

Remuneration Policy 2015 and onwards

This remuneration policy proposal was adopted by the Supervisory Board on June 1, 2015. The report is available on the company's website www.wereldhave.com

The Supervisory Board has decided to propose to shareholders to change the fixed and variable compensation of the members of the Board of Management for the full year 2015 and subsequent years. The Supervisory Board has taken this decision after receiving the recommendations from an outside compensation advisor.

Fixed remuneration levels were last set in 2010 for the CEO and 2013 for the CFO. An earlier proposal that was tabled for the AGM on April 24, 2015 was withdrawn. Several major shareholders had criticised the indicators chosen for the short-term and long-term variable remuneration.

This proposal contains a number of changes against this proposal. These changes include an improved alignment of the remuneration by a higher shareholding guideline, full disclosure on targets (no personal undisclosed targets used), change in weighing of the various performance indicators and a change in the peer group. Interim changes to fixed remuneration (other than indexation) are subject to shareholders approval. Last, but not least, the use of levered metrics is fully subordinated to an overall three years TSR correction mechanism, which is intended to further improve alignment. This policy document outlines the new proposal and explains the differences against the earlier proposal.

In view of the benchmark analysis as performed by the external advisor, the Supervisory Board also proposes changes to the remuneration of the Supervisory Board. This proposal has not changed in comparison with the earlier proposal.

Current remuneration

Remuneration of members of the Board of Management

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

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

Fixed income

The members of the Board of Management currently receive a fixed salary that is paid in twelve equal instalments. The Board consists of two members, Mr. D.J. Anbeek (CEO) and Mr. R. Bolier (CFO). Mr Anbeek's fixed salary amounts to € 412,765, Mr Bolier's fixed salary to € 328,371.

Variable income – current policy

The variable income currently amounts to a maximum of 85% of fixed income, of which:

- 40% is related to like-for-like net rental growth (of which 30% short term and 70% long term)
- 20% related to the TSR compared to a peer group (of which 30% short term and 70% long term)
- 25% related to individual targets (short term).

This generally results in a variable income which is more or less evenly spread over the short and long term incentive.

When a long term variable remuneration is awarded, the amount in cash will be translated into an actual number of shares at the closing share price of the first day the share trades ex-dividend. The remuneration shares will be bought after the approval of the annual accounts in the Annual General Meeting of Shareholders. The shares will be accounted for as shares for remuneration as part of the general reserve.

If a dividend is paid on Wereldhave shares, the conditional share balance will be increased by a number of conditional shares equal to the amount of the dividend, reinvested at the prevailing share price. These additional conditional shares are subject to the same terms as the conditional shares that were initially awarded.

A separate securities account will be established, by or on behalf of the company for the benefit of the director, to hold the blocked share balance. The director is entitled to sell the shares after the end of the agreed holding period. The vesting period amounts to two years as from the date the long term variable remuneration has been granted.

If the vesting conditions are met, the number of awarded shares that vest are released to the member of Board of Management. Upon vesting, the members of the Board of Management pay income tax and social charges on the long-term variable remuneration.

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

Pension

Pensionable income is capped and the cap is indexed annually. For the year 2015 the cap amounts to € 412,765. No provision facilitating early retirement is in place. Members of the Board of Management are subject to the same pension scheme as all other Wereldhave N.V. employees in the Netherlands. Wereldhave has a defined contribution scheme with a retirement age of 67, based on a fiscal maximum ladder of 3% up to € 100,000 per annum. The Company makes an annual gross-up compensation payment of 22.4% of pensionable salary as at January 1, 2015, up to the aforementioned cap.

Other secondary conditions

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

Conditions of assignment

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

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

The Directors and the Company have signed contracts of assignment for a fixed term of four years. Mr Anbeek (CEO) was reappointed in 2013 for a second term Mr. Bolier was appointed CFO in September 2014.

If a director voluntarily resigns within the agreed appointment period or if the director is dismissed without further notice in accordance with the law, the conditional share balance reverts to the company. If the director is not reappointed at the end of the agreed appointment period, the scheme remains intact with regard to the conditional share balance. Once the conditions have been met, the vested shares will be transferred to the director.

Remuneration of members of the Supervisory Board

The Supervisory Board members are appointed by shareholders for a maximum of three consecutive periods of 2, 3 or 4 years. In principle, Wereldhave applies a maximum term in office for Supervisory Board members of 8 years. The base remuneration is set at € 47,348 for the Chairman and € 31,626 for members. Committee chairs receive a fixed remuneration of € 4,334 and committee members € 3,250.

The company has not awarded any options or shares to members of the Supervisory Board. The remuneration of the Supervisory Board members is not affected by the company's results, or by any change of control at the company. No loans were issued to members of the Supervisory Board.

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

Proposed changes to remuneration Policy

Board of Management

The goals of the remuneration policy for members of the Board of Management are to align individual and company performance, strengthen long term commitment to the company, and attract and retain the best executive management talent, whilst creating alignment with stakeholders. The essential qualifications comprise not only knowledge and experience in the field of real estate, but also the prerequisite management competencies. The policy aims to safeguard the company's performance and value growth, whilst positioning Wereldhave N.V. as an attractive employer for highly qualified directors.

