

# CONVENING NOTICE TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

VASTNED RETAIL N.V. ('VASTNED' OR 'THE COMPANY') INVITES ITS SHAREHOLDERS TO ATTEND THE ANNUAL GENERAL MEETING FOR THE 2014 FINANCIAL YEAR, HELD ON FRIDAY 24 APRIL 2015 AT 1:00PM (CET) IN THE ROSARIUM, AMSTELPARK 1, AMSTERDAM. REGISTRATION FOR ADMISSION STARTS AT 12 NOON. THE ANNUAL GENERAL MEETING WILL BE HELD IN THE DUTCH LANGUAGE.

## AGENDA

1. Opening and announcements

## REVIEW OF 2014

2. Report of the board of management on the 2014 financial year
3. Remuneration report for the 2014 financial year

## FINANCIAL STATEMENTS AND DIVIDEND FOR THE 2014 FINANCIAL YEAR

4. Proposal to adopt the financial statements for the 2014 financial year **(resolution)**
5. Comments on the reservation and dividend policy
6. Proposal to declare the dividend for the 2014 financial year **(resolution)**

## DISCHARGE

7. Proposal to grant discharge to the members of the Board of Management for the 2014 financial year **(resolution)**
8. Proposal to grant discharge to the members of the Supervisory Board for the 2014 financial year **(resolution)**

## (RE)APPOINTMENTS

9. Proposal to reappoint Mr Taco T.J. de Groot as a member (chairman) of the Board of Management **(resolution)**
10. Proposal to reappoint Mr Jeroen B.J.M. Hunfeld as a member of the Supervisory Board **(resolution)**
11. Proposal to appoint Ms Charlotte M. Insinger as a member of the Supervisory Board **(resolution)**
12. Proposal to appoint Mr Marc C. van Gelder as a member of the Supervisory Board **(resolution)**

## REMUNERATION

13. Proposal to adopt a new remuneration policy for the Board of Management **(resolution)**
14. Proposal to approve the remuneration of the members of the Supervisory Board **(resolution)**

## COMPANY LAW MATTERS

15. Proposal to amend the articles of association of Vastned Retail N.V. **(resolution)**
16. Proposal to authorise the Board of Management to issue shares **(resolution)**
17. Proposal to authorise the Board of Management to purchase the Company's own shares **(resolution)**

## OTHER

18. Any other business
19. Close



## MEETING DOCUMENTS

The agenda with notes (including the information on the nominated candidates for (re)appointment to the Supervisory Board and the Board of Management required in accordance with Article 2:142, paragraph 3 of the Dutch Civil Code, the 2014 annual report (which includes the financial statements, the 2014 remuneration report and the information referred to in Article 2:392, paragraph 1 of the Dutch Civil Code) may be inspected on [www.vastned.com](http://www.vastned.com). These documents may also be obtained free of charge from ABN AMRO Bank N.V., Gustav Mahlerlaan 10, Amsterdam, telephone +31 (0)20 344 2000 or by email: [corporate.broking@nl.abnamro.com](mailto:corporate.broking@nl.abnamro.com), and (by appointment) from the office of the Company.

## REGISTRATION DATE

Pursuant to the provisions in Article 2:119, paragraph 1 of the Dutch Civil Code, attendance and voting rights for the Annual General Meeting of shareholders of Friday 24 April 2015 accrue to those persons listed on 27 March 2015 at the close of trading on Euronext Amsterdam – the 'Registration Date' – as shareholders in the Company ('Shareholders') in the records of the banks and stockbrokers designated as brokers under the Securities (Bank Giro Transactions) Act ('Brokers').

## REGISTRATION

Shareholders are entitled to cast votes for the shares they hold at the close of trading on the Registration Date, provided they have registered for the meeting in time. Shareholders wishing to attend or be represented at the meeting are requested to register on [www.abnamro.com/evoting](http://www.abnamro.com/evoting) or through the Brokers who administrate their shares, no later than 5:00pm on Friday 17 April 2015 with ABN AMRO Bank N.V. (ABN AMRO). A declaration must be submitted to ABN AMRO from the broker in whose administration the holder of the book-entry shares is registered, that the relevant shares were registered in his/her name on the Registration Date. The brokers are further requested to provide the relevant holder's full address details in the statement to allow for efficient checking of shareholdership on the Registration Date. The receipt or registration certificate issued by ABN AMRO is proof of admittance to the meeting.

