Minutes of the Annual General Meeting of Shareholders of Wereldhave N.V., held on Friday, 24 April 2020 in the World Trade Center at Schiphol Boulevard 233, Schiphol

Agenda Item 1.
Opening

Mr Nühn, Chairman of the Supervisory Board (the **Chairman**), opened the Annual General Meeting of Shareholders (the **Meeting**) of Wereldhave N.V. (the **Company** or **Wereldhave**) at 11.05.

Due to the Covid-19 measures, the Meeting was being held at Wereldhave's offices and, moreover, would be broadcast via a webcast, so that all shareholders could follow the Meeting. On behalf of the Board of Management and Supervisory Board, the Chairman welcomed those present – both online and offline – and thanked all shareholders for their restraint as regards attending the Meeting in person (there were two shareholders physically present). The Chairman noted that the Meeting had been convened with due observance of the statutory requirements and the provisions of the Articles of Association. The agenda had been directly and continuously accessible from 13 March 2020 until the Meeting via Wereldhave's website and via www.abnamro.nl/evoting. The convocation notice stated that the documents to be discussed in this Meeting had been made available for inspection in the prescribed manner.
According to the attendance list, persons entitled to vote on 12,075,542 ordinary shares were present at the meeting, jointly representing 29.9% percent of the issued share capital. Holders of 12,067,103 ordinary shares had used the opportunity to issue voting proxies via the internet. The results of the vote would be announced at the Meeting in the usual manner.

Agenda Item 2:
Report of the Board of Management

Mr Nühn gave the floor to Mr Storm, CEO, and Mr De Vreede, CFO. Mr Storm welcomed all those present via the live stream and in the room and indicated that he would be explaining the results for the year 2019 and the new strategy by means of a presentation. Wereldhave achieved a sound operating result in 2019, with a growth of 7.3% of the direct result per share.

From now on, Wereldhave will also report the NPS, the net promotor score. This is an indicator of customer satisfaction in the shopping centers, and an important indicator in the new 'LifeCentral' approach, which puts the customer first. Operationally, rents were less than half a percent below the assumed market rents in 2019, despite a difficult market and many bankruptcies in the Netherlands and France in particular. Moreover, the year ended with an occupancy rate of approximately 95% and a total increase in visitor numbers of 1.1%.

In line with the new strategy, a customer experience team and a digital transformation team have been set up. In the first few months of 2020, the latter team took major steps towards improving efficiency, thus saving costs in the future.

Mr De Vreede then discussed the financial results. In Belgium, net rental income rose by €5 million as a result of the purchase of two retail parks. The sale of shopping center Itis, at the end of 2018, made it possible for loans to be repaid, reducing interest expenses.

The EPRA NAV, the net asset value per share, fell from €43.82 at the end of 2018 to €32.99 per share at the end of 2019. The decrease can largely be attributed to the substantial negative revaluation of the portfolio, by 23% of the value in the Netherlands and by 10% of the value in France. This is characteristic of the current investment market. The indirect result was €448 million negative.

Itis proceeds were used to redeem an expiring US private placement and a €250 million convertible loan. The average interest expenses were 1.89% for 2019. Mr De Vreede emphasised that the increase in the loan to value to 44.8% was entirely due to the negative revaluations. The debt ratio is well below the 60% from the bank covenants, but above the internal target of 30% to 40%. The Board of Management aims to reduce the debt ratio to within this range.

The debt mix has changed as a result of the repayments of loans. Convertible bonds have given way to a relative increase in bank loans. The expiry profile is still balanced. Wereldhave also has sufficient unused facilities for refinancing in 2020 – in particular thanks to the recently closed €100 million Green Financing Facility, liquidity is secured until March 2021.

Wereldhave is proud of the strong and leading position it has maintained in CSR, for all five benchmarks. The new CSR strategy recently announced, "A Better Tomorrow", dovetails well with this. Wereldhave is strongly convinced that it is very important to follow this strategy.

Mr De Vreede emphasised that sustainability remains an important item on Wereldhave's agenda, also with regard to long-term ambitions. The key point in this respect is that Wereldhave wants to achieve net zero carbon emissions for the year 2030 in all its own premises. Wereldhave has committed itself to a number of UN sustainability goals. Moreover, for the sixth consecutive year, Wereldhave received a five-star rating from GRESB, the leading real estate sustainability benchmark, which will remain an important long-term objective for the coming years. Wereldhave is proud of a number of achievements in the field of sustainability, under the leadership of the CSR manager. For example, energy efficiency has clearly improved with a reduction of 37% per square metre compared to 2013. Wereldhave has now installed fifteen and a half thousand solar panels on the roofs of the various centers, producing a total of 3,700 megawatts. Wereldhave intends to increase this number in 2020 and 2021. Wereldhave also donates more than 1% of its net rental income to social projects each year.

The board of Management then went on to discuss the effects of Covid-19 on business operations, in which regard three pillars are important.
First of all, the preservation of liquidity, in respect of which various steps have been taken, including the reduction of CAPEX liabilities by €75 million, to what is strictly necessary. This has put the uncommitted projects on hold. Because these projects are financed from the proceeds of sales, postponement is required. The new €100 million Green Revolving Finance Facility, along with the reduction of both operational and general costs, is also contributing to improving the liquidity position. The green financing framework once again underlines that Wereldhave is achieving its CSR ambitions. The facility covers the refinancing of the expiring loans up to and including March 2021. The Board of Management also decided not to pay the final dividend for 2019. No interim dividend will be distributed in 2020 either. The dividend for 2020 will be made payable in 2021. Naturally, Wereldhave will continue to comply with the payment obligations under the FBI regime.

As regards operations, the second pillar, it can be said that many of the stores are closed in France and Belgium and that only essential stores, such as supermarkets and pharmacies, are permitted to open. In these countries, it was not until recently that we started making payment arrangements with tenants. The Netherlands is already a little further ahead with that. It is important to note that Dutch government policy, the published state aid scheme, is primarily intended to help SMEs. In the case of larger branch chains that refuse to enter into discussions, Wereldhave is therefore prepared to take further – legal – steps. The percentage of stores that Wereldhave classifies as “unforced closed” (initially 30%) is decreasing sharply. More and more stores are opening their doors, and that is a good sign.

Fortunately, the stores will also gradually open up in Belgium and France and Wereldhave will prepare for this. In the Netherlands, a support arrangement has been reached between real estate owners and tenants, which is enabling Wereldhave to make tailor-made arrangements with tenants. Visitor numbers have been picking up in recent weeks. More and more stores are reopening, so it is important that Wereldhave takes measures to ensure social distancing for all visitors.
The third pillar is the impact on the result. It is still too early to be able to comment on the profit forecast for 2020. Tenants' payment behaviour deteriorated sharply in the second quarter.

In the Netherlands, Belgium and France, a large proportion of the employees are currently working from home. In order to maintain good contact, the Wereldhave Board of Management holds a live stream every two weeks, via which all employees are kept informed of the current situation and can ask questions. It is highly appreciated by all employees.

The Board of Management is also working hard to cut costs, by reducing the costs for cleaning, security, etc. as much as possible. Use is also being made of the various schemes available in the different countries. A number of other steps have been taken in the area of staff reduction by not extending temporary contracts, thus reducing general costs. The social distancing economy is expected to continue in all three countries for the time being. That is why various steps and measures are being taken in all shopping centers. Wereldhave is taking measures to spread pedestrian flows, which will be very achievable because the nine-to-five economy is changing. Not everyone is working at the same time, whether or not at the office, which is resulting in people being able to shop at different times. As the owner of the shopping centers, Wereldhave can play a role in promoting this spread.

