

REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT OF VASTNED RETAIL NV

"A POLICY ALIGNED WITH THE VASTNED STRATEGY TO STIMULATE PREDICTABLE AND STABLE RESULTS"

1. INTRODUCTION

The current remuneration policy for the Board of Management of Vastned Retail N.V. ('Vastned') was adopted in November 2011 by the Extraordinary General Meeting of Shareholders (at the merger of Vastned Offices/Industrial). In the meanwhile Vastned set its' strategic focus on investing in international premium retail locations. The current remuneration policy is no longer aligned with this new focus and consists of, also within the context of the latest international corporate governance standards, some outdated aspects. Based on a thorough analysis, the remuneration committee of Vastned (in consultation with the full Supervisory Board) came in 2014 to a new proposed policy, hereby assisted by external advisers.

On 24 April 2015, the Supervisory Board will recommend the Annual General Meeting to adopt this remuneration policy, effective as of 1 January 2015. The Supervisory Board will evaluate annually whether all aspects of the policy are still in line with Vastned's strategy. In case of future structural changes of the remuneration policy, these changes will be presented to the Annual Annual General Meeting for adoption.

2. OBJECTIVES VASTNED REMUNERATION POLICY

The new remuneration policy is based on the following principles:

- The establishment of a clear and transparent remuneration policy, which complies with the most recent (also international) corporate governance standards. Vastned also aspires to compete in this area with the European “best of class” companies
- Alignment of the remuneration policy with the Vastned strategy, aimed on the stimulation of more predictable and stable results
- The further strengthening of the relationship between between the Board of Management’s performance and remuneration
- The alignment of interests of the Board of Management with shareholder interests by further stimulating long-term shareholding
- The ability to attract, motivate and retain executives of the highest caliber

3. COMPONENTS TOTAL REMUNERATION

The total remuneration for the Board of Management will comprise the following five components:

1. fixed remuneration
2. short-term variable remuneration
3. long-term variable remuneration
4. pension plan
5. other benefits

4. TOTAL REMUNERATION

4.1 Introduction

In determining the total remuneration, a new labor market reference group is defined in line with the current strategic focus, complexity and ambition of Vastned. At the start of the new policy, this group of companies comprises the following fourteen European listed property companies (the ‘Labour market reference group’):

ANF Immobilier SA	IGD SIIQ SpA
Atrium European Real Estate Ltd	Klepierre SA
CapCo Properties PLC	Mercialys SA
Citycon Oyj	NSI NV
Deutsche Euroshop AG	Shaftesbury PLC
Eurocommercial Properties NV	Sponda Oyj
Hammerson PLC	Wereldhave NV

The 2014 total remuneration of the Board of Management is compared against this Labour market reference group. In addition, a double fairness test is performed on the remuneration policy based on all AMX-funds and a group of fourteen Dutch companies (also non-listed) of comparable complexity and size. In establishing the total remuneration of the Board of Management, its impact on the remuneration proportions within Vastned is taken into consideration.

Based on the comparison against the Labour market reference group and double fairness test, the remuneration levels of the Board of Management are adapted. In view of the above, the fixed remuneration will be positioned which is in line with the median of the Labour market reference group and around the lowest 25th percentile for the total remuneration. Based on the remuneration levels during 2014 the fixed remuneration was positioned between the lowest 25th percentile and the median of the Labour market reference group and below the lowest 25th percentile for the total remuneration.

The Supervisory Board has, in the event of developments within the Labour market reference group, powers to adjust this group to keep it relevant within the framework of this remuneration policy.

4.2 FIXED REMUNERATION

The fixed remuneration for the Board of Management is tested annually against the previously mentioned Labour market reference group, and is set in principle for twelve months. In setting an appropriate fixed remuneration for a member of the Board of Management, the following factors are taken into account:

- individual skill level, experience and scope of responsibilities
- business performance, shortage of talent, economic climate and market conditions
- salary adjustments in the Labour market reference group

The Supervisory Board has powers to adjust the fixed remuneration based on the above mentioned principles.

Based on the comparison with the Labour market reference group the fixed remuneration for the Chief Executive Officer ("CEO") will be adjusted as per 2015. For the Chief Financial Officer ("CFO") the fixed remuneration can grow to 70% of the level of the CEO.

The fixed remuneration includes 8% holiday pay and is paid monthly in cash. In contrast to the variable remuneration components discussed below, the fixed remuneration is pensionable up to € 100,000. Please refer to section 4.4 for additional information on pension.

4.3 VARIABLE REMUNERATION

The total variable remuneration shall not exceed 100% of the fixed remuneration. Of this variable remuneration 40% is intended as variable remuneration in the short term and 60% long-term variable remuneration.