The remuneration levels for Board members as proposed in this policy are based on surveys and analyses by internationally recognized firms specializing in executive compensation. The Supervisory Board regards Wereldhave as an operational company, rather than a financial company, and compares market practice remuneration of European peer companies to individually benchmark remuneration.

A new robust peer group of Continental European real estate companies was selected, based on a comparability study in terms of size, scope and complexity, indicators such as (sub-)industry, geography, revenues, market capitalisation, total assets and employees have been taken into consideration. The new group consists of a group of European real estate companies that position in the same bandwidth as Wereldhave, as well as some larger peers that are relevant from a labour market and strategic perspective as well.

The new peer group consists of:

Altarea-Cogedim (FR), Atrium (AU), Citycon (FI), Cofinimmo (BE), Deutsche Euroshop (DE), ECP (NL), Gecina (FR), Hamborner (DE), Hufvudstaden (SE), IGD (IT), Klépierre (FR), Leasinvest (BE), Mercialis (FR), NSI (NL), PSP (CH), Retail Estates (BE), Sponda (FI), Unibail-Rodamco (FR), VastNed (NL) and Wereldhave (NL).

This peer group serves both for assessing the remuneration levels as measuring TSR performance.

Fixed income

It is proposed to raise the fixed remuneration to around the median remuneration level of the peer group. For the year 2015, this implies a fixed salary of € 510,000 for the CEO and € 380,000 for the CFO. Fixed remuneration levels were last set in 2010 for the CEO and 2013 for the CFO.

The fixed remuneration will be indexed annually. The Supervisory Board endeavours to keep remuneration levels in line with the peer group. Remuneration is reviewed and adjusted every three years. Any increase will be put to the approval of shareholders.

Variable income - outline

For the variable remuneration, a new scheme is proposed that puts more emphasis on the long term compensation.

As from the year 2015, the Company will apply a shareholding guideline for members of the Board of Management of 2.5 times base salary, to be gradually built up with performance shares. The vesting period will be three years, against the current two years period. In view of the shareholding guideline and in deviation of the Dutch Corporate Governance Code, no additional two year holding period is applicable. A holding period does not imply a quantity of shares to be held and is therefore a less suitable alignment. Applying a shareholding guideline provides a better alignment, since it is volume and impact driven. The shareholding guideline does not apply for the portion of the shares that have vested, to pay the taxes that are due upon vesting.

The proposed variable income amounts to a base variable income of 100% of the fixed annual income, with a maximum of 40% payable as short term incentive in cash and of 60% as long term incentive in shares.

A three years TSR performance against the peer group is used as a correction mechanism to set the final outcome of the long term incentive. Depending on the ranking against the TSR performance of the peer group, the conditional share balance (including reinvestment of dividend) can be multiplied by a maximum of 3 if Wereldhave belongs to the top TSR performers or even annulled if the TSR performance ranks with the bottom of the peer group.

Adoption of the new scheme does not imply any changes to the LTI in respect of the years 2013 and 2014, which are still conditionally granted and in their two year vesting period. The change from a two year vesting period to a three year vesting period implies that in the year 2017 no conditional shares will vest.

Payment of the incentives for each member of the Board of Management only takes place after adoption by the AGM of the Financial Statements of the Company.

Proposed short term variable income

The short term incentive score is determined by like-for-like rental growth (LFL RG - 30% of fixed income) and sustainability (10% of fixed income).

The STI incentive in respect of the like-for-like rental growth is calculated as follows:

- LFL RG at or above inflation scores 15% of fixed income
- LFL RG at or above budget scores 15% of fixed income

The budgeted LFL RG will be disclosed retrospectively in the remuneration report.

The second indicator for the short term incentive is sustainability. Remaining rated as GRESB Green Star during the year in respect of which the incentive was granted scores 10% of fixed income.

Proposed long term variable income

The long term incentive score is based on the direct result per share (EPS) (60% of fixed income).

The LTI incentive is calculated as follows:

EPS growth at inflation 20 % bonus, at 100 bps over inflation 40 % bonus and at 200 bps over inflation the maximum of 60 % bonus. EPS growth scores between 0 and 200 bps over inflation will be calculated at a sliding scale.

If the Loan-to-Value at year end exceeds 40%, no conditional long term incentive will be granted in respect of that year.