Mr Storm then discussed the question of whether Covid-19 is having an impact on Wereldhave's strategy. As has just been emphasised, priority will be given to the financial position and liquidity. The blueprints are also important. As part of the strategic reorientation, Wereldhave has drawn up a plan for each individual shopping center for 2025, the ‘blueprints’. These customised plans are updated for each center, because the impact of coronavirus differs from center to center. This also has consequences in some cases for the new uses that Wereldhave wishes to add to the centers. Previously, the main focus was on food & beverage, leisure and entertainment. These are cyclical forms of use, and they are also forms of use that are currently badly affected by the Covid crisis, which is why there will have to be a partial shift to housing and health care. The 6% unlevered IRR hurdle is still in place. The underlying calculations are being recalculated on the basis of the latest insights.

The LifeCentral transformation strategy is still in place. Wereldhave expects that at least 25% of the space in its shopping centers will become available for functions other than traditional retail units in the years to come. The Covid-19 crisis is accelerating the need for new functions, but the strategic direction is unchanged. It remains important for Wereldhave to focus on the sale of its assets in France and a few assets in the Netherlands, with the recent sale of the WoensXL shopping center in Eindhoven being a positive example. Preparations for phasing out France were made in the first quarter of 2020.

Mr Storm emphasised the importance of the size of the portfolio. This helps in spreading general costs, but also strengthens the negotiating position with retailers. It is also important to have the necessary scale in order to attract financing.

Mr De Vreede then discussed the investments that Wereldhave intends to make. Wereldhave will only invest in assets that are expected to generate an unlevered 6% return without loan capital. In the case of returns between 5% and 6%, consideration will be given to how the return can be improved. Objects with a return of less than 5% will be placed on the sales list.

In order to be able to finance the CAPEX for the LifeCentral transformation program in the long term, sales are necessary. Although there is confidence in the future, it is still uncertain in the current market when exactly this will succeed. The long-term sales target is still in excess of €1 billion. Early this year, WoensXL in Eindhoven was sold for approximately €26 million. The Board of Management is currently working on further sales totalling approximately €100 million, but progress on these is still uncertain.

Mr Storm concluded his presentation with the management agenda, the progress of which will be presented every quarter. The most important point on the management agenda is the conversion to Full Service Centers. Mr Storm pointed out that Wereldhave has already been able to take a few important steps, citing the example of Presikhaaf in Arnhem, where a healthcare plaza has been created.

Mr Nühn announced that questions that had been submitted online in advance would be dealt with first. Mr Beentjes would read out the questions, after which the best person to answer them would be identified. Wherever possible, questions of a similar nature had been combined. After these questions had been dealt with, the two shareholders in the room would be given the opportunity to ask any remaining questions.

The first question came from NV Wollindus and H. Rienks:
“We ask the Board of Management only to sell assets at a price that fully reflects their value. Would it not be better to exercise patience until times improve and buyers emerge once again who would like to buy such shopping centers?”

Mr Storm replied that for each of the centers, the costs and income estimates have been calculated to make them future-proof. Only projects with an unlevered IRR of 6% or more will be started. The implied IRR can also be calculated for each sales price. In this respect, Wereldhave will also adhere to the IRR framework, which indicates that an implied IRR of <5% means “sell”. This means that Wereldhave will not sell at any old price.

The next question was from H. Rienks/De Bruyn management services/The Third Way (TTW).
“In light of the coronavirus crisis, how does the board expect to be able to implement the new strategy, which involves selling the shopping centers in France? Nobody will want to buy those shopping centers for a good price at the moment. Why are you optimistic about the yield?”

As stated earlier, Mr Storm indicated that sales would not take place at any old price. Furthermore, no statement could be made about the proceeds from the sale of the shopping centers in France, as the situation was too uncertain. For the longer term, Wereldhave continues to be convinced that the shopping centers must be transformed into Full Service Centers, and the implementation of LifeCentral will commence. Not every step in the transformation process will involve high costs.

TTW asked why Wereldhave had not implemented its proposal to sell Belgium, but nevertheless continued with the LifeCentral plans, which had made the problems greater in their opinion.

Mr Storm indicated that Wereldhave was convinced that LifeCentral was the right way to generate attractive returns for shareholders, as Wereldhave is focusing on outperforming the real estate benchmark. Naturally, the scenario of a sale of Wereldhave Belgium was examined but, partly in view of the limited trade in that share, was not seen as a feasible solution. It is also important to mention that there are many synergies between the Belgian organisation and the Dutch organisation, unlike France. Furthermore, the interests of foreign shareholders, foreign institutions and foreign private individuals must be taken into account and, if Wereldhave Belgium were to be sold, up to 15%

dividend withholding tax could be levied. They also place great value on scale. Selling Wereldhave Belgium and France would mean that Wereldhave would become “too small” in their eyes.

TTW then stated that it expected Wereldhave to base its investment decisions primarily on the realisation of the net asset value and asked how Wereldhave believes it can achieve this with an active sales programme. Mr Storm replied that Wereldhave takes value creation into account when considering investing and selling, via the IRR framework used for this purpose. Wereldhave believes that the initial yields of some properties in the market are high due to the uncertainty about the cash flow. After transformation to an FSC, this uncertainty will have disappeared, the cash flow will have become more secure and the initial yield will decrease. Transactions in the retail real estate market in the Netherlands in 2019 showed that objects with a stable cash flow profile are still traded at very low initial yields.

Mr J. van Leeuwen asked why Wereldhave was not selling its majority interest in Wereldhave Belgium, with the proceeds being used to buy back shares. Buying back shares creates significant added value for shareholders. Moreover, the return on buyback is much better than any investment proposal to invest in bricks and mortar, such as the proposed €325 million investment in the existing portfolio.

Mr De Vreede indicated that the sale of Wereldhave Belgium shares would lead to less synergy between the group and Belgium. There are advantages in terms of operations, financing, sustainability, etc. In addition, Belgium is an important division to enable Wereldhave to achieve the set total return target of >6% unlevered IRR. With the low liquidity in the Wereldhave Belgium share, implementation of this would also be very difficult. Moreover, buying back shares is not currently a priority over strengthening the balance sheet. Wereldhave currently has an LTV of 44.8%, which is already above its own set target of 30-40%. Wereldhave must therefore indeed strengthen its balance sheet. The importance of this has only increased since the outbreak of the Covid-19 pandemic.

The next question was from NV Wollindus, requesting Wereldhave to distribute, at least in a ratio of 1 to 10, a total of 4.027.092 Wereldhave Belgium shares directly to the Wereldhave shareholders. Wereldhave Nederland will remain the reference shareholder in this context, and will still be able to count on synergy and share its expertise, but at the same time will be creating greater policy freedom for the Belgian directors and guaranteeing its own shareholders protection through diversification, focus and freedom of choice.

Mr Storm replied that Wereldhave would no longer be the majority shareholder in this scenario, which would result in a loss of synergy. This would also have negative consequences for Wereldhave NV's balance sheet. Wereldhave sees having two separate stock exchange listings as a strategic advantage, as it can use two different capital markets.

The following question was also posed by NV Wollindus:
“Proceeds from sales should first be used for debt reduction and should only be invested in projects that provide a proportionally robust additional return (or are proven to protect an existing return). Unleveraged above 6% has an unambitious bottom line. Aiming higher is to be recommended, so that you never fall below this bar in the event of realisation.”

