



Business integrity policy

Commitment to integrity

The word “integrity” not only refers to the state of being of **sound moral principle**, but also to being complete and in **a perfect condition**. These two meanings perfectly underpin the importance that Wereldhave attaches to integrity. Wereldhave can only remain in a perfect condition if all employees adhere to high moral principles.

Integrity is the basic principle for all our business decisions and activities throughout the world. The integrity guidelines of this policy and the Code of Ethics apply to all levels within our organisation and to all our activities, but they also apply to the individual behaviour of each employee. Compliance is a condition for employment.

This policy details a number of specific rules and procedures that contribute to Wereldhave's focus on integrity. Although compliance with this policy is a prerequisite for employees' commitment to integrity, it is certainly not enough. Employees are therefore required to take notice of the Code of Ethics and act accordingly, even in situations extensively regulated by other Wereldhave policies.

Key integrity risk areas for Wereldhave

Wereldhave defines its key risk areas as property transactions and the procurement of goods and services. Commercial property transactions generally involve large sums of money changing hands. By their nature, these transactions attract illegal activities to the property sector. Being active in such a hazardous environment requires extra attention to integrity.

Investment and divestment proposals should therefore include a brief outline of the specific potential integrity risks of the transaction (including a counter party due diligence) and describe any necessary steps to mitigate these risks, if and in as far as these exceed the standard procedures and instruments as listed below.

Key ethical values

Wereldhave's key ethical values are:

- Wereldhave will conduct business openly, with honesty, integrity and trust.
- We will obey the law and operate in accordance with high ethical standards. We will expect the same from our partners, contractors and suppliers.
- Nor Wereldhave nor any of its employees should give or receive bribes or other improper advantages.
- All company funds, assets and liabilities are recorded in accordance with appropriate company accounting procedures.
- Wereldhave will operate in accordance with generally accepted principles of corporate governance. Reliable information on our activities and financial situation will be provided quarterly.
- Wereldhave will make its own decisions on the basis of the best interests of the company, completely independent and free from any understanding or agreements with any competitor.
- We will respect human rights in all our activities.

Business relations and integrity

Bribery is never acceptable. Bribery of government officials is the offering, granting or promising of any advantage such as a payment, kick-back or gift to anyone, regardless of nationality, who is a representative, employee or official of a government or government agency, or who has been assigned a governmental or other public function for the purpose of influencing that official's activities. Bribery of non-government officials is the offering, granting or promising any advantage such as a payment, kick-back or gift to any company employee or representative, regardless of nationality, if they have reason to suspect that the recipient will not disclose this advantage to his superiors. In some jurisdictions facilitation payments are legally permitted. Wereldhave however considers facilitation payments as bribery.

Neither Wereldhave nor any employee may make a political contribution on behalf of Wereldhave.

Nothing goes for nothing. The Latin “quid pro quo” indicates that gifts or services will by nature always be traded in return for something of value or are likely to be seen as influencing. Offering or accepting gifts might therefore soon lead to improper situations, since the offering party might expect something in return and the accepting party might feel obliged to give something in return. It is hard to define which gift is improper and which not. It depends on the person, occasion and timing of the gift. It is therefore necessary to set outlines for contractual relations and business gifts. These are laid down in detail in our Code of Ethics.

Even the appearance of a conflict of interest should be avoided. Conflicts of interest generally arise when an employee's own or family interest may influence the way he or she handles company business. While a possible conflict between personal interests and company interests does not always result in damage to the company, its very existence creates an inappropriate condition. The Code of Ethics contains guidelines that help define a potential conflict of interest.

If Wereldhave is engaged in a business transaction with a party that is convicted for a serious criminal offence (a criminal offence for which a prison sentence of four years or more can be imposed) or that makes a deal with the prosecuting officer for a serious criminal offense, the relationship will be terminated insofar as this is possible under applicable law.

