



# Vesta Vision 20/20

JANUARY 6, 2015



## Important Information

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This document contains forward-looking statements. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding the return on our shares ; (ii) statements of plans, objectives or goals, including those related to our operations and to our pipeline of potential developments and acquisitions; and (iii) statements of assumptions underlying such statements. Words such as “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “seek,” “should,” “will” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

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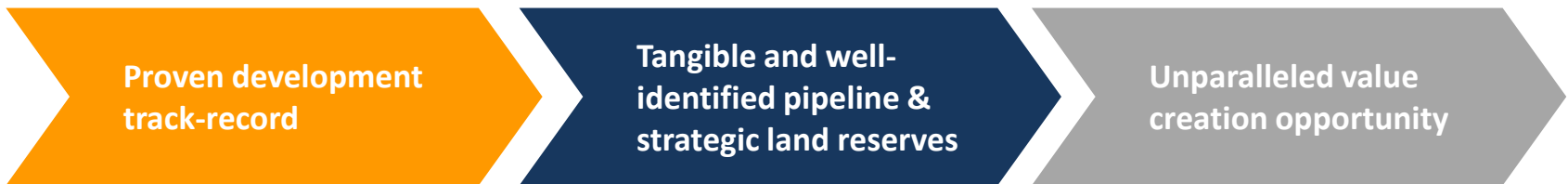
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# Expansion and growth plan

## Up to US\$230mm capital increase

- Vesta is seeking Shareholders' approval for the issuance of up to US\$230mm in shares (including the overallotment option) to maintain our accelerated growth plan, while maintaining prudent leverage levels
- Strong performance has allowed us to become a the leading company in our sector
  - We are in a great position to capitalize on the attractive growth prospects of our industry
- Once the capital increase is completed, the proceeds raised will be deployed accretively over a span of 12-24 months
  - Mainly in the development of new industrial properties and the acquisition of strategic land reserves
- Vesta has identified large potential development opportunities which we expect will create significant value for our shareholders
  - The company has 6 projects already under development that will require an investment of over US\$300mm and will add over 470 thousand square meters in GLA
- Through implementation of the Vesta Vision 20/20 growth plan, we seek to become the leading provider of industrial developments in Mexico



**These developments are the foundation of what we've called our "Vesta Vision 20/20" growth plan, where we seek to double the size of the company (from a GLA stand point) by 2020**

- We remain highly optimistic that the opportunities that lie ahead will continue to support our continued growth
  - We have an established track record in the market with a total return to our investors of over 50% since our IPO in 2012<sup>(1)</sup>



### Value offer

- Continue focusing mostly in the development of Class A industrial buildings of high quality and specifications
  - Build-to-suits
  - Inventory buildings



### Target clients and regions

- Expansion plan focused primarily on the areas where we are already present, the most economically dynamic in the country serving leading companies in their respective sectors
  - We have gained strategic positions in areas of higher economic growth such as the Bajío region and the Mexico City metropolitan area
  - Leadership positions in high growth industries such as the Automotive and Aerospace



### Operations focus

- Search, exploration and strategic land acquisitions



### Internal skills development

- Key driver of our success are our technical, operational, personnel and management capabilities

**+30-year industry expertise effective in sourcing and executing a considerable number of development opportunities successfully, generating unparalleled value to our investors**

- As part of Vesta Vision 20/20 growth plan, the company has 7 projects already under development that represent 40 buildings and over 7.3 million square feet in GLA
- These projects have already been approved by the Company's Board of Directors and committees and will require an investment of over US\$330mm

### Focused growth strategy supported by a robust pipeline

Project	Under construction (US\$mm)	Total investment (US\$mm)	GLA (ft <sup>2</sup> )	No. Buildings	Tenants
Toluca Vesta Park II	\$29.8	\$70.4	1,431,534 <sup>(1)</sup>	7	Chrysler (33%)
Tlaxcala Vesta Park I	21.9	28.4	630,749	5	Lear Corporation, Grupo Antolín
BRP Ciudad Juárez	–	32.8	652,835	3	Bombardier Recreational Products
Vesta Park Guanajuato Puerto Interior	–	100.0	2,335,000	10	Multiple
Vesta Park San Miguel de Allende	–	61.4	1,535,000	11	Multiple
Stant Corporation Guanajuato	–	6.2	121,686	1	Stant Corporation
Tijuana Vesta Park III	7.2	30.9	586,913	3	Multiple
<b>Total</b>	<b>\$58.9</b>	<b>\$330.1</b>	<b>7,293,717</b>	<b>40</b>	