Mr Storm stated that debt reduction had priority at Wereldhave, as also stated in our strategic update. The set return requirement is a minimum. At the individual project level, we take into account a risk profile for the investment, in order to ensure a good risk-return ratio. With the addition of loan capital, a minimum return on equity would be at least 8%. This is sufficient from a historical perspective to outperform both real estate and other equity indices over the long term. In our view, this should be sufficient for the shareholder.

The VEB stated that, at the annual figures presentation on 7 February, Wereldhave was firm about the fact that a share issue was not being planned, and asked whether Wereldhave still subscribed to this statement in view of today's state of affairs and whether Wereldhave felt that a share issue was still a realistic option at all, given the enormous discount on the share.

Mr Storm was brief about this and indicated that the vision of February 7 still stands. Wereldhave will not issue shares.

The VEB's next question was: “The foundation for Wereldhave's new strategy is the sale of a large part of the property portfolio, mainly in France. Last year in France there was pressure on rents and more vacancy; for this year a further 14 percent decrease in rental income is expected. Does Wereldhave believe that, under the current circumstances, it is possible to sell the French real estate? What would be the expected proceeds from this?”

Mr Storm indicated that everything could be sold at the right price, but the question is whether the price offered would make a sale desirable in these market conditions. It is too early to give a clear answer to this. The main aspect in the context of sales is the quality of the shopping centers, which is high at Wereldhave.

The VEB stated that, at the annual figures presentation on 7 February last, it was announced that Wereldhave was "in various stages of negotiation" with (potential) buyers of real estate properties with a value of more than EUR 100 million. "We are writing this down because we're confident that disposals will materialize", was the explanation at the time. The VEB asked whether Wereldhave believed it could bring these transactions to a successful conclusion.

Mr Storm answered this question in the affirmative, but stated that the uncertainty had increased. For the sake of prudence, Wereldhave is therefore not taking this into account in its own liquidity forecasts.

The VEB asked how Wereldhave expected the (absolute) (net) debt position to develop over the next two years in a scenario in which the real estate on sale appears unsaleable. A successful completion of the divestment programme is crucial in the context of strengthening the balance sheet.

"As far as we can currently estimate, this will be neutral to slightly increasing," replied Mr Storm.

The following question was also put by the VEB:
"The development of the share price indicates that the market is not confident that Wereldhave's new strategy will ever lead to economic value creation. What does Wereldhave conclude: is this a case of poor communication, a strategy that is unsuccessful, or are there doubts that Wereldhave will be able to implement its strategy successfully?"

Mr Storm indicated that the share price was certainly close to his heart, but that it was not up to the Board of Management to indicate why the share price was low. He does not think this is the result of a strategy that is unsuccessful; that would be too premature a conclusion at this stage. However, we do see it as a sign that we need to win back the trust of shareholders and that the strategy requires an explanation in some cases.

The VEB asked whether Wereldhave had performed a stress test in the context of coronavirus to get a picture of the cash flow, liquidity and solvency in various scenarios, and whether, in the worst-case scenario, the continuity of the business would remain safeguarded and whether Wereldhave would continue to comply with the bank arrangements in that scenario.

Mr De Vreede replied in the affirmative. He indicated that Wereldhave was closely monitoring the liquidity, from week to week, and that the outcome of the negotiations with the various tenants was even being examined day by day. This will be incorporated into the liquidity forecast and stress scenarios will be run in order to forecast the future. So far, there is no reason to assume that continuity will not be safeguarded. The actions that have been taken so far are intended to ensure continued compliance with the covenants.

Mr Nühn concurred with this answer by indicating that the Supervisory Board was also paying close attention to this. The Supervisory Board holds weekly meetings with the Board of Management in order to be able to follow developments closely.

Mr H. Rienks submitted the following question: "The conversion of parts of shopping centers into housing in cooperation with Amvest seems to me a good idea. Retail units are generally unsuitable for conversion to housing. It is better to demolish them and then build new housing. But in that case you first have to write off the value of the retail units that are destroyed during the demolition, and then you have to borrow the money needed to build the housing. This has a considerable adverse effect on the LTV. Why do you think it is wise to do this? Would it not be better to sell the part of the shopping center earmarked for demolition to Amvest or another developer?"

Mr Storm indicated that Mr Rienks was largely right, but that, in practice, every situation is unique. For example, there are situations in which housing can be built on top of an existing shopping center, or in which only a small part would have to be demolished in order to build a residential tower block, for example. This is therefore assessed for each situation, together with Amvest. Wereldhave can also choose to sell development rights. An assessment is always carried out as regards the future strategic value, with consideration given on a case-by-case basis to what creates the greatest shareholder value.

The VEB submitted the following question: "On 16 March, Wereldhave issued an update in connection with the coronavirus pandemic which stated, briefly put, that the current situation was no reason for tenants not to comply with their obligations. Wereldhave also indicated that it would be assessing on a case-by-case basis how it would deal with the tenants' obligations. What is Wereldhave's view as regards the current payment options and tenants' willingness to pay? And for what nominal and relative proportion of the total rental income have you been able to make an arrangement in terms of lower or deferred rental income in the meantime?"

Mr De Vreede replied that payment behaviour has deteriorated since the outbreak of the pandemic. For some tenants, this is more understandable than for others. It is not possible at the moment, while this process is still in full swing, to specify the proportion for which an arrangement has been made.

The VEB asked whether Wereldhave could indicate what percentage of the rent for the month of April had been received so far and how that compared to the percentage for a month earlier, in March, or for the same period last year.

Mr De Vreede stated that, for commercial reasons, he could not yet make any statements about this, because this process is still largely under negotiation.

The VEB asked what Wereldhave's expectation was with regard to those percentages in the coming months.

Mr De Vreede replied that he expected these percentages to increase further. Wereldhave's financial departments in all three countries have experience in dealing with retailers with payment problems. However, it is still too early to make concrete statements about this.

The VEB posed a follow-up question: how strong does Wereldhave believe its own position would be if lawsuits were to be filed, given that it seems likely that some tenants would argue that a *force majeure* situation exists, as a result of which they would be entitled not to comply with their rent obligation.

Mr De Vreede indicated that he thought this was a legitimate question and that there were major differences between countries. In France and Belgium there is a government-imposed lockdown, and compulsory closure of all non-essential stores. As a result, a *force majeure* situation seems more logical in these countries than for retailers in the Netherlands who were allowed to remain open and in some cases closed their doors on a voluntary basis. However, this situation has not occurred before, so there is no case law on the matter. The various governments and authorities are also still getting involved in the discussion. Wereldhave is currently concluding case-by-case deals in order to arrive at a reasonable solution: tailor-made approaches to ensure optimal payment, geared to each situation.

The VEB asked to what extent Wereldhave considered it possible to continue to collect rents from tenants who, in many cases, have seen their turnover fall to zero euros.

Mr Storm answered that, as stated earlier, Wereldhave was approaching this on a case-by-case basis. In general, it can be said that Wereldhave has an approach of entering into long-term partnerships with tenants.

Another question from the VEB. “Should investors in Wereldhave be concerned that too rigid an attitude on the part of Wereldhave could put the relationship with tenants at risk in the longer term?”

Mr Storm responded in the negative, the opposite is true in his eyes. Wereldhave opts for long-term partnerships with high-quality tenants. Even good tenants can have difficulties at this time. Only if tenants absolutely do not want to talk about an arrangement will steps possibly be taken, which sends a good signal to tenants who <u>are</u> willing to enter into discussion with us.

