

Remuneration Report

Remuneration of the Board of Management

Policy

The remuneration policy 2015 and onwards was adopted by the Annual General Meeting on July 23, 2015, with effect from January 1, 2015.

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 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 recognised 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 individual benchmark remuneration.

The 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

As from January 1, 2015, fixed income is set at € 510,000 for the CEO and € 380,000 for the CFO. These amounts will be indexed annually.

Variable income: STI and LTI

The maximum 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 a maximum of 60% as long-term incentive in shares.

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 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;
- Remain rated GRESB Green Star scores 10% of fixed income.



The LTI incentive 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.

As from the year 2015, the Company applies a shareholding guideline for members of the Board of Management of 2.5 x base salary, to be gradually built up with performance shares. The vesting period is be three years, against the previous 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.

Conditions variable income

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, 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.

Wereldhave applies a three years' vesting period. The 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 three years' TSR performance ranks with the bottom of the peer group. The LTI in respect of the year 2015 will vest in 2018, based on the TSR performance over the three preceding years.

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 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



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 Board of Management 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 directors' 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 authorised 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 authorised 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.

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.

Pension

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 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 salaries in excess of the fiscal maximum. The calculation is based on the salaries as at December 31, 2014, indexed with CPI of 1% for 2015 (and not taking into account any later changes in fixed remuneration in relation to the new remuneration policy 2015 and onwards).



For Mr Anbeek, the pension compensation in 2015 amounted to € 72,333 (22.4% of € 312,765) and for Mr Bolier to € 53,429 (22.4% of € 228.371). These amounts will be indexed with CPI of 0.6% for 2016.

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 until 2017. The Board intends to propose the reappointment of Mr Anbeek at the Annual Meeting of Shareholders in 2017. Mr Bolier was appointed CFO in September 2014.



Execution of the remuneration policy in 2015

Fixed income 2015

Mr Anbeek (CEO) received a fixed salary for 2015 of € 510,000. Mr Bolier (CFO) was paid a remuneration of € 380,000. These salaries were indexed with the Dutch consumer price indexation (CPI) of 0.6% as per January 1, 2016 to € 513,060 and € 382,280 respectively.

STI 2015

The STI incentive 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
- Remain rated GRESB Green Star scores 10% of fixed income

Like-for-like rental growth for the year 2015 amounted to 1.8%, which is 140 bps above index. This results in a score of 15%.

For the year 2015, a like-for-like rental growth was budgeted for the shopping centres of 40 bps above index in the Netherlands, 410 bps in Finland and 130 bps in Belgium. Like-for-like rental growth for the year 2015 came out at 70 bps above indexation in the Netherlands (30 bps above budget), 230 bps in Finland (180 bps below budget) and 130 bps above indexation in Belgium (at budget). This results in a score of 10 points.

The Company remained rated GRESB Green Star and even moved up further within this quartile, which scores 10 points.

This implies that in respect of the year 2015, a short-term incentive of 35% of fixed salary is payable in cash. For Mr Anbeek this amounts to an STI of € 178,500 and for Mr Bolier € 133,000.

LTI 2015

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.

At December 31, 2015, the Loan-to-Value stood at 37.5%. Compared to the previous year, EPS for 2015 increased by 9%, which is well over 200 bps above inflation. This implies that in respect of the year 2015, a long-term incentive of 60% of fixed salary is granted conditionally in shares. For Mr Anbeek this amounts to an LTI of € 306,000 and for Mr Bolier € 228,000.

These LTI amounts will be calculated into a conditional share balance, which will accrue with the reinvestment of dividends during the three years' vesting period. Depending on the ranking against the TSR performance of the peer group, the conditional share balance can be multiplied by a maximum of 3 if Wereldhave belongs to the top TSR performers or even annulled if the three years' TSR performance ranks with the bottom of the peer group.

The LTI in respect of the year 2015 will vest in 2018, based on the TSR performance over the three preceding years. Further details on the remuneration of the Board of Management can be found in note 31 to the Annual Accounts 2015.



Share ownership Board of Management

Balance at 31/12/2015	Performance shares		Total	Private	Share- holding
	2013	2014			
D.J. Anbeek	2,672	2,606	5,278	8,145	13,423
R.J. Bolier	n.a.	1,504	1,504	3,563	5,067

The performance shares 2013 vested in 2015 (see below), the performance shares 2014 will vest in 2016 (reference period 2014-2016). Due to the changes in the remuneration policy 2015 and onwards and the introduction of a three year vesting period, no shares will vest in 2017.

Vesting conditions for these years were:

- For the like-for-like rental growth component the condition is that the average like-for-like net rental growth over the immediately following years will be positive.
- The TSR variable component of the conditional grant is granted under the long-term condition that the average place over the next two years would be higher than the 6th place.

Shares vesting in 2015

In respect of the year 2013, a conditional share balance was awarded to Mr Anbeek of 2,180 shares. This number of conditional performance shares has accrued to 2,672 due to the reinvestment of dividends and of claim rights in connection with the 2014 rights issue.

The long-term conditions were:

- For the like-for-like rental growth component (18.9/32.9% of the total LTI for 2013) the condition was that the average like-for-like net rental growth over the years 2014 and 2015 would be positive.
- The TSR variable component of the conditional grant (14.0/32.9% of the total LTI for 2013) was granted under the long-term condition that the average place over the next two years would be higher than the 6th place.

The average like-for-like rental growth for the years 2014 and 2015 is positive, implying that 18.9/32.9% of the 2,672 shares have vested.

The TSR peer group that was set for the 2013 variable remuneration was composed of Unibail-Rodamco; Klépierre; Corio, NSI, VastNed, ECP and Wereldhave. Corio was taken out, following the takeover by Klépierre in 2015.

For the year 2014, Wereldhave ranked second and in 2015 sixth, an average position of 4. This implies that 14.0/32.9% of the 2,672 shares have vested.

Mr Anbeek has announced that he will sell approximately 50% of these shares, to pay taxes due upon vesting.

In respect of the year 2012, in 2013 an unconditional bonus of € 50,000 gross was paid to Mr Anbeek, to be invested in Wereldhave shares which would be blocked for three years, ending on December 31, 2015. The net proceeds of the bonus payment were invested in 489 shares, which have become automatically unblocked as per that date.

No shares are vesting for Mr Bolier in 2015.



Other

No transactions with a potential conflict of interest were reported by members of the Supervisory Board or the Board of Management in 2015. No loans were issued to members of the Board of Management.

Further details of the terms and conditions for the members of the Boards can be found in the remuneration report from the Supervisory Board, as published on the Company's website.

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board amounts to € 47,500 for the Chairman, € 39,500 for the Vice Chairman and € 32,000 for members. Committee chairs receive a fixed remuneration of € 7,500 and committee members € 5,000 per annum.

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.

