



Remuneration report for the financial year 2013

Wereldhave N.V.

February 27, 2014

Introduction

Following the expansion of the Supervisory Board to five members in April 2013, a Remuneration- and Nomination Committee was installed. The Committee consists of two members, Mrs F. Weijtens (chair) and Mr J. Van Oosten.

This remuneration report was prepared by the Remuneration and Nomination Committee and adopted by the Supervisory Board in its meeting on February 27, 2014. The report is available on the company's website (www.wereldhave.com).

Proposal

The report outlines Wereldhave N.V.'s remuneration policy, as approved by the General Meeting of Shareholders on April 23, 2012. The policy entails the fixed salary, short term variable remuneration in cash or in shares and a long term remuneration, only in shares. In 2014, the Supervisory Board will evaluate the remuneration policy.

Remuneration policy

Policy premises

Wereldhave N.V.'s remuneration policy is designed to attract and retain qualified directors. The essential qualifications comprise not only knowledge and experience in the field of real estate, but also the prerequisite management competencies. The policy aims to safeguard the company's performance and value growth while positioning Wereldhave N.V. as a challenging employer for highly qualified directors.

In order to accomplish these objectives, both short-term and long-term remuneration levels must be comparable to those offered by similar property investment companies. The benchmark used by Wereldhave N.V. in determining suitable remuneration levels consists of a group of European property investment organisations. Decisions made with regard to director remuneration should therefore be considered in the context of developments within this benchmark. The Benchmark consists of:

- Corio
- Nieuwe Steen Investments
- VastNed Groep
- Cofinimmo
- Citycon
- Sponda

The Supervisory Board endeavours to set a remuneration level in keeping with levels established in the benchmark group. Remuneration is reviewed and adjusted annually. The Supervisory Board takes into consideration personal performance, results over the past year, any general salary review at Wereldhave N.V. in the Netherlands, and an increase of income if the standard level has not yet been attained. The principles for controlled remuneration policy published by the supervisory authorities DNB and AFM have been taken into account.

Relation fixed-variable

The sum for variable remuneration for at-target performance amounts to 50% of the agreed fixed annual salary; for far-above-target performance this sum is maximised at 85% of the fixed annual salary for the year over which the bonus is being awarded.

Remuneration package

The total remuneration of the Board of Management of Wereldhave N.V. currently consists of:

1. Fixed income
2. Variable income short and long term
3. Pension and other secondary employment benefits

Fixed income

The members of the Board of Management currently receive a fixed salary that is paid in twelve equal instalments. The Board consists of two members, Mr D.J. Anbeek (CEO) and Mr P. Roozenboom (CFO).

Mr Anbeek's fixed salary as at January 1, 2013, amounted to € 402.242. For the year 2014, this amount has been indexed as per January 1, 2014 with the Dutch consumer price indexation (CPI) of 1.6% to € 408,678. No other changes of the fixed income will be proposed for the year 2014.

Mr Roozenboom was appointed on April 23, 2013. He started his job as CFO on June 1, 2013. Mr Roozenboom's fixed annual salary amounted to € 320,000. For the year 2014, this amount has been indexed as per January 1, 2014 with the Dutch consumer price indexation (CPI) of 1.6% to € 325,120. No other changes of the fixed income will be proposed for the year 2014.

The salary is pensionable (average income) up to a maximum pensionable annual income of € 408.678 in 2014. This amount is indexed annually with CPI. The variable income is not pensionable.

Variable remuneration

On April 23, 2012, the General Meeting of Shareholders set a new remuneration policy, with a short term variable remuneration in cash or in shares and a long term remuneration, only in shares. The performance indicators were initially proposed as a temporary package for a period of two years, but the proposal was subsequently amended and adopted by the AGM in April 2012 as the permanent remuneration package.

The variable compensation was set at:

- the growth of the like-for-like net rental income (exclusive of the US portfolio) compared to the previous year (with a cap of 40% of the fixed salary) and
- the total shareholder return for the year, compared to a TSR peer group of six large property investment companies (Unibail-Rodamco; Klépierre; Corio, NSI, VastNed and ECP), awarding the first place with 20% and discounting 4% per lower rank.
- In addition, the weight of personal objectives is 25% of the fixed salary.

Each year the bonus payment is calculated with the following indicators:

- Growth of the net rental income (exclusive of the US portfolio) compared to the previous year (like-for-like): each % increase scores 10% of the annual fixed income, with a maximum of 40%.
- Total shareholder return for the year, compared to the TSR peer group. Place 1 = 20%, each lower rank -4%. Places 6 and 7 thus score 0%. At target is the average of places 3 and 4, thus 10 points.
- Achievement of personal objectives. A maximum variable income is granted of 25% of the annual fixed salary.

Making payable:

- Personal objectives (max. 25% of the annual fixed income): unconditional for the short term.
- Like-for-like net rental growth (exclusive of the US portfolio): 30% unconditional for the short term, 70% is granted under the long term condition that the average like-for-like net rental growth over the next two years will be positive. [formula: $(I-f-I\ RG2 + I-f-I\ RG3)/2 >0$].
- The TSR variable compensation: 30% unconditional for the short term, 70% is granted under the long term condition that average place over the next two years is higher than the 6th place.

Should one of the companies drop from this TSR peer group, the points to be allocated will be divided over the remaining companies within the group, but if two or more companies would disappear from the group, the Supervisory Board will appoint new companies to replace the ones that disappeared from the group.

This remuneration scheme results in a maximum ratio between the short-term bonus and long-term bonus of about 58 short and 42 long for at-target performance and approximately 51/49 for far-above-target performance.

The vesting period amounts to two years as from the date the variable remuneration has been granted. This deviates from the Dutch Corporate Governance Code, which has been approved by shareholders. The deviation relates to the remaining duration of the appointment of the Directors at the time the remuneration policy was designed. When drafting a new remuneration policy in 2014, the Supervisory Board will propose a vesting period of at least three years as from the date the remuneration was awarded.

Conditions for variable compensation

If in any year the downward deviation from the minimum financing ratios as defined in the business plan (and approved by the Supervisory Board) exceeds 5%, no short-term or long-term bonus is awarded over that year.

If in any given year investments or divestments deviate from the principles of the investment policy as determined in the business plan approved by the Supervisory Board, no short-term or long-term bonus is awarded over that year.

In the director's discretion, the short-term bonus can be paid in cash, in shares, or as a combination of the two. The short-term bonus sum is calculated into a share balance based on the share price at the end of the first day of trading after the ex-dividend listing of the Wereldhave share.

The long-term bonus is payable in shares only. When the conditional bonus is determined each year, the amount in cash is calculated into a conditional share balance based on the share price at the end of the first day of trading after ex-dividend listing of the Wereldhave share in the year in which the conditional bonus is awarded. If a dividend is paid on Wereldhave shares, the conditional share balance will be increased by a number of conditional shares equal to the amount of the dividend divided by the current share price. These additional conditional shares are subject to the same terms as the conditional shares that were initially awarded. If the terms are satisfied over the vesting period, the vested shares are transferred to the director. From the point in time that the shares have vested, the director can have all or part of the shares blocked for a period of a number of complete years.

Other conditions

Both Directors and the Company have signed contracts of assignment for a fixed term of four years. Mr Anbeek (CEO) was reappointed in 2013 for a second term and Mr Roozenboom was appointed CFO, also in 2013. If a director voluntarily resigns within the agreed appointment period or if the director is dismissed without further notice in accordance with the law, the conditional share balance reverts to the company. If the director is not reappointed at the end of the agreed appointment period, the scheme remains intact with regard to the conditional share balance. Once the conditions have been met, the vested shares will be transferred to the director.

A separate securities account will be established, by or on behalf of the company for the benefit of the director, to hold the blocked share balance. The director is entitled to sell the shares after the end of the agreed holding period.

The personal targets to be achieved in both the short and long term are laid down in a performance contract between the Supervisory Board and each director. This performance contract contains a claw back clause that enables the Supervisory Board to rectify in view of any unfair results based on incorrect financial data or extraordinary circumstances.

Pension en other secondary conditions

Pensionable income is capped and the cap is indexed annually. For the year 2014 the cap is at € 408,678. No provision facilitating early retirement is currently in place. Members of the Board of Management are subject to the same pension scheme as all other Wereldhave N.V. employees in the Netherlands. In 2013, Wereldhave changed its pension scheme in The Netherlands from defined benefit to defined contribution, effective as of January 1, 2014. Wereldhave made a one-off payment of € 2.8m to the pension scheme to facilitate a buy-out. The proposal for this payment was submitted to the Supervisory Board for approval, to avoid any potential conflict of interest, since both Directors participate in the scheme.