The VEB asked to what extent Wereldhave believed it could tackle future vacancy by finding good new tenants.

Mr Storm answered this question. It will be possible to fill some of the vacancies with new retailers, but vacancies will increasingly have to be filled via alternative use. This has been extensively reflected in the LifeCentral strategy. The balance can shift more to housing and health care. There are plenty of opportunities to fill the space that becomes available.

Mr Rienks then asked: “You are starting the transformation into Full Service Centers with two shopping centers. The proposed alternative approach does not feature growth markets either. You would have to use discounts and freebies to make the center attractive. How do you intend to achieve that at a sufficiently high rent level, covering all our costs?”

Mr Storm pointed out that the assertion that growth markets are not involved is incorrect. The locations Wereldhave can offer are becoming more attractive due to mixed use, and demand is increasing as a result.

De Bruyn management services and TTW asked whether there was sufficient operational knowledge available to sell the shopping center portfolio under the extremely unfavourable real estate market conditions in 2020. They also asked the Supervisory Board to explain how the current composition of the Board of Management was the right one.

Mr Nühn replied that the Supervisory Board consults the Board of Management on a weekly basis. The Board of Management has broad experience in managing and restructuring internationally operating real estate companies. Both directors are sufficiently hands-on and have the experience needed in this turbulent situation.

The next question was from NV Wollindus. “We ask the Board of Management to favour tenants that have a robust and anti-fragile business model (and if necessary to differentiate the rent). Tenants who provide necessary and essential goods or services to society (essential stores) contribute to higher resilience in a time of crisis and are therefore defensive. Recalibrating in that sense would seem to be an essential lesson from the coronavirus crisis.”

Mr Storm answered this question in the affirmative. Wereldhave's LifeCentral investment program and the transformation into Full Service Centers are already fully focused on this.

The VEB asked whether Wereldhave could indicate what percentage of the rents had to be collected in the next three quarters in order to cover the fixed costs: overhead, CAPEX and interest expenses.

Mr De Vreede indicated that he did not want to provide any further information at this level of detail.

The VEB said that Wereldhave had indicated that it would postpone investments “where realistically possible” in order to safeguard the liquidity position. Last year, by far the largest cash flow was related to investments of approximately €80 million. The VEB asked what scale of investments Wereldhave had committed to for this year, and how large the total investment expenditure would be this year. How quickly did Wereldhave think it could scale back other costs, i.e. overheads? The VEB then asked whether an indication could be given of the potential scope of possible savings.

Mr De Vreede answered by stating that he had reduced the committed investments by Wereldhave to €32m for 2020 and 2021. The total investment expenditure amounts to approximately €38m, of which €23m is still to be spent. Wereldhave is a cost-efficient organisation. Savings on overheads are still difficult to find and these general costs can be eliminated in the realisation of the phasing out of France. This is set against a smaller portfolio. When Wereldhave can focus on the Benelux countries, it will be possible to achieve economies of scale.

The next questions concerned cost savings: first of all a question from De Bruyn management services and TTW as to whether Wereldhave could reduce the workforce or reduce salaries, given the expected decreases in rent levels, and what measures have been taken to reduce Wereldhave's operational costs.

Mr Storm answered that the investments had been put on the back burner and that, where possible, operational and general costs had been cut. Furthermore, from an EPRA cost ratio perspective – the ratio between general costs and gross rental income – Wereldhave was already in line with rest of the sector.

NV Wollindus stated that the Company was currently living far above its means. For example, other shareholders have rightly referred to the excessively costly head office and recommend that the lease of the Schiphol head office be terminated at the earliest possible opportunity and that a more humble and cheaper alternative be sought.

Mr De Vreede replied that it was indeed time to make a new assessment as regards the location of the head office. The current lease will run for another two years, but alternatives will be examined to see whether Wereldhave can save costs. Naturally, while maintaining a careful weighing of all interests, for example with regard to accessibility for staff and attracting new talent.

De Bruyn management services asked what measures had been taken to collect as much of the rent as possible and whether there was a schedule for terminating the rentals and starting measures for eviction.

Mr De Vreede answered that Wereldhave has a very good debtor and creditor management system, as well as a relationship management system. During the Covid-19 crisis, a crisis team was set up both at holding company level and per country on operational matters, as well as to closely monitor financial matters and take action. A policy has been rolled out that deals with instances on a case-by-case basis in order to optimise rent collection. Wereldhave will continue to apply this approach in the future as well.

De Bruyn management services asked about the ideas and planning for the lease of vacant retail space.

Mr Storm indicated that he had already discussed this at length earlier in the Meeting.

The VEB asked how Wereldhave was forecasting the earning potential that would be structurally lost by shopping centers in the longer term as a result of the coronavirus pandemic.

Mr Storm replied that much had already been said about this in the Meeting. More space would become available for transformation. Polarisation in retail real estate will only be accelerated by the pandemic. So the profitability of winning locations and unprofitability of losing locations will become more pronounced. Through transformation, Wereldhave can make winning locations even stronger.

This was followed by a question from TTW. “Following the appointment of the CEO, a new valuer was appointed, the valuation method was changed and the CEO’s new insights on rent levels were taken into account. This led to a downward revaluation of 23% in the Netherlands and of 10% in France. Together, this accounts for more than 400 million in downward revaluations. Are you aware that, excluding Wereldhave Belgium, debt was at a dangerous level of 55% in December 2019 and can you explain in detail how this was discussed with the Board of Management? How does the Supervisory Board view its own performance in this respect?"

Mr Storm replied that Wereldhave acknowledged that the loan to value must be reduced. The valuation of the portfolio is performed every six months by external, independent and reputable real estate experts, and the principles and methodologies for this have not changed. The Board of Management and the Supervisory Board also regularly consult on the development of the debt ratio, during which the covenants and the valuations are also discussed. This includes the position of Wereldhave Belgium. At the end of 2019, the debt ratio had risen above 44%, which is why the Supervisory Board and the Board of Management are in agreement that priority should be given to real estate sales. Several scenarios have been developed for this, with the gradual sale of France being the preferred option. Naturally, Wereldhave has back-up scenarios in case this does not succeed.

Mr Nühn added that the Board generally takes a critical look at the valuations. The valuer gave a detailed explanation of the valuations during the Supervisory Board meeting and the Supervisory Board ascertained the independence and objectivity of the valuations. Moreover, the valuations were discussed at length with the external auditor and the Supervisory Board requested a second opinion, which further confirmed the accuracy of the valuations.

TTW asked what steps the Supervisory Board had taken after it became clear that Moody’s would be downgrading the share to just above junk status and whether the absence of bridging financing for the sale of real estate is a sign that the financing market is tight.

Mr Nühn replied that the Supervisory Board had discussed with the Board of Management the reasons for the downgrade and a recovery plan aimed at improving liquidity. The sale of real estate is, of course, the highest priority, but this is currently not predictable or enforceable in terms of time and size.

TTW asked when the Supervisory Board became aware of the fact that the situation was at risk of turning into an existential threat, even before coronavirus, when management proposed to make investments in anticipation of real estate sales. And it asked whether the Supervisory Board realised at the time that this entailed a significant risk and why the Supervisory Board nevertheless allowed this to happen.

Mr Storm indicated that he found this an incorrect assumption. Six years have been allocated for the transformation process, with real estate being sold in the first three years. This involves phased investment, which can of course be delayed. Whatever has been done under the current circumstances, a lot of investments have already been scaled back.