## PROXIES / INTERNET VOTING

Without prejudice to the registration requirements set out above, meeting rights may be exercised by a person holding a written proxy. The written proxy must be received by the Board of Management no later than 17 April 2015. A copy of the proxy must be presented to the registration desk. Shareholders who wish to exercise their voting right by means of an electronic proxy, may relay their voting instruction until 5.30pm on Friday 17 April 2015 also electronically on [www.abnamro.com/evoting](http://www.abnamro.com/evoting).

Should you intend to instruct your bank/broker to do this, be advised that their deadlines may be several days before the date mentioned above. So please check the deadline of the relevant institution.

## REGISTRATION FOR ADMISSION AND IDENTIFICATION

Registration for admission to the meeting starts at 12 noon and ends at 1pm when the Annual General Meeting starts. After this time, registration is no longer possible. Before being admitted to the meeting, persons entitled to vote may be asked to provide valid ID, such as a passport or driving licence.

## ISSUED CAPITAL AND VOTING RIGHTS

At the convening date, the Company's issued capital comprised 19,036,646 ordinary shares, each entitled to cast one vote.

For further information, please go to: [http://www.vastned.com/investor\\_relations/contact](http://www.vastned.com/investor_relations/contact) or contact Vastned's Investor Relations department by telephone on +31 (0)10 24 24 368.

Rotterdam, 12 maart 2015

The Supervisory Board  
The Board of Management

## **APPENDICES**

### **Appendix 1**

Agenda of the Annual General Meeting of shareholders of Vastned Retail N.V. on 24 April 2015

### **Appendix 2**

Notes to the agenda of the Annual General Meeting of shareholders of Vastned Retail N.V. on 24 April 2015

### **Appendix 3**

Vastned Retail N.V. 2014 remuneration report

### **Appendix 4**

New remuneration policy for the Board of Management of Vastned Retail N.V.

### **Appendix 5**

Presentation of the proposed amendments to the articles of association of Vastned Retail N.V.

# APPENDIX 1

## VASTNED RETAIL N.V. AGENDA

Vastned Retail N.V. ('Vastned' or 'the Company') invites its shareholders to attend the Annual General Meeting for the 2014 financial year, held on Friday 24 April 2015 at 1:00pm (CET) in the Rosarium, Amstelpark 1, Amsterdam. Registration for admission starts at 12 noon. The Annual General Meeting will be held in the Dutch language.

### AGENDA

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### OTHER

18. Any other business
19. Close

# APPENDIX 2

## NOTES TO THE AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF VASTNED RETAIL N.V.

### ITEM 2 REPORT OF THE BOARD OF MANAGEMENT ON THE 2014 FINANCIAL YEAR

The Board of Management will present the results of the Company in 2014. The chairman will then invite the Annual General Meeting to discuss the results (described in detail in the annual report on the 2014 financial year). At this agenda item, questions may also be raised on the annual report for 2014, including the report of the Supervisory Board. The meeting may also address the main points of the corporate governance structure and compliance with the Dutch Corporate Governance Code by the Company.

### ITEM 3 REMUNERATION REPORT FOR THE 2014 FINANCIAL YEAR

In accordance with Article 2:135, paragraph 5(a) of the Dutch Civil Code, the implementation of the remuneration policy for the Board of Management will be discussed. The 2014 remuneration report is attached as Appendix 3.

### ITEM 4 PROPOSAL TO ADOPT THE FINANCIAL STATEMENTS FOR THE 2014 FINANCIAL YEAR (RESOLUTION)

The Supervisory Board proposes to the Annual General Meeting of shareholders to adopt Vastned's financial statements for the 2014 financial year. At this item, the shareholders will have an opportunity to question the external auditor on its audit activities and its audit opinion of the financial statements.