Standard organisational mitigating procedures and instruments

Prevention

- **Job segregation and “4-eyes” principle**

The person that prepares a document by which the company may be committed, must not be the one signing that document. The person that prepared the document must put his initials on the document before it will be signed by a higher level of management. Wereldhave requires the consent of two authorized people for any payment.

- **Limitations on approving invoices by staff**

In general, invoices for payment are subject to approval by a board member or a country manager if these exceed a certain value. For split invoicing the combined total value will be taken into account. Proxies for approving invoices must be registered in an authorisation matrix, to be submitted to the Board of Management of Wereldhave N.V. for approval.

- **Limitations on proxies by country managers**

Property transactions within the Group need the consent of a Group's board member. At corporate level, limitations on bank proxies have been set per country. Payments above this level require the authorisation from the Group's Board of Management. Lease agreements may be subject to Board approval. We refer to the procedure for signing lease agreements.

- **Investments- and divestment proposals, duly signed by the Board**

Property transactions need the prior written approval of the Board of Management on the investment- or divestment proposal. These documents will be drafted by the country manager and will be checked and filed by Group Control. Investments- and divestments for transactions with a value exceeding € 50 mln also need the prior approval of the Supervisory Board.

- **Contracts, due diligence and technical reports, involvement Head Office**

1. property transactions > € 50 mln.

Involvement of Head Office Departments is required: legal due diligence reports (or executive summaries) and draft purchase agreements should be sent to the corporate legal department; technical due diligence reports (or executive summaries) should be sent to the corporate building & construction department and in case acquisitions are structured through entities, the (executive summary) financial/tax due diligence report should be sent to Group Control and the tax department.

2. acquisition of development properties from 3rd parties

The draft (general) construction or turn key agreement should be sent to the corporate legal and building & construction department;

- **External property valuations in the quarter of acquisition**

Each newly acquired property will be valued externally at the end of the quarter during which it has been acquired, by an external valuer who was not involved in the transaction.

- **Property transactions: prohibition on further sale within 6 months**

Wereldhave does not wish to be involved in property trading. When divesting property, Wereldhave will require a contractual prohibit on subsequent transactions of that property for a period of at least six months after completion, to prevent becoming (indirectly) involved with property trade.

- **Property transactions: acquisitions only from the owner**

In principle, Wereldhave only acquires property directly from the owner. No ownership changes may have occurred during the past year before completion. If ownership changes have taken place during this period, the Board of Management will decide whether or not the acquisition will be continued. Such decision will be based on a full analysis of ownership- and value changes of the property during the preceding three years.

- **Provisions for long term contracts**

Any long term procurement contract by the Company for goods or services, should be reassessed at least every 6 years, if the value of the contract exceeds €/£/\$ 50.000 per annum. Such reassessment will include a full market price and conditions check with proposals by at least three competitors. In case of prolonging the existing contractual relation, the four eyes rules for new contracts also applies. Exceptional deviations of the 6 years term need the prior written approval by a member of the Board of management.

- **Side letters**

Wereldhave will not accept, issue or enter into any side letters or agreements whose intent is not to amend the agreement to which they are applicable, but rather to alter the terms of the applicable agreement and prevent proper disclosure of such changed terms through the normal reporting channels.

- **Document integrity**

Wereldhave will not antedate documents nor destroy or alter a document with the intent to impair the document's integrity or availability in any internal or government investigation or legal proceeding.