The VEB asked whether Wereldhave believed it was possible to issue debt capital in the current market circumstances and whether the conditions had become stricter (a higher interest surcharge) compared to a number of months ago. Mr De Vreede replied that it was still possible, but at a higher interest surcharge of approximately 2-2.5% in the unsecured market.

The VEB asked Wereldhave to specify the synergies it saw between the Belgian and Dutch divisions. Mr Storm indicated that this had already been discussed in the Meeting.

The VEB then asked what the consequences for Wereldhave's tax status (FII) were of Wereldhave reporting on 7 April last that “…the Company will not pay quarterly interim dividends regarding the fiscal year 2020”. Were mitigating measures being taken for this?

Mr De Vreede replied that the decision not to pay the final dividend had no consequences. Wereldhave is complying with its fiscal distribution obligation. Wereldhave will also continue to comply with the distribution obligation ensuing from the FII status.

The VEB asked whether Wereldhave was prepared to publish more information with regard to the financial statements for tax purposes, primarily for the Dutch activities.

Mr De Vreede stated that he did not wish to make any statements about this.

Mr Rienks had a question about the number of members of the Supervisory Board. As a cutback, the number of members has been reduced from four to three, resulting in a – in his opinion small – cost saving. He wondered whether it would not be cheaper to keep knowledge and experience within the Supervisory Board, instead of always having to hire expensive external experts.

Mr Nühn replied that this could not be interpreted as merely a savings item. In the past year, the Supervisory Board has been reduced from 5 to 3 members. This is in line with the contraction of the business in recent years. Wereldhave is a compact organisation, for which a compact Supervisory Board is appropriate.

The questions related to sustainability were then discussed, starting with a question from VBDO. "VBDO congratulates Wereldhave on once again having achieved five stars on the GRESB benchmark and also welcomes Wereldhave's ambition to make its buildings Paris Proof, but is very surprised that Wereldhave's score on the annual CDP benchmark fell from a B in 2018 to a C in 2019, and considers Wereldhave's score to be under par compared with the organisation's ambitions. Can Wereldhave explain this decline in the CDP benchmark and share with us how this relates to its ambition to be climate neutral by 2050? When does Wereldhave expect to publish a concrete step-by-step plan to achieve this goal?"

Mr Storm replied that Wereldhave's ambition was to achieve a CDP-A score in 2025. A score of C is therefore not in line with this ambition. The decrease can be attributed to the temporary non-communication of scope 3 carbon data, such as business travel. This was why it was not possible to achieve a score higher than a C. With the new sustainability policy and the setting of the science-based target, we have more and more extensive carbon data in 2020. For a step-by-step plan, it is important to mention that Wereldhave has committed itself to a science-based target initiative, on which a quantitative carbon target for 2030 is based. We will publish this target as soon as it has been completed and approved by the science-based target initiative, but whether we will succeed in doing so this year is still uncertain, due to Covid-19. For each Full Service Center transformation, Wereldhave also draws up a net zero roadmap, a menu of minimum sustainability requirements, quick wins and possible investments.

VBDO then asked what Wereldhave's supply chain looked like and what the risks those suppliers posed in terms of human rights and working conditions. This is because Wereldhave describes the conditions that suppliers must meet in the Supplier Code of Conduct and in the annual report, stating that its own activities and those of its suppliers are mainly concentrated in Europe, and that the risk of incidents is minimal.

Mr De Vreede replied that Wereldhave's suppliers included construction companies and cleaning and security services, among others. Wereldhave acknowledges that there are also risks within the EU with regard to occupational safety and illegal employment. That is why Wereldhave always works with suppliers with a good reputation. In addition, all suppliers/service providers must comply with the Supplier Code and thus comply with the requirements set in BREEAM-in-use, cooperate as regards the sustainability ambitions we set, and comply with the environmental and social statutory legislation. Wereldhave will shortly publish an update of the Supplier Code that is related to the new sustainability policy.

VBDO then complimented Wereldhave on its ambition to have at least 1% of the net rental income contribute to socio-economic initiatives for social integration by 2030. The initiatives include, for example, the organisation of events for the elderly, and the improvement of facilities for people with disabilities. In addition, gender-neutral toilets and care facilities for children have been designed. These adjustments and initiatives can promote diversity and ensure a more inclusive society. VBDO wonders to what extent Wereldhave assesses new initiatives and measures in terms of their contribution to social integration.

Mr De Vreede replied that Wereldhave is already close to 1% of the net rental income. This was not an ambition that was planned for 2030. Wereldhave currently primarily measures the output: in terms of the number of organised social events and facilities (such as Maxmobiel) that reduce loneliness and exclusion, donations to charities, and providing space for charities and local entrepreneurs. A prerequisite for this is that there must be a clear contribution to the local community and that the initiative must strengthen the reputation of the Full Service Center/ Wereldhave. We monitor this objective on a quarterly basis in our internal reports. We do not currently measure any outcome of impact indicators.

De Bruyn management services asked whether further consultation had taken place with shareholders regarding the recent reports.

Mr Storm replied that various analysts, shareholders and potential shareholders were contacted within the regular Investor Relations programme. A week before the (semi-)annual figures, the invitation for the presentation of these figures is published on the website, mentioning the option to call in or attend via a webcast. The Director of Investor

Relations, Ruud van Maanen, is also always available for contact. Ruud's contact details are published on the website.

Mr Rienks stated that investors had lost confidence in Wereldhave, as also evident from the sharp fall in the share price and from the reduction in the dividend and the net asset value per share. Mr Rienks asked whether Wereldhave thought it could break this trend and how it would restore confidence. What is more, he finds it striking that Wereldhave Belgium *is* performing well and has not lost investor confidence.

Mr Storm answered this question by agreeing that the development of the share price had not been good in recent years. Wereldhave wants to restore confidence by being as transparent as possible to its shareholders. Also relevant is its policy for the longer term: the LifeCentral program launched by Wereldhave, which strengthens the product category. The focus will be on market leadership in the Benelux. The objective here is to create value for the shareholders.

The VEB then asked whether Wereldhave was prepared to have the half-year figures subjected to a "full audit" by the auditor.

Mr De Vreede answered this in the negative. Wereldhave has decided in the past that this is not necessary, given the compact organisation. Wereldhave still maintains that the additional costs and capacity of the organisation would not be proportionate to the desire for a full audit.

The Chairman stated that he had dealt with all the questions that had been submitted in advance and emphasised that this process had helped to get a good idea of what was going on among shareholders. Nevertheless, he missed the personal contact that would have been possible if the Meeting had taken place in person instead of via a live stream. The Chairman wanted to give the gentlemen attending in person the opportunity to pose any questions they may have.

Mr Spanjer asked what would happen to the staff once sales of approximately €1 billion had taken place. The Chairman replied that Wereldhave treated its staff with all due care, and rejected any accusation or insinuation to the contrary.

Mr Spanjer then asked whether Wereldhave wanted to invest in logistics real estate, to which Mr Storm replied that he wanted to see the question in the context of city logistics. Wereldhave is rolling out a concept called "The Point". This is already in place in the Wereldhave centers in Belgium. It concerns a location in a shopping center where both pick-up and delivery can take place, which allows Wereldhave to attract visitors who have ordered a package from an online retailer, for example, and come to the shopping center to pick it up. This immediately prompts a visit to the shopping center. Wereldhave has also entered into a partnership with an operator for the home delivery of certain goods from the shopping center, in particular fresh products.