# Executive compensation plan ("ECP")

- Alignment of incentives and interests between investors and management is key for the company’s long term success and creating shareholder value
  - Having management as shareholders of the company further aligns the incentives of all stakeholders
  - Vesta is the only publicly listed real estate company in Mexico without a fee structure to be paid to an external Advisor / Sponsor
  
- Vesta, with assistance from Green Street Advisors, a recognized leader in real estate and REIT capital markets, has developed an equity-based Employee Compensation Plan
  - Issuance of up to US\$19.3 million in new shares
  - The plan reflects compensation best practices implemented by leading Real Estate companies, including REITs
  - The plan incorporates a “pay-for-performance” structure
  
- The ECP will have a fixed number of shares to be granted over a period of 6 years, starting in 2015 and until 2020



**The compensation plan consists of 2 main components:**

- A base salary, a short-term cash incentive (STI) component
  - Incorporates operating, relative total returns, and individual performance metrics such as (i) same property NOI growth and (ii) portfolio occupancy
  
- A long term equity incentive (LTIP) component
  - Based solely on three-year relative total returns
  - This component will be paid in shares and will include a 3-year vesting period after grant

Component	Performance metric(s)	Weighting	Notes
Base salary	Market based	n/a	- Assessed yearly
Short-term incentive component (STI)	Operating metrics	40.0%	- Weighting of performance metrics varies by executive
	1-yr relative total return	40.0%	
	Individual performance	20.0%	
Long-term incentive component (LTI)	3-yr relative total return	100.0%	- Paid in shares - 3-year vesting period after grant

**The “pay-for-performance” makes the proposed plan best-in-class from an investor perspective**

<b>ECP Compensation Period:</b>	<ul style="list-style-type: none"> <li>▪ 2015 to 2020.</li> <li>▪ Corporate Practice Committee reviews ECP parameter and amounts</li> <li>▪ Board of Directors can extend the Compensation Period</li> </ul>
<b>Amount</b>	<ul style="list-style-type: none"> <li>▪ <b><u>STI (Cash):</u></b> Target: Ps\$17.9mm at Target Goal Threshold: Ps\$13.3mm Maximum: Ps\$29.6mm</li> <li>▪ <b><u>LTIP (Equity - Vests during 3 years after grant year):</u></b> Target: 1.7mm shares Threshold: 0.0 shares Maximum: 2.6mm shares - US\$19.3mm equivalent in shares (for illustration purposes a total of 10.3mm shares or 1.7mm shares per year for 6 years)</li> </ul>
<b>Stock Price Relative Total Return:</b>	<ul style="list-style-type: none"> <li>▪ Eliminates up to the 2nd highest and 2nd lowest Stock Price Total Return from the Peer Set to correct for outliers</li> <li>▪ The Board at its discretion can eliminate other outliers</li> <li>▪ At Threshold: 0% award</li> <li>▪ Maximum awards are roughly 150% and 200% of target STI and LTIP awards, respectively</li> <li>▪ Payout scales linearly for returns above threshold return</li> </ul>
<b>Peer Set</b>	<ul style="list-style-type: none"> <li>▪ To measure Vesta’s relative total returns, the Company’s peer set will include companies that have been in the Fibra index during the full measurement period</li> </ul>
<b>Equity Plus Program</b>	<ul style="list-style-type: none"> <li>▪ To encourage further alignment, executives can exchange cash for shares at a rate of 1.20x in shares, which would follow the LTIP vesting schedule</li> </ul>

The background of the slide is a photograph of a modern, multi-story building with a curved facade. The building features large glass windows and a dark, metallic-looking exterior. The VESTA logo is visible on the building's facade. The sky is a clear, light blue. The text "Proxy voting sheet" is overlaid in the center of the image in a large, white, sans-serif font.

# Proxy voting sheet

- Proxy voting sheet can be found in Vesta's IR website ([www.vesta.com.mx/inversionistas](http://www.vesta.com.mx/inversionistas))