- **Due diligence**
Wereldhave requires a full due diligence for all its property acquisitions. The full due diligence checklist is available on the Intranet. In addition, the ultimate beneficial owner of the other party to the transaction should be known.
- **Integrity check**
Except when the counter party is:
 1. a financial institution who is under supervision in the EU, EFTA or USA based on financial supervision legislation; or
 2. listed on a stock exchange in the EU, EFTA or USA; or
 3. a current relation of Wereldhave
 a full integrity check according to the specifications as mentioned in appendix A should be made. Wereldhave has an account for the online checking of prospective clients at www.world-check.com. Low risk integrity clients must submit the questionnaire in appendix B. For commercial real estate transactions (investment, financing and development of property), appendix C must always be used. In case the counter party does not submit the appendix B or C questionnaire or one of the questions will be answered as “yes”, an integrity risk assessment must be made. The Board of Management will evaluate the risk assessment, consult the compliance officer and decide whether or not the company will continue the proposed transaction.
- **Monitoring business relationships**
The relationship with a counter party should be monitored continuously to ensure that any business conducted corresponds with the profile of the counter party.
- **Cash payments**
Wereldhave does not accept or make cash payments if these exceed a total amount of €/\$/£ 2.500,- of (recurring) payments within one year. Cash payments will only be made or accepted against full legal invoice documentation.
- **Screening new employees**
New employees must be screened before the employment contract will be signed.
- **Introduction new employees**
This Business integrity policy and the Code of Ethics must be part of the introduction programme of new employees. Each new employee must submit a written statement that he/she understands and accepts the Code of Ethics and will comply.
- **All employees**
Annually, each employee must submit a written statement that he/she has complied with the Code of Ethics during the past year and will continue to do so.
- **Integrity sensitive positions**
A full background check must be made for new employees to be appointed on integrity sensitive positions before the employment contract will be signed.
- **Code of Ethics**
Wereldhave has set a Code of Ethics for employees of Group companies. Reference is made to the Groups intranet and internet site.
- **Integrity awareness**
Wereldhave will organise presentations and seminars for its staff every three years to improve integrity awareness.

Detection

- **Country reviews**
Wereldhave frequently assesses the administrative organisation and internal control of its local operations by way of country reviews. Reports of these reviews are sent directly and uncensored to the Company’s Board of Management and to the Audit Committee of the Supervisory Board.

- **Regulations for reporting irregularities**

Employees of Wereldhave group companies or persons working indirectly for the group can report alleged irregularities to the Company Secretary. Reference is made to the provisions as published on the Groups intranet and internet site.

Response

- **Forensic investigation**

The Board of Management has the power to start forensic investigations in case of suspicion of irregularities.

- **Reporting integrity incidents at the Financial Markets Authority**

Integrity incidents will be reported to the Dutch Financial Markets Authority according to Dutch law (art 4:11-4 Financial Supervision Act and art 19-3 of the Decree on Supervision of Financial Enterprises).

- **Sanctions**

Compliance with Wereldhave's Code of Ethics is a condition of employment. Failure to comply may result in a range of disciplinary actions, including dismissal. Failure by any Wereldhave employee to disclose violations of these standards and practices by other Wereldhave employees or contract employees is also grounds for disciplinary action.

Finally

In its administrative organisation and internal control framework (AO/IC) Wereldhave has already embedded many of these procedures and measures to mitigate integrity risks. Where necessary the AO-IC will be amended accordingly. The interim country reviews will also monitor the follow/up on these integrity mitigating measures at country management company level. We will inform our business relations about this Code of Ethics, especially with respect to our policy regarding gifts and gratuities.

Appendix A

Integrity check

1. Identification

- name and legal form (to be verified through a certified extract from the official trade register or a statement issued by an independent lawyer or notary practicing in the country concerned)
- name, address, residence, date/place birth, citizenship and identity number of directors
- ultimate beneficial ownership/shareholders known?
- objectives and activities
- latest Annual Report and Auditor's Statement
- VAT number
- bank account number
- purpose and intended nature of the business relationship

2. Integrity risks assessment

- risk of money laundering, fraud or the financing of terrorism (use world-check license for verification)
- potential conflicts of interest
- have the counter party, it's directors, representatives or other third parties involved in the transaction been included in the EU Freeze-list?
- does the counterparty have its seat or major office in, or is it incorporated under the laws of a state that is the subject of economic sanctions imposed by the EU?
- negative facts about the (management of the) counterparty or the group of which the counterparty forms a part (use public sources for verification)
- the risk of reputation damage for Wereldhave
- has the counter party only recently been incorporated (as a special purpose vehicle or otherwise) or is this the first time that the counter party engages in this type of transactions? (this can necessitate an integrity check of ultimate beneficiaries)