The new defined contribution scheme has a retirement age of 67 and is based on a fiscal maximum offset of 3%. The running costs of the scheme for the employers have dropped significantly and the private contribution of employees was set at 0%.

Wereldhave N.V. offers the members of its Board of Management a competitive package of secondary employment benefits in accordance with those offered to its other employees. This benefit package includes accident insurance, disability insurance, a company car and Director Liability insurance. The company does not issue loans, advances or guarantees to the members of its Board of Management.

Conditions of employment

Directors are appointed for a four-year period with a possibility of early termination. The severance payment is capped at one year's salary with a notification period of two months for the director and four months for the company. The employment contract does not contain a change-of-control clause.

It does contain a clause that requires the company to compensate the directors for any loss or damage in relation to liability claims based on acts or omissions in the performance of their duties. Damage to reputation is explicitly excluded. The indemnification does not apply to claims related to personal gain, advantage or rewards to which the director was not entitled, or if the claimed loss or damage was caused by gross negligence, intent, deliberate recklessness or serious imputability. It does include the costs of defence, which are advanced by the company under the condition that these expenses must be repaid if it is determined in a final judgment that the director was not entitled to indemnification.

Remuneration in 2013

Calculation incentive scheme

D. Anbeek

Factors	Maximum	Score 2013	Division		Score		Total	
			STI	LTI	STI	LTI		
Like-for-like rental growth	40%	27%	30%	70%	8,1%	18,9%	27,0%	
Total shareholder return	20%	20%	30%	70%	6,0%	14,0%	20,0%	
Personal targets	25%	24,25%	100%	0%	24,25%	0%	24,25%	
Total	85%	71,25%			38,35%	32,9%	71,25%	
		Monthly salary	Annual salary					
Salary 2013	33.520		402.242					
Average 2012			402.242					
Bonus		286.597			154.259	132.338	286.597	

Calculation incentive scheme

P. Roozenboom

Factors	Maximum	Score 2013	Division		Score		Total
			STI	LTI	STI	LTI	
Like-for-like rental growth	40%	27%	30%	70%	8,1%	18,9%	27,0%
Total shareholder return	20%	20%	30%	70%	6,0%	14,0%	20,0%
Personal targets	25%	23,25%	100%	0%	23,25%	0%	23,25%
Total	85%	70,25%			37,35%	32,9%	70,25%
Salary		Monthly salary	Annual salary				
2013		26.666	320.000				
Pro rata: 7/12			186.667				
Bonus		131.134			69.721	61.413	131.134

2013	(x € 1,000)	Fixed income	STI	LTI	Pension costs	One off payments	Crisis tax	Social charges	Total
D.J. Anbeek	402	154	66	121	50	63	10	866	
P. Roozenboom	187	70	20	56	-	6	6	345	
Total	589	224	86	177	50	113	16	1,211	

2012	(x € 1,000)	Fixed income	STI	LTI	Pension costs	One off payments	Crisis tax	Social charges	Total
J. Pars	358	147	52	107	391	48	9	1,112	
D.J. Anbeek	364	119	69	109	50	59	14	784	
Total	722	266	121	216	441	107	23	1,896	

Long term incentive

In the annual accounts, the long term incentive is presented according to IFRS with a split over three years.

Financial year grant	Vesting period u/i Dec 31	Long-term bonus	Accounted in financial statements	Accounted in earlier financial	Total accounted for
2013 - D.J. Anbeek	2015	132	44	-	44
2012 - D.J. Anbeek	2014	66	22	22	44
2013 - P. Roozenboom	2015	61	20	-	20

On February 5, 2014, the Supervisory Board has granted an unconditional short term bonus of € 50,000 gross to Mr Anbeek in respect of the year 2013, payable in Wereldhave shares, with a holding period of three years. This bonus was awarded in special recognition of Mr. Anbeek's performance in 2013. During this period he finalised the Derisk phase of Wereldhave's strategy, while being the single director of the Company from January 1, 2013 up to May 31, 2013.