Mr Spanjer then asked whether Wereldhave wanted to invest in regional distribution centers, to which Mr Storm responded in the negative. This is not in line with Wereldhave's strategy, which is specifically aimed at being the market leader in Full Service Centers in the Benelux countries. To this end, Wereldhave wants to focus on adding city logistics to its Full Service Centers. Adding distribution centers to its portfolio is not in line with this strategy.

Mr Spanjer asked why it was decided in the past to sell the housing above the De Koperwiek shopping center, while Wereldhave is now considering whether housing can be added to the Full Service Centers. The Chairman replied that these decisions had been made in the past, and there is now a clear, changed strategy.

Subsequently, Mr Spanjer expressed his concerns about the addition of hospitality establishments to the centers, as the turnover for these entrepreneurs will be disappointing as a result of the Covid crisis and associated social distancing. Mr Storm replied that this would be assessed on a case-by-case basis. These are long-term value creation projects. There are places where it is still opportune to place hospitality establishments, but this will indeed be in fewer places than Wereldhave initially envisaged.

Mr Spanjer then cited the importance of pop-up stores, which in his view are an attractive formula for millennials. The Board of Management's response was that they can be a good addition in basic terms, but the contracts are very short, which means such stores are the first to leave. In the Netherlands, pop-up stores are still few and far between, but they are more common in France.

The Chairman then moved on to the next item on the agenda: the implementation of the remuneration policy.

Agenda Item 3.
A. Implementation of the remuneration policy in 2019

The remuneration report was published on the website with the documents for this Meeting. This concerns the implementation of the 2019 policy. Since this year, pursuant to the law, shareholders have had an advisory vote on the implementation of the policy. The Chairman submitted the (legal) question whether the remuneration report was sufficiently clear and comprehensible and whether the remuneration of members of the Board of Management and Supervisory Board for the 2019 financial year was in alignment with the Company's remuneration policy.

Mr Spanjer took the floor and asked how many shareholders were consulted about the remuneration policy, as this cannot be deduced from the annual report or other report. He also asked what the outcome was of these consultations.

Mr Storm answered this question (despite the fact that this is a subject covered in agenda item 4) by stating that discussions had been held with a number of shareholders and that all input had been taken into account. Little input had been received as regards the financial aspects of remuneration, but primarily as regards the sustainability aspects. Sustainable targets have therefore been included, including for long-term remuneration.

The Chairman put the subject to the vote.

The question put was answered in the affirmative, with 98% of the votes in favour and 2% against. 40,956 shareholders abstained from voting.

It was then time to deal with the next item on the agenda, 3B.

<u>B. The explanatory notes to the audit opinion</u>

Mr Grönloh of KPMG briefly explained the auditing activities and the key conclusions drawn from the audit.

The financial statements were drawn up by the Board of Management and approved by the Supervisory Board. KPMG performed the audit for this. The management report was drawn up by the Board of Management. However, KPMG has a different responsibility in this respect. It must satisfy itself that the information is not materially inaccurate and does not contradict the information in the financial statements.

KPMG audited the consolidated financial statements and established that they give a true and fair view. The separate financial statements were also audited and it was established that they, too, give a true and fair view. The information in the management report is consistent and contains no material errors.

At group level, a materiality threshold of €10 million was applied, the same as last year. This approximately €10 million is 0.65% of the shareholders' equity, and that is within the usual bandwidths for determining the materiality. A lower materiality is applied for certain items on the income statement. It has been agreed with the Board of Management and the Supervisory Board that items with an impact of €500,000 or more will be reported to the management and the Supervisory Board.

KPMG is the auditor for all parts of the group in the Netherlands, Belgium and France. A full scope audit is performed everywhere for consolidation purposes. KPMG uses a substantive audit approach and, where necessary, engages external specialists, such as the internal valuation expert and a tax expert.

Three Key Audit Matters have been determined. Firstly, the valuation of the real estate, representing more than 95% of the balance sheet total. The valuations are made by external valuers. KPMG's own specialists, who carry out checks in this regard, found themselves in agreement with the method of valuation and the explanation thereof. The second Key Audit Matter is the status of the fiscal investment institution. In the Netherlands, this concerns the FII status, but Wereldhave also has a specific tax status in Belgium and France. With the help of the tax specialists, KPMG determines that the requirements are met and that Wereldhave is therefore within the limits set by its FII status.
Wereldhave uses derivatives to manage interest rate risk in particular. In this respect, too, KPMG finds the valuation to be appropriate and also considers the explanation appropriate based on IFRS.

The VEB submitted a number of questions in advance regarding the auditing activities, the first of which reads as follows. "When KPMG signed off on the financial statements on 9 March, Wereldhave's share price was approximately 40% of the value according to the books (EPRA NAV at year-end 2019: €32.99). Why does KMPG nevertheless believe that the real estate was in the books at a "fair" value at year-end 2019?"

Mr Grönloh replied that Wereldhave's financial statements had been drawn up according to the situation on 31 December, and the valuation of the balance sheet items therefore took place on that date. Valuations are carried out twice a year, also at year-end, with external valuers determining the valuation. KPMG concludes that the valuations are appropriate for Wereldhave's financial statements as at 31 December.

The VEB asserted that the discount almost doubled after adoption of the financial statements and is historically low. It asked to what extent this strong signal from the market is a trigger for KPMG to investigate (in the interim) whether the real estate is still in the books at fair value?

Mr Grönloh replied that Wereldhave's financial statements were prepared on the basis of IFRS-EU, regarding which KPMG performed the audit of the financial statements. KPMG reported on this on 9 March by means of the audit opinion, signalling the end of the obligation to investigate with regard to the 2019 audit.

The VEB's next question was: "According to the financial statements, the exercise of valuing the real estate is performed by external parties, based on the financial position, on 30 June and 31 December. To what extent was KPMG involved in this?"

This has already been discussed at length and Mr Grönloh briefly replied that KPMG was not involved in the audit of the half-year figures. This valuation process is carried out by the business.

Lastly, the VEB asked whether it could be concluded from the fact that KPMG has not withdrawn its opinion that it believes that Wereldhave's continuity is guaranteed for at least another ten months. Mr Grönloh replied that KPMG issued the auditor's opinion on 9 March and established that this assumption of Wereldhave's continuity as a going concern was appropriate at that time.

Mr De Vreede supplemented this by saying that in the time we are currently in, a liquidity forecast is made on a weekly basis as a result of the pandemic. Wereldhave has also taken the necessary measures to safeguard this liquidity. Projects have been put on hold and costs have been saved where possible. For the time being, there is sufficient liquidity, certainly with the new Green Revolving Finance Facility. This means that there is no reason whatsoever to question continuity.

Mr Van Riet asked Mr Grönloh whether there were major differences per project and whether his findings differed very much from those of the external party. Mr Grönloh replied that KPMG assesses as a whole whether it considers the valuations and assumptions appropriate and whether the estimates used by the valuer, and thus adopted by the management, fall within the applicable ranges. KPMG concluded that this was the case, and therefore has not provided answers per individual building, but that is not relevant here.

Mr Spanjer asked why the auditor had charged €96,000 more than in the previous year and why this amount was on top of the costs of the internal auditor. Mr De Vreede replied that the scope of KPMG's activities in 2019 had been expanded compared to 2018. For example, up to and including 2018, the legal entities in France were audited by another auditor and KPMG incorporated this work in their full scope audit. Work was also performed on the implementation of IFRS 16. An internal audit function was indeed set up a number of years ago, and features very good communication between the external and internal auditor. The activities of the external auditor are certainly seen as a reinforcement of Wereldhave's own internal audit function.