3. Integrity questionnaire filled in by counterparty

- appendix B: low integrity risk
- appendix C: high risk such as property transactions: acquisitions/disposals and development contracts

Appendix B

Integrity questionnaire (low risk)

1. Is your company aware of any conflict of interests pertaining to the proposed transaction or collaboration, in particular between your company or one of its directors or representatives and employees or managers of Wereldhave or a company belonging to the Wereldhave group?
2. Has your company or one of its directors or representatives been convicted by final judgment in the Netherlands or abroad or made a deal with the prosecuting officer of the perpetration of or participation in a serious criminal offence including the attempt or preparation thereof? (serious criminal offence defined as a criminal offence for which a prison sentence of four years or more can be imposed).
3. Has your company or one of its directors or representatives been convicted by final judgment in the Netherlands or abroad or made a deal with the prosecuting officer of the perpetration of or participation in one of the offences referred to below, including the attempt or preparation thereof?
 - making use of inside information
 - communicating inside information, including ordering or recommending or effecting transactions
 - market abuse
 - bribery or preferential treatment of public servants
 - bribery of persons other than public servants (both actively and passively)
 - misappropriation of assets
 - extortion
 - prejudice to creditors
 - receiving stolen goods
 - money laundering
 - an offence connected with the substances referred to in Lists 1 or 2 of the Opium Act.
4. Has a final punishment order been imposed on your company for the perpetration of or participation in one of the offences referred to in the preceding two questions, including the attempt or preparation thereof?

Appendix C

Integrity questionnaire (high risk)

1. To what extent does your company engage in commercial property activities?
2. Does your company apply an ethical code of conduct? (If so, please enclose a copy of this.)
3. To what extent does your company require its employees, suppliers and other business relations to comply with this code of conduct?
4. Does your company check, at all times, that the invoices received or sent contain a clear and accurate description of the services being charged for?
5. Does your company apply the four-eye principle?
6. To what extent do the individuals involved in your company receive training regarding compliance with internal policy, legislation and regulations, particularly concerning corruption?
7. Is your company aware of any conflict of interests pertaining to the proposed transaction or collaboration, in particular between your company or one of its directors or ultimate beneficial owners (shareholders \geq 25%) and employees or managers of Wereldhave or a company belonging to the Wereldhave group?
8. Has your company or one of its directors, representatives or ultimate beneficial owners been convicted by final judgment in the Netherlands or abroad or made a deal with the prosecuting officer of the perpetration of or participation in a serious criminal offence including the attempt or preparation thereof? (serious criminal offence defined as a criminal offence for which a prison sentence of four years or more can be imposed).
9. Has your company or one of its directors, representatives or ultimate beneficial owners been convicted by final judgment in the Netherlands or abroad or made a deal with the prosecuting officer of the perpetration of or participation in one of the offences referred to below, including the attempt or preparation thereof?
 - making use of inside information
 - communicating inside information, including ordering or recommending or effecting transactions
 - market abuse
 - bribery or preferential treatment of public servants
 - bribery of persons other than public servants (both actively and passively)
 - misappropriation of assets
 - extortion
 - prejudice to creditors
 - receiving stolen goods
 - money laundering
 - an offence connected with the substances referred to in Lists 1 or 2 of the Opium Act.
10. Has a final punishment order been imposed on your company for the perpetration of or participation in one of the offences referred to in the preceding two questions, including the attempt or preparation thereof?
11. Within the last five years, has your auditor withheld the issue of an unreserved unqualified opinion regarding the annual accounts?
12. Does your company have all necessary licences to conduct its business?
13. During the last year, has your company made or received cash payments of more than €/£/\$ 2,500 per instance?