

PROLOGIS CLEAR LEASE

Simplify Leasing

Before you sign, know with greater certainty the cost of the lease expenses for the entire lease term.

What is Prologis Clear Lease?

The Clear Lease consists of a normal rent plus a Fixed Service Charge (FSCR) for the duration of the lease term. The Fixed Service Charge covers all operating expenses related to the properties common area except for Property Taxes and Utility consumption. The lease is compliant to new accounting standards that take effect January 2019 (IFRS 16 and GAAP ASC 842 accounting rules).

Your advantages:

- 1**

Cost certainty throughout the lease term
- 2**

Transparent fixed charge calculation
- 3**

Annual indexation of the lease payments and fixed service charge fee
- 4**

No subsequent service charge reconciliation
- 5**

Reliable property management

LEASE CONTRACT CONTENT COMPARISON (*)	PREVIOUS CONTRACT STRUCTURE	PROLOGIS CLEAR LEASE
<ul style="list-style-type: none"> • Operating costs <ul style="list-style-type: none"> – Facility management – Landscape maintenance – Snow and ice removal – Maintenance and repairs 	<ul style="list-style-type: none"> • Variable, calculated annually 	<ul style="list-style-type: none"> • Included
<ul style="list-style-type: none"> • Management fee 	<ul style="list-style-type: none"> • Variable from year to year 	<ul style="list-style-type: none"> • Included
<ul style="list-style-type: none"> • Property insurance 	<ul style="list-style-type: none"> • Variable from year to year 	<ul style="list-style-type: none"> • Included
<ul style="list-style-type: none"> • Annual service charge reconciliation 	<ul style="list-style-type: none"> • Risk of additional service charge payments 	<ul style="list-style-type: none"> • N/A

(*) Excluding public duties (land tax etc.) and consumption-based energy costs (electricity, gas)