4.3.1 Short-term variable remuneration

Members of the Board of Management are eligible for a short-term variable remuneration (Short-term Incentive or 'STI'). The STI ranges from 0% to a maximum of 40% of the fixed remuneration.

Vastned's strategy includes a clear focus on more predictable and stable results. To support this strategy, the STI contains four challenging targets of equal weight, three of which are financial and objectively measurable, and one of which is of a qualitative nature. The three financial STI-targets have a 'threshold', 'target' and 'maximum' award. The qualitative target with 25% weight is defined for each member of the Board of Management individually and realisation will be assessed qualitatively by the Supervisory Board.

The targets for the STI are set annually in advance by the Supervisory Board based on the operational and strategic ambitions of the company as described in the business plan.

In view of the market-sensitive character of the STI targets, Vastned does not disclose the actual STI targets in advance. After the conclusion of the relevant financial year, the STI targets and realisation are described in the corresponding remuneration report.

The STI is paid in cash after the Annual General Meeting of Shareholders has adopted the annual accounts for the relevant financial year. Members of the Board of Management can use the variable bonus to purchase Vastned shares until and to the extent that they do not meet the share-ownership guidelines (see section 4.3.3).

4.3.2. Long-term variable remuneration

4.3.2.1 Introduction

Members of the Board of Management are eligible for a long-term variable remuneration (Long-term Incentive or 'LTI'). The LTI ranges from 0% to a maximum of 60% of the fixed remuneration. The LTI plan consists of the following three components:

1. Relative Total Shareholder Return (RTSR) test (50%)
2. Absolute Total Shareholder Return (ATSR) test (30%)
3. A Business Health Test (20%)

The long-term variable remuneration aims to align the interests of the members of the Board of Management with long-term shareholders' interests. The members of the Board of Management are obliged, on the basis of a procedure laid down by Vastned, to use the cash payment under the LTI-plan to acquire Vastned shares until the share ownership guidelines are met (see section 4.3.3).

4.3.2.2 Relative Total Shareholder Return test

The Relative Total Shareholder Return test determines 50% of the LTI incentive. The RTSR is measured by determining the total shareholder return (value movements plus dividends) of the Vastned share over a period of three financial years. The calculation is based on the basis of the average share price in the three months before the start of the performance period and the three months at the end of the performance period. This total shareholder return is then compared to a reference group of direct competitors. Depending on the positioning on total shareholder return within the reference group of direct competitors, follows a possible reward of a LTI-incentive based on RTSR.

The reference group for the RTSR test is largely similar to the Labour market reference group and consists of the following companies, whereby Vastned set its goal to compete with 'best of class' companies in its sector:

Atrium European Real Estate Ltd	Klepierre SA
CapCo Properties PLC	Mercialys SA
Citycon Oyj	Shaftesbury PLC
Deutsche Euroshop AG	Unibail-Rodamco SE
Eurocommercial Properties NV	Vastned Retail NV
Hammerson PLC	Wereldhave NV
IGD SIIQ SpA	

The Supervisory Board has, in the event of developments within this reference group, powers to adjust this group to keep it relevant within the framework of this remuneration policy.

RTSR awarding

The 50% LTI incentive, based on the RTSR-test will be awarded based on Vastned's ranking within the reference group, on the basis of total shareholder return of the Vastned share at the end of the three-year performance period, in accordance with the following scale:

RANKING	1	2	3	4	5	6	7-13
RTSR awarded	100%	86%	72%	58%	44%	30%	0%

The realisation of these LTI targets will be validated by a third party and audited by the external auditor.

4.3.2.3 Absolute Total Shareholder Return test

The Absolute Total Shareholder Return test determines 30% of the total LTI-reward. The ATSR is measured by determining the total shareholder return on the Vastned share over a period of three years (see 4.3.2.2 Relative Total Shareholder Return test).

ATSR awarding

The 30% LTI-incentive based on the ATSR test is determined based on a range in which an ATSR of under 45% over the period of three years will not be awarded. An ATSR of 60% over this three year period results in an "at target" realisation of the ATSR test and a 75% ATSR results in the maximum award. The ATSR awarded between the threshold and the maximum will be determined on a pro rata basis.

The realisation of this ATSR test will be validated by a third party and audited by the external auditor.

4.3.2.4 Business Health Test

The business health test determines 20% of the total LTI incentive. The purpose of this test is to encourage that short-term incentives are not predominant in determining the policy and that the Board is encouraged to keep the long-term strategy in mind at all times.