Mr Spanjer continued with a number of questions for the auditor. Firstly, the question of whether KPMG is disregarding the internal audit. Mr Grönloh replied that the internal audit was primarily aimed at strengthening the internal control framework. This is separate from the external audit.

Mr Spanjer asked why KPMG did not consider the decision to dilute the shareholding in the subsidiary to be incorrect, given that the parent's holding in the subsidiary has fallen from 70% to 63%. Mr Grönloh indicated that this was not the task of an external auditor and gave the floor to Mr De Vreede, who replied that the dilution of the stake was due to the purchase of two retail parks in Belgium in 2018. Half of that amount was paid in cash at that time, and the other half in Wereldhave Belgium shares.

Mr Spanjer then asked for an explanation of the materiality. How could it be explained that in 2018 a materiality was assumed of 10.6 million, or 0.5% of shareholders' equity and a direct result of 5.3 million, and in 2019 a materiality was assumed of 10 million, or 0.65% of shareholders' equity and a direct result of 5 million? Mr Grönloh replied that the materiality was determined prior to the audit, so the materiality for 2019 was determined in May 2019. This was done on the basis of the figures for the previous year. Ultimately, the shareholders' equity for 2019 proved to be lower, as a result of which the ratio was higher. An interim assessment was made of whether there was cause to adjust the materiality downwards. This was not the case, as was also discussed with the audit committee and the Board of Management. In Belgium and France, too, there was no reason identified to adjust the materiality.

As there were no further questions for the auditor, agenda item 3C was addressed.

C. Adoption of the financial statements
As there were no questions, the Chairman put the proposal to adopt the financial statements to the vote. The financial statements were adopted, with 99.01% of the votes in favour and 0.99% against. 39,969 shares abstained from voting.

The Chairman then raised for discussion:

D. Dividend and reserves policy
The Chairman indicated that the proposal with regard to the final dividend had been withdrawn. On 6 April, Wereldhave announced in a press release that the final dividend for 2019 had been withdrawn in order to strengthen liquidity. A second measure is that we will not be paying an interim dividend for the year 2020 on a quarterly basis, but only a final dividend. This morning's trading update for the first quarter announced that Wereldhave's liquidity for the next twelve months has been secured.

The Chairman raised for discussion:

E. Proposal to grant discharge to the members of the Board of Management
By granting discharge, the Company waives the right to hold directors liable for the policy pursued. The Chairman stated that there were no questions and put the proposal to the vote.

The Chairman noted that the proposal was adopted, with 98.99% of the votes in favour, 1.1% against, and 30,664 abstentions.

The Chairman then raised for discussion:

F. Proposal to grant discharge to the members of the Supervisory Board
By granting discharge, the Company waives the right to hold members of the Supervisory Board liable for negligent supervision. As there were no questions, the Chairman moved on to the vote.

The result was 98.49% in favour and 1.51% against discharge, with 38,947 abstentions. The proposal was therefore adopted.

The Chairman raised for discussion:

Agenda Item 4.
Proposal to adopt the remuneration policy
The Chairman referred to the remuneration report and gave the floor to Mr Van de Weerdhof, chairman of the remuneration committee. Mr Van de Weerdhof explained that a new remuneration policy had been drawn up that was in line with the new strategy. The new policy does not lead to a higher level of remuneration. The maximum variable remuneration decreases by 10% of the fixed salary. In the event of exceptional performance, the short-term variable remuneration increases by 20% of the fixed salary, while the maximum long-term variable remuneration decreases by 30% of the fixed salary. The TSR multiplier applied is lower and will be paid out later. The bar has therefore been raised. The remuneration committee has also introduced an absolute threshold. In the event of a negative total shareholder return, the multiplication is capped at 100%, even if Wereldhave scores as the best in the sector. 75% of the long-term variable remuneration is linked to the total shareholder return, and 25% to sustainability targets. In doing so, the Supervisory Board applies the GRESB five star rating. This highest rating is only assigned to the twenty best performing real estate companies, which means that the bar is also set higher for this every year. From now on, the remuneration committee wants to base the short-term variable remuneration on the total property return, visitor numbers in the centers, the net promoter score and individual targets. In the past, Wereldhave only had indicators that were directly linked to the direct result, so that costs could be written off on the balance sheet. This is no longer possible under the new rules. The Board of Management’s remuneration therefore depends not only on the amount of the rental income, but also on the value development of the real estate. This is measured against the sector using external benchmark data, the MSI index for Benelux retail real estate.

The first question was from TTW: “Can you confirm that the remuneration of the Board of Management is fully in line with the interests of shareholders? What matters to us is that the absurd situation is conceivable in which shareholders receive less dividend while the Board of Management receives increases. Don't you think it's better to convince your shareholders that the interests of the Board of Management are the same, rather than lowering directors' salaries?”

Mr Van de Weerdhof replied that the remuneration policy was described in detail in the remuneration report. It is directly linked to the total property return and the total shareholder return. The policy is based on leading examples in the sector and has an international perspective. The remuneration will not be increased and the bar will in fact be raised. In the opinion of the remuneration committee, there is in fact a very strong link with the interests of shareholders and the new strategy. The chosen indicators cannot be influenced and are objectively measurable and transparent, as also endorsed by the voting recommendations issued by proxy agencies.

The next question also came from TTW. “We have previously stated that the valuation of real estate is a component that cannot be influenced and should therefore not be part of the remuneration policy. If you do use this indicator, can you indicate when the Board of Management and the Supervisory Board would have failed to achieve the target?”

Mr Van de Weerdhof indicated that the formulation of this question was actually incorrect. This is because the value development is not used; rather, consideration is given to how it relates to the sector. The criteria for weighting are clearly defined, with below-average performance not being rewarded.

TTW stated that the shareholding of the Board of Management is currently very small, which sends a negative signal to shareholders. TTW wondered how this could be changed.

Mr Van de Weerdhof indicated that Mr Storm intended to expand his position in due course. And Mr De Vreede also indicated that he would be building up a larger stake, in addition to the remuneration shares already accruing to him.

TTW asked the chairman of the remuneration committee whether it was correct not to adjust the remuneration of the Board of Management and the Supervisory Board downwards, given what shareholders have endured.

Mr Van de Weerdhof replied that Wereldhave had reduced the Supervisory Board from five to three members in the past year. As stated earlier, this is in line with the decreasing size of the organisation. The remuneration of the Supervisory Board will not be changed and, from a corporate governance perspective, there must be no link between the remuneration of the Supervisory Board and the share price. As far as the remuneration of the Board of Management is concerned, there is a clearer and stricter link to the total shareholder return, with a lower maximum distribution and no distribution in the event of below-average performance.

The VEB indicated that in times of crisis it was important for all stakeholders to show commitment to the company. Directors of other real estate funds recently took a voluntary pay cut. The VEB asked whether Wereldhave's directors had also considered this.

Mr Van de Weerdhof answered that there were no specific plans for a voluntary pay cut as yet. Not all real estate companies have done this either, by a long way. Moreover, an important difference can be seen in companies that have done so. First of all, the remuneration levels in question were considerably higher than at Wereldhave and the companies concerned had to take this decision in view of the requested state aid.

The VEB asked whether the financial targets for the variable remuneration were not insufficiently ambitious. It also asked how, given the poor performance in all respects with regard to the criterion of autonomous rent growth, it was possible for “above budget” to have been scored in France and Belgium and for the maximum distribution to have been made.