For the long term incentive, a vesting period is applied of three years after the incentive was conditionally granted. The Company's three years TSR performance against the peer group is used as a correction mechanism to set the final outcome of the long term incentive. Depending on the ranking against the TSR performance of the peer group, the conditional share balance (including reinvestment of dividend) will be multiplied, applying the following score table

TSR ranks 1-3:	x 3
TSR ranks 4-5:	x 2.5
TSR ranks 6-7:	x 2
TSR ranks 8-9:	x 1.5
TSR Ranks 10-11:	x 1
TSR ranks 12-14:	x 0.5
TSR ranks 15-20:	x 0

Explanation of the indicators used

The short term incentive is largely based on like-for-like rental growth, a key indicator for the operational performance of the portfolio. The second short term indicator emphasizes the Company's commitment to sustainability. The target is to remain rated GRESB Green Star. GRESB is an industry-driven organization committed to rigorous and independent evaluation of the sustainability performance of real estate portfolios across the globe. Remaining a GRESB Green Star implies that Wereldhave belongs to the top 25% of the sector, and as the sector is continuously improving its performance, remaining within this quartile is an ambitious objective.

The long term incentive is based on the Direct Result per share (EPS), since this is the basis for dividend. Wereldhave aims for a steady and growing dividend. The 3-years TSR vesting mechanism is applied to filter out any short term or levered effects of the indicator and aligns the long term incentive with the long term value creation for shareholders. The inflation measure (HCPI) used is as published by Eurostat for the Eurozone.

These indicators are therefore an important measure of the success of the execution of the company's strategy. As such, the remuneration is directly linked to the strategy and the performance and also aligned with long term shareholders' interests.

Conditions variable remuneration

The short term incentive is payable in cash, the long term incentive in Wereldhave shares only. The long term incentive is granted conditionally. When the conditional LTI bonus is awarded each year, the amount in cash is calculated into a conditional share balance based on the share price at the end of the first day of trading after ex-dividend listing of the Wereldhave share in the year in which the conditional LTI bonus is awarded. If a

dividend is paid on Wereldhave shares, the conditional share balance will be increased by a number of conditional shares equal to the amount of the dividend divided by the current share price. These additional conditional shares are subject to the same terms as the conditional shares that were initially awarded.

Vested shares are transferred to the director, if the terms are satisfied after a performance period of three years, following the year in respect of which these shares were awarded.

If a director is dismissed without further notice in accordance with the law, the conditional share balance reverts to the company. If the director steps down or is not reappointed at the end of the agreed appointment period, the scheme remains intact with regard to the conditional share balance. Once the conditions have been met, the vested shares will be transferred to the director. Upon vesting, the members of the Board of Management pay income tax and social charges on the long-term variable remuneration.

The share-based remuneration awarded to the members of the Management Board will be subject to article 2:135 Section 7 of the Dutch Civil Code as applicable from time to time. This provision requires the company to deduct from the director's remuneration an amount equal to certain value increases realised by the director through a sale or in connection with the termination of the relationship with the director, after certain corporate events affecting the company having been announced. Should at such time the payments owed by the company to the director not be sufficient to cover the relevant amount, the company will have a claim against the director for the (remaining) amount.

The Supervisory Board is authorized on behalf of the company to adjust the amount of an incentive to an appropriate level if payment of the incentive, based on standards of reasonableness and fairness, would be unacceptable. Incentive for this purpose means the unpaid part of the variable remuneration of which the granting is entirely or partially dependent on the achievement of certain targets or the occurrence of certain circumstances. The Supervisory Board is also authorised to withdraw conditional long term benefits in exchange for a cash payment at market value, if circumstances require. The Supervisory Board will motivate a decision to adjust an incentive or to withdraw in exchange for cash appropriately.

The Supervisory Board is authorized on behalf of the company to claw back an incentive entirely or partially to the extent that the award paid out was based on incorrect information with respect to the achievement of targets or the occurrence of circumstances on which the incentive was based. The Supervisory Board will motivate the decision to claw back the incentive appropriately.

In line with the Dutch Corporate Governance Code, the Supervisory Board made scenario analyses when they determined the level and structure of the Board of Management's remuneration. These analyses included all elements of remuneration, including potential LTI and STI pay-outs, under various scenarios. The Board has also discussed to which extent the variable remuneration might expose the company to risks, taking into consideration the overall risk profile of the company. The Board reached the conclusion that the remuneration policy provides management with good incentives to create long term value for the shareholders, without increasing the overall risk profile of the company.

If one or more companies from the peer group cease to exist or their TSR performance will no longer be reported by EPRA, the Supervisory Board will replace these companies with EPRA members of comparable size and nature.

If GRESB ceases to rate companies Green Star, the Supervisory Board will replace this indicator with an equivalent as published by an independent leading sector specialist, whereby the Company must rank between the top 25% of sustainability performers in the sector.

Other conditions

The proposal does not entail any amendments to the other elements of the remuneration policy as currently in place.

Remuneration Supervisory Board

Based on an external expert peer analysis, the Supervisory Board also proposes to change the remuneration for members of the Supervisory Board, in particular with respect to committee memberships. Current remuneration levels are mentioned between brackets. Committee chairs will receive a fixed remuneration of € 7,500 (€ 4,334) and committee members € 5,000 (€ 3,250). The base remuneration will be set at € 47,500 for the Chairman (€ 47,348), € 39,500 for the vice chairman (€ 31,626) and € 32,000 for members (€ 31,626). It is proposed that these amounts will be indexed annually as from January 1, 2016.