As a starting point in the evaluation of this test, the impact of the annual STI targets over a period of three years will be measured. In addition, other, non-financial performance indicators will be considered. This could for example include strategic leadership, 'tone at the top', employee satisfaction, implementation of the strategy and corporate social responsibility. After the conclusion of the relevant financial year, the realisation of the Business Health test will be described in the corresponding remuneration report.

4.3.3 Share ownership guidelines

One of the objectives of this remuneration policy is to align long-term shareholder interests with those of the Board of Management by promoting shareholding in Vastned. Accordingly, the Board of Management must build up a position in Vastned shares equal in value to 300% of the most recently defined fixed remuneration in the case of the CEO and 150% in the case of the CFO. The minimum shareholding must be built up over a maximum term of five calendar years. The Supervisory Board will on a regular basis examine whether the accrual period is fair and reasonable.

When the minimum amount of shareholding is reached, the members of the Board of Management must retain the shares for as long as they are employed at Vastned..

At the time of writing of the remuneration policy Mr Taco T.J. de Groot (CEO) already complies amply with the minimum requirement of a shareholding in Vastned of more than 300% of its new fixed remuneration.

4.3.4 Policy in case of takeover

In the event of a takeover of Vastned, the settlement of the variable remuneration will be determined by the Supervisory Board in the spirit of and in compliance with relevant laws and regulations, including article 2:137 section 7 Dutch Civil Code ('Takeover bonus legislation'), upon recommendation from the remuneration committee.

4.3.5 Policy for early termination of an employment agreement

In the event of early termination of the employment agreement with a member of the Board of Management, the Supervisory Board will resolve, taking account of the manner and the circumstances in which the termination occurred, whether and if so, to what extent a LTI incentive will be awarded to this member.

4.3.6 Malus and claw-back

There may be special circumstances that prevent awarding a short-term or a long-term variable remuneration ('malus'). In such cases, the Supervisory Board may use its power to withhold the variable remuneration. Next to circumstances specific to Vastned, external factors such as new laws and regulations or social developments may provide grounds for such a decision. Lastly laws and regulations state that in case an LTI is awarded wrongly with hind side on the basis of incorrect information, the amount can be reclaimed ('claw back').

4.4 PENSION PLAN

The members of the Board of Management may choose to participate in Vastned's pension plan, or receive a pension compensation in cash. Both the pension compensation in cash and the pension contributions according to the pension plan are not pensionable and not included in determining the level of the short-term or long-term incentives. The main elements of Vastned's pension plan as at 1 January 2015 are among others:

- The pension plan is a career average scheme, in which the annual pensionable salary is limited as of 1 January 2015 to € 100,000 on legal grounds
- The accrual rate is 1.875% per service year
- The policy includes a next of kin pension of 70% of the lifelong old-age pension

The annual pension contributions under the pension plan up to € 100.000,- as well as the pension compensation in cash are paid by Vastned.

The remuneration committee will annually evaluate whether the pension plan for the Board of Management is in line with the total employment benefits package.

4.5 OTHER BENEFITS

Company car

A company car including fuel costs, insurance, road tax etc. is provided as part of the benefits package of the members of the Board of Management.

Other reimbursements

Members of the Board of Management are eligible for customary payments and allowances such as additional health insurance, mobile phone, tablet, compensation for internet costs, sick leave, paid leave, et cetera. Travel and accommodation expenses incurred in the performance of the employment contract are reimbursed. Legal costs will be reimbursed after approval of the Supervisory Board.

The expenses of the Board of Management are evaluated and approved quarterly by the audit committee.

5. TERM OF APPOINTMENT AND EMPLOYMENT AGREEMENTS

Term of appointment

Members of the Management Board will be appointed for a four-year period. For members of the Management Board the Company has a six months' notice period and the members of the Management Board have a three months' notice period.

Non-competition clause and non-solicitation clause

The employment agreement or agreement for services contains or will contain in principle a non-competition/confidentiality clause, a non-solicitation clause and a clause prohibiting taking over Vastned employees, with a duration sufficient to protect Vastned's interests.

Dismissal payments

Dismissal payments, excluding the variable remuneration, are limited to twelve months of the fixed remuneration.¹

6 MISCELLANEOUS

Loans, guarantees and similar

Vastned does not provide loans, advances or guarantees to members of the Board of Management.

Cases not covered by the remuneration policy

In cases not covered by the remuneration policy, the Supervisory Board decides. Any decision must match the principles and intentions of the remuneration policy as closely as possible. Where necessary, the Supervisory Board will inform the Annual General Meeting of shareholders.

1. The employment agreement with Reinier Walta (CFO) leaves room for lowering the maximum twelve months of the fixed remuneration dismissal payment, in case the Dutch Corporate Governance Code recommends so.