Mr Van de Weerdhof answered that the budget expectations were much more negative. Ultimately, the results ended up above budget after much effort. He indicated that it made little sense to punish the organisation with unachievable targets when there were negative market expectations.

The VEB continued that Wereldhave directors were receiving performance-related remuneration for 2019, despite the abysmal results and the slump in the share price. The VEB wondered what this said about the ambition in terms of targets associated with the variable remuneration at Wereldhave. Mr Van de Weerdhof responded by saying that the long-term variable remuneration had not been paid out for the last five years. The short-term variable remuneration is linked to like for like rental growth and sustainability targets, and Mr Van de Weerdhof was also of the opinion that the STI targets should be linked to the strategy. For this reason, the policy on this point has been radically revised in terms of indicators, as can be seen in the new remuneration policy. Lastly, the VEB asked whether the Board of Management was prepared to waive the variable remuneration for 2019, in view of the situation just described. Were the members of the Supervisory Board prepared to exercise their discretionary power to cancel this variable remuneration for 2019?

Mr Nühn answered this question in the negative. In 2020, the chosen indicators of visitor numbers and customer satisfaction are likely to be difficult to achieve under the current circumstances. The other indicator is the total property return, in which respect Wereldhave would have to outperform the average of the retail real estate sector in the Benelux countries. If this is paid out, the Supervisory Board believes that this will be more than justified. Mr Nühn indicated that he would continue to follow the public debate on this point.

Mr Spanjer said that he did not agree with the statement that companies receiving state aid should surrender money. According to him, the managers at these companies have surrendered considerable sums and paid these to charity. He asked that account be taken of the fact that shareholders have had to surrender money, as they will not be receiving a final and interim dividend. The Chairman thanked Mr Spanjer for his comment.

Mr Spanjer continued and asked why, according to page 3 of the report, a Belgian company was also taken into consideration with regard to the remuneration, while Wereldhave, as the parent, has nothing in Belgium, only the subsidiary. Mr Van de Weerdhof indicated that the peer group consists of companies that are comparable to Wereldhave, or have a similar signature. These lists were proposed by external consultancy agencies. The remuneration committee adopted this proposal; relative to the old policy, two companies have been removed from the peer group because they are significantly larger and their inclusion would have an undesirable upward effect on remuneration.

Mr Spanjer understood that the bonus received by the Board of Management under the remuneration policy is also determined by the valuation of the real estate. However, that seemed to him to be sending the wrong signal, as the valuation would be significantly lower this year. As a result, if inflation strikes in 2021, it will be possible to pay out a relatively high bonus over 2022.

Mr Storm responded by saying that the indicators for the previous long-term remuneration were only reflected on the income statement and not on the balance sheet. Using a total return, as is customary in the Anglo-Saxon world, does not offer any advantages when shifting from result to balance sheet and vice versa.

The Chairman then put the proposal to adopt the remuneration policy to the vote.

The Chairman noted that the proposal was adopted, with 98.83% of the votes in favour, 1.17% against and 36,956 abstentions.

Agenda Item 5.
Proposal to reappoint Mr G. van de Weerdhof as member of the Supervisory Board

As stated, this agenda item was removed from the agenda. Mr Van de Weerdhof's term ends today. The Supervisory Board unanimously decided that the composition of the Supervisory Board would be reduced to three members, in order to achieve cost savings. The Chairman indicated that this would not have happened if Covid-19 had not played a role. In that case, Mr Van de Weerdhof would have stayed on and the Supervisory Board would have been reduced to three members at a later date. The Chairman thanked Mr Van de Weerdhof for his dedication and involvement, including in the Customer Journey project, and indicated that there would be an opportunity to bid him farewell in an appropriate manner at a later date.

Agenda Item 6.
Proposal to authorise the Board of Management to repurchase own shares

The Board of Management proposed, with the approval of the Supervisory Board, that the Board of Management be granted authority to acquire own shares, either on the stock exchange or otherwise, to a maximum of 10% of the issued capital of Wereldhave N.V. as at 24 April 2020, with an acquisition price ranging from the nominal value of the share to 10% in excess of the average price of such shares on Euronext Amsterdam on the fifth day prior to acquisition by Wereldhave, for a period of 18 months, effective 24 April 2020. If this proposal were adopted, it would supersede the existing authority. One question was received from the VEB about this. The VEB asked why – contrary to previous years – Wereldhave was not asking shareholders for a mandate to issue shares (issue authorisation). The Chairman said that this proposal had been agreed last year. The shareholders' position will not have changed in this respect, which would lead to a pointless vote. For this reason, the subject had not been put on the agenda.

Mr Van Riet asked why this agenda item had to be approved, as he understood from the Board of Management that it did not intend to buy back shares. Mr Storm replied that it did not seem wise to buy back shares at this time, given the LTV, which is nearly 45%.

The Chairman put the agenda item to the vote.

The proposal to authorise the Board of Management to buy back shares was adopted, with 99.52% in favour, 0.48% against, and 44,440 abstentions. The Chairman noted that this proposal had been adopted.

Agenda Item 7
Any other business

Mr Spanjer asked whether companies were paying the agreed turnover-related rents at this time, to which Mr Storm replied in the affirmative. In general, the number of turnover-related contracts in the fashion sector is increasing; these tenants have largely complied with the payment arrangements made in the Netherlands. Mr Spanjer also voiced his concerns about hospitality establishment owners. He argued that it would be difficult to introduce hospitality establishments in the shopping centers, as a result of the social distancing economy. Mr Storm indicated that he agreed with Mr Spanjer: the hospitality industry would be in difficulties for a long time to come. Mr Storm indicated that he distinguished between various types of hospitality establishments and that he would have to look at them carefully.

Mr Spanjer then asked a question about HBC and wondered whether it had paid the rent. Mr De Vreede replied that Wereldhave had still received two months' rent in the year 2020. Hudsons Bay ceased trading on 1 March. Under the group guarantee, Wereldhave has a best-efforts obligation to look for other tenants, which it is currently working hard on. In addition, options for using the upper floors for other purposes are being considered. Wereldhave has now taken the necessary legal steps vis-à-vis the parent company in Canada to ultimately enable it to draw under the group guarantee. This cannot be discussed at this time.

There are chains of opticians which have been sold for billions. Mr Spanjer therefore asked what Wereldhave would do if these types of companies were to request a discount or suspension. Mr Storm replied that, as stated earlier, the possibilities would be examined on a case-by-case basis. He did not want to make any comments about individual rent arrangements.

Mr Van Riet asked a number of questions. First of all, he asked whether shares had been opted for at the subsidiary and why it was possible to opt for shares at the subsidiary but not at the parent company. Secondly, he asked how big the stake currently is in the position of the subsidiary, now that it is held in two entities. Thirdly, the subject of 'scale' had been mentioned regularly during the Meeting. Mr Van Riet asked that this be explained and specified in greater detail.

Mr Storm answered the question about the scale. It is Wereldhave's ambition to ultimately grow to a portfolio of around 3.5 billion. In Belgium, a growth of 50%, from 1 to 1.5. And in order to reach 3.5, we will have to get to 2 billion in the Netherlands.

Mr De Vreede answered the question about the stake in Wereldhave Belgium. The current stake in Wereldhave Belgium is approximately 67%, divided between Wereldhave and Wereldhave International. The choice between a cash dividend or a share dividend has not yet been made. Wereldhave Belgium has postponed its Annual General Meeting of Shareholders.

Agenda Item 8
Closure of the Meeting

The Chairman noted that there were no further questions and closed the Meeting.