### ITEM 5 COMMENTS ON THE RESERVATION AND DIVIDEND POLICY

In the Annual General Meeting of 19 April 2013 the present dividend policy was adopted, which is to distribute a dividend of at least 75% of the direct result per share. In principle, stock dividend will not be distributed, but this is dependent on any dilution of the result, net asset value, the Company's capital position, and on the financing market. The dividend policy prevents share dilution caused by the distribution of stock dividend. Distribution of an interim dividend of 60% of the direct result per share for the first six months will continue.

### ITEM 6 DIVIDEND DECLARATION FOR THE 2014 FINANCIAL YEAR (RESOLUTION)

It is proposed to the Annual General Meeting of shareholders to declare a total dividend of € 2.00 per share for the 2014 financial year. After deduction of the cash interim dividend of € 0.73 per share, the final dividend is € 1.27 per share in cash. The final dividend for the 2014 financial year will be made payable on 15 May 2015.

**ITEM 7** PROPOSAL TO GRANT DISCHARGE TO THE MEMBERS OF THE BOARD OF MANAGEMENT FOR 2014 (RESOLUTION)

A proposal is put to the Annual General Meeting to grant the Board of Management full and final discharge for the performance of its duties in the 2014 financial year, to the extent this performance is apparent from the financial statements or from information otherwise disclosed to the Annual General Meeting prior to the adoption of the financial statements.

**ITEM 8** PROPOSAL TO GRANT DISCHARGE TO THE MEMBERS OF THE SUPERVISORY BOARD FOR THE 2014 FINANCIAL YEAR (RESOLUTION)

A proposal is put to the Annual General Meeting to grant the members of the Supervisory Board full and final discharge for the performance of its duties in the 2014 financial year, to the extent this performance is apparent from the financial statements or from information otherwise disclosed to the Annual General Meeting prior to the adoption of the financial statements.

**ITEM 9** PROPOSAL TO REAPPOINT MR TACO T.J. DE GROOT AS A MEMBER (CHAIRMAN) OF THE BOARD OF MANAGEMENT (RESOLUTION)

The Supervisory Board nominates Mr Taco T.J. de Groot for reappointment as a member (chairman) of the Board of Management of Vastned Retail N.V. The appointment will be for a four-year term, and will end at the Annual General Meeting of shareholders held in 2019.

**Reappointment considerations**

In his position as CEO, Mr De Groot has successfully completed the first phase of the high street shop strategy announced in 2011 and made Vastned's results more stable and predictable. Meanwhile, Mr De Groot is making good progress on executing the updated strategy, among which significant results achieved in improving the quality of the portfolio and organisation and in diversifying the company's financing. The Supervisory Board is confident that Mr De Groot will be able to successfully implement the strategy further, and praises his experience as a property specialist and his inspirational leadership.

Upon reappointment, Mr De Groot will receive a remuneration package in line with Vastned Retail N.V.'s current remuneration policy. At agenda item 13 a new remuneration policy for the Board of Management is proposed; if adopted, it will take effect for Mr De Groot as of 1 January 2015. For more information, please refer to this remuneration policy which is included in the meeting documents.

The information regarding Mr T.T.J. de Groot is provided following these notes.

**General remarks concerning the composition of and (re)appointments to the Supervisory Board**

Mr Wouter J. Kolff announced at the 2014 Annual General Meeting that he would step down from Vastned's Supervisory Board in April 2016, after a period of ten years. In order to ensure a smooth transition, the Supervisory Board will have five members for a period of one year if the voting items 10, 11 and 12 are passed. After approval from the Annual General Meeting of these voting items, the Supervisory Board consists of the following members: Wouter Kolff (chairman), Jeroen Hunfeld, Marieke Bax, Charlotte Insinger and Marc van Gelder.

In its nominations for (re)appointment, the Supervisory Board based itself on the profile adopted on 6 November 2009 (see Vastned Retail N.V. website, select 'Corporate Governance', then 'Supervisory Board'). The proposed (re)appointments do not conflict with the statutory limit set out in Article 2:142(a) of the Dutch Civil Code, the independence requirements of the Dutch Corporate Governance Code or the requirements laid down in the Management and Supervision Act (Wet bestuur en toezicht).

For all (re)appointments to the Supervisory Board, a remuneration will be awarded as described in the 2014 remuneration report, which is independent of the company's results. Agenda item 14 contains a proposed new remuneration policy for the Supervisory Board; if adopted, it will take effect as of 1 January 2015.

**ITEM 10**      **PROPOSAL TO REAPPOINT MR JEROEN B.J.M. HUNFELD AS A MEMBER OF THE SUPERVISORY BOARD (RESOLUTION)**

In accordance with the retirement schedule, Mr Jeroen B.J.M. Hunfeld will step down from the Supervisory Board of Vastned Retail N.V. at the Annual General Meeting of Vastned Retail N.V. of 24 April 2015, having served on the Board since 4 April 2007. Mr Hunfeld is eligible for re-election to the Supervisory Board for a new four-year term.

The Supervisory Board nominates Mr Hunfeld for reappointment to the Supervisory Board of Vastned Retail N.V. The appointment will be for a four-year term, and will end at the Annual General Meeting held in 2019.

**Reappointment considerations**

Mr Hunfeld has discharged his position as a member of the Supervisory Board and of the audit committee satisfactorily; with his financial and retail knowledge he provides valuable contributions to the decision-making on the Supervisory Board and the audit committee. This is borne out by his leading role on the Supervisory Board of Vastned Retail N.V. during the various transitions Vastned has gone through.

The information for Mr Hunfeld required by law is provided following these notes.

**ITEM 11**      **PROPOSAL TO APPOINT MS CHARLOTTE M. INSINGER AS A MEMBER OF THE SUPERVISORY BOARD (RESOLUTION)**

The Supervisory Board nominates Ms Charlotte M. Insinger for appointment as a member of the Supervisory Board, succeeding Mr Pieter Verboom. Ms Insinger will also chair the audit committee. The appointment will be for a four-year term, and will end at the Annual General Meeting held in 2019.

**Appointment considerations**

Ms Insinger has extensive experience of and in-depth financial expertise in the areas of property, fund management, financial institutions and of financial management of big organisations. Ms Insinger may be characterised as a financial expert. In view of her background and experience and taking the Supervisory Board profile into account, the Supervisory Board recommends that the Annual General Meeting approves the nomination.

The information required by for Ms Charlotte M. Insinger is provided following these notes.

**ITEM 12**      **PROPOSAL TO APPOINT MR MARC C. VAN GELDER TO THE SUPERVISORY BOARD (RESOLUTION)**

The Supervisory Board nominates Mr Marc C. van Gelder for appointment as a member of the Supervisory Board for a four-year term. Mr Van Gelder will also be a member of the remuneration committee. The appointment will be for a four-year term, and will end at the Annual General Meeting held in 2019.

**Appointment considerations**

Mr Van Gelder has broad and in-depth expertise of (international) retail and e-commerce, international business operations and of managing listed companies. In view of his background and experience and the Supervisory Board profile, the Supervisory Board recommends that the Annual General Meeting approves the nomination.

The information required by law for Mr Marc C. van Gelder is provided following these notes.

## **ITEM 13** PROPOSAL TO ADOPT A NEW REMUNERATION POLICY FOR THE BOARD OF MANAGEMENT

The current remuneration policy for the Board of Management (the "Board" or "Directors") of Vastned Retail NV ("Vastned") was established in November 2011 by an Extraordinary Meeting of Shareholders. Meanwhile Vastned has put its strategic focus on investing in international premium retail locations. The current remuneration policy is no longer in line with this new focus and contains, also with respect to the current international corporate governance insights, some outdated aspects.

A proposal is made to the Annual General Meeting to adopt a new remuneration policy for the members of the Board of Management, to take effect on 1 January 2015. The remuneration policy is described in Appendix 4. Subject to this new remuneration policy being adopted by the Annual General Meeting, the Supervisory Board intends to determine the fixed remuneration, pension scheme and the settlement of the current long-term incentive as follows.

### **Fixed remuneration for the members of the Board of Management**

Based on the new remuneration policy, the fixed remuneration of Mr Taco T.J. de Groot (CEO) will be € 440,000 as of 1 January 2015. Mr Walta's fixed remuneration as of 1 November 2014 (start of employment) is € 245,000. It has been agreed with Mr Walta that over a period of three calendar years, starting on 1 January 2015, he will be able to grow to a fixed remuneration of € 308,000. This fixed remuneration is based on 70% of the CEO's fixed remuneration.

### **Pension compensation Mr R. Walta (CFO)**

As of 1 January 2015, the tax relief on pension accrual has been changed based on new fiscal legislation, and is built up only on the fixed salary with a maximum of € 100,000, while in the past it was unlimited. Mr Walta participates in Vastned's pension plan. The company has agreed with Mr Walta that he will receive a compensation for this change in legislation, equaling the amount of pension accrual that Vastned does not have to pay since this new legislation is in force. The difference between the pension accrual over the fixed salary ultimo 2014 of € 245,000 and the pension accrual over the fixed salary with a maximum of € 100,000, will be paid in monthly installments but does not qualify as part of the fixed remuneration. At the time of publication of this Annual General Meeting of shareholders convening notice, the exact amount of the pension compensation was not available. An additional explanation will be given at the Annual General Meeting of shareholders and in the remuneration report for 2015.

### **Current LTI scheme for Mr T.T.J. de Groot (CEO)**

If adopted by the AGM, this new remuneration policy replaces the previous policy. However, the three-year period of the CEO's variable long-term remuneration for the financial years 2013 and 2014 financial years is running under this previous policy. These periods expire at year-end 2015 and year-end 2016 respectively, after which the realisation can be determined. Upon adoption of the new policy, this variable long-term remuneration for both financial years will be bought off for a sum of € 62,500 (also to avoid double counting under the new policy), applying the same system used for former CFO Mr Tom de Witte. Both Mr Walta and Mr De Groot will have the same remuneration policy as of 1 January 2015.

## **ITEM 14** PROPOSAL TO ADOPT THE REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD (RESOLUTION)

The present remuneration of the members of the Supervisory Board and its subcommittees was adopted in the Annual General Meeting of shareholders of 4 April 2012. The remuneration system is as follows.

Chairman	€ 38,000
Vice-chairman	€ 30,000
Member	€ 30,000

Supplementary fee for membership of remuneration committee € 3,000

Supplementary fee for membership of audit committee € 4,000

All members also receive a fixed expense allowance for travel and accommodation of € 1,250 per year, excluding VAT.

The Supervisory Board benchmarked the remuneration of its members against those of peer companies at the end of 2014. This revealed that the remuneration of the chairman and the supplement for membership of the remuneration committee are below those of similar companies. To bring the remuneration into line with the market, the Supervisory Board proposes the following remuneration system:

Chairman	€ 42,000
Vice-chairman	€ 30,000
Member	€ 30,000



Supplementary fee for membership of the combined appointment and remuneration committee € 4,000  
Supplementary fee for membership of audit committee € 4,000  
All members also receive a fixed expense allowance for travel and accommodation of € 1,250 per year, excluding VAT.

#### **ITEM 15** AMENDMENT OF THE ARTICLES OF ASSOCIATION OF VASTNED RETAIL N.V.

The purpose for the amendment is to bring the articles of association in line with altered regulations. After implementation of the Alternative Investment Fund Manager Directive ('AIFMD'), it is no longer desirable for Vastned Retail N.V. to have the status of an investment institution with variable capital ('beleggingsmaatschappij met variabel kapitaal' of 'bmvk'). The proposed amendment of the articles of association addresses this issue. Vastned Retail N.V.'s competing Dutch listed funds have amended their articles of association in similar fashion already. Relinquishing bmvk status also requires adjusting the provisions relating to the purchase and issuing of shares. The articles as proposed in this amendment reflect the statutory regulation as laid down in the Dutch Civil Code.

Consequently, the Board of Management and the Supervisory Board recommend adopting the amendment to the articles of association. The text of the proposed amendment is available from the office of Vastned Retail N.V. and may be inspected on the company's website. The amendment will be executed in the presence of a civil-law notary. Vastned's articles of association provide that a resolution to amend the articles of association may be adopted by an ordinary majority of votes cast in general meeting of shareholders in which at least half of the issued capital is represented.

#### **ITEM 16** AUTHORISATION OF THE BOARD OF MANAGEMENT TO ISSUE SHARES OR GRANT RIGHTS TO ACQUIRE SHARES (RESOLUTION)

The Board of Management and the Supervisory Board propose to appoint the Board of Management (subject to approval from the Supervisory Board) as the body authorised to issue ordinary shares, including granting rights to acquire ordinary shares. This authorisation is limited to 10% of the number of shares in issue on the day of issue, to be raised in the event of a merger or takeover with no more than 10% of the number of outstanding shares. Furthermore, this authorisation is limited to a period of eighteen months, which limit may be extended by a general meeting of shareholders at the request of the Board of Management and the Supervisory Board.

A proposal is put to the Annual General Meeting to appoint the Board of Management for a period of eighteen months from the date of this Annual General Meeting, i.e. up to and including 24 October 2016 as the body authorised, subject to approval from the Supervisory Board, to resolve to:

1. issue shares or grant rights to acquire shares up to a maximum of 10%, and in the event of mergers and takeovers with another 10%, of the share capital in issue as at 24 April 2015;
2. limit or exclude pre-emptive rights when issuing shares or granting rights to acquire shares.

The purpose of the authority to issue shares or grant rights to acquire share is to be able to respond promptly and flexibly in matters relating to the financing of the company. It also provides the Board of Management some room for manoeuvre in mergers and takeovers. In accordance with Articles 96 and 96(a) of Book 2 of the Dutch Civil Code, the chairman proposes to authorise the Board of management, subject to approval from the Supervisory Board, to issue shares or grant rights to acquire shares.

#### **ITEM 17** AUTHORISATION OF THE BOARD OF MANAGEMENT TO PURCHASE THE COMPANY'S OWN SHARES (RESOLUTION)

A proposal is put to the Annual General Meeting to authorise the Board of Management for a period of eighteen months from the date of this Annual General Meeting, i.e. up to and including 24 October 2016, to acquire shares in the capital of the Company, subject to approval from the Supervisory Board. The purpose of this proposal is to give the Management Board the power to acquire the Company's own shares in order to reduce the capital and/or perform obligations based on share schemes or for other purposes in the interests of the company. The proposal is made in accordance with Article 98, paragraph 4 of Book 2 of the Dutch Civil Code.

Shares may be acquired on the stock exchange or otherwise, for a price between nominal value and 110% of the average closing price of the shares on the Euronext Amsterdam N.V. stock exchange, calculated over five trading days preceding the day of purchase. Shares may be acquired up to a maximum of 10% of the share capital in issue on 24 April 2015.

## ADDITIONAL INFORMATION TO ITEM 9

### **Taco T.J. de Groot**

Born: 1963

Gender: Male

Nationality: Dutch

Education: - Dutch Law at Utrecht University

- Real Estate and Investment Studies at the University of Amsterdam/  
Amsterdam School of Real Estate (MRE).

### **Main position:**

Statutory Director and Chief Executive Officer Vastned Retail N.V. (appointed as Chief Investment Officer on 1 September 2010, Chief Executive Officer since 1 September 2011).

### **Other positions:**

Trustee of the Dutch Society for the Protection of Animals

### **Previous positions:**

2009 - 2013 Non-executive member of the board of MSeven LLP Real Estate and Fund management, London

2009 - 2010 Partner fund manager, MSeven LLP Real Estate and Fund management, London

2004 - 2009: Founder and Chief Investment Officer, GPT Halverton LLP, London

2003 - 2012: Member of the Supervisory Board of Habion