exercise price of an option is determined at the time of grant and is to be the closing price of the Class A Shares on the TSX on the last day preceding the grant on which a trade of Class A Shares occurred on the TSX.
2. The term of an option will not be more than ten (10) years from the date of grant.
3. The number of Class A Shares options which may be granted from time to time under the stock option plan is up to 10% of the aggregate of the Class A Shares and the Class B Shares at the time of the grant.
4. Options granted, together with all of the Company's other previously established or proposed share compensation arrangements, may not result at any time in:
 - a) the aggregate number of Class A Shares reserved at any time for options granted to insiders (as defined in the Securities Act of Ontario) will not exceed 10% of the total number of Class A Shares and Class B Shares then outstanding;
 - b) options under the stock option plan held in aggregate by insiders together with any other share compensation arrangements will not result in the issuance to insiders, within a one-year period, of a number of Class A Shares exceeding 10% of the total number of Class A Shares and Class B Shares;
 - c) options under the stock option plan held by one insider and associates (as defined in the Securities Act of Ontario) together with any other share compensation arrangements available to such insider and associates will not result in the issuance to such insider and associates within a one-year period, of a number of Class A Shares exceeding 5% of the Class A Shares then outstanding; and
 - d) the number of Class A Shares subject to options under the stock option plan held by any one person (and associates) will not exceed 5% of the total number of Class A Shares and Class B Shares.
5. The vesting of options is determined by the Board of Directors at its sole discretion, on the date of grant.
6. Stock options are exercisable only while the person continues to be an eligible optionee and for a period not greater than one year after ceasing to be such an eligible optionee, or the normal expiry (whichever is less).

The Articles restrict the issuance of any additional Class B Shares other than those which have already been authorized for issuance pursuant to the exercise of already issued stock options as at 5 April 2005.

No financial assistance is provided by the Company in connection with the exercise of any option. As of 30 September 2008 there are no Class B Share Options granted and there are 9,296,815 Class A Share Options issued but unexercised (8,428,262 fully vested and exercisable). Options to acquire Class A Shares were reduced proportionately effective 16 December 2008 to reflect the 10 for 1 consolidation of the Class A Shares.

9.6 Major shareholders

There are no known persons other than the member(s) of the administrative, management or supervisory bodies who, directly or indirectly, have an interest in the Company's capital or voting rights which is notifiable under the Company's national reporting requirements or under the reporting requirements under the Financial Supervision Act.

The Company's major shareholders do not have voting rights different from all other shareholders.

The Company is controlled by Mr. Richard Homburg. As at 1 December 2008, Mr. Richard Homburg controlled 46.12% of the issued and outstanding Class A Shares and Class B Shares, representing 71.75% of all votes as at 1 December 2008. There are no restrictions on the disposal of the Company's shares controlled by Mr. Richard Homburg, but Mr. Homburg has early warning reporting obligations each time he acquires an additional 2% of any class of issued and outstanding shares of Homburg Invest. In addition, Mr. Richard Homburg has reporting obligations under Canadian and Dutch securities laws each time he acquires or disposes of shares or voting rights of Homburg Invest.

As Homburg Invest and Mr. Richard Homburg have strong links, Homburg Invest's operations are influenced by the strategic course he envisages. There are no measures which limit the possibility of Mr. Homburg to effectuate his control. Nonetheless, with regard to the decision-making process within the Company, the control of Mr Homburg is mitigated due to the fact that the Board of Directors consists of independent board members in accordance with the Canadian corporate governance regulations. In addition, the Board of Directors shall consist of at least three members and each board member may cast only one vote.

There are no known arrangements which may, at a subsequent date, result in a change of control of Homburg Invest.

10. ADVISORS

Auditors with regards to the Homburg Invest annual accounts

Financial Statements 2005 and 2006

Grant Thornton
P.O. Box 426
1100 Cogswell Tower
Halifax, NS, Canada
B3J 2P8
Of which the individuals within the firm are members of the Canadian Institute of Chartered Accountants

Financial Statements 2007

Ernst & Young LLP
1959 Upper Water Street
Halifax, NS, Canada
B3J 2Z1
Of which the individuals within the firm are members of the Canadian Institute of Chartered Accountants

Grant Thornton LLP resigned as auditor of Homburg Invest effective 13 August 2007, at the request of Homburg Invest, and was replaced by Ernst & Young, LLP as the Issuer's successor auditor effective the same date. In the opinion of Homburg Invest there were no reportable events.

Co-ordinator of the Homburg Capital Securities A

Homburg Participaties B.V.
Prinsestraat 3
7513 AM Enschede
The Netherlands

Legal advisors as to Canadian Law

Certain legal matters dealing with the laws in Alberta and Ontario, Canada, will be passed upon by:

Macleod Dixon LLP (Macleod Dixon LLP)
3700- 400 Third Ave. S.W.
Calgary AB, Canada, T2P 4H2

Certain other legal matters dealing with laws in Nova Scotia, Canada, will be passed on by:

McInnes Cooper
1300-1969 Upper Water Street
Halifax NS, Canada B3J 2V1

Certain matters dealing with Canadian tax law will be passed on by:

Osler, Hoskin and Harcourt LLP
6100-100 King Street West
Toronto ON, Canada M5X 1B8

Legal advisors as to Dutch law

Loyens & Loeff N.V.
Fred. Roeskestraat 100
1076 ED Amsterdam
The Netherlands

Advisors as to Dutch tax law

Ernst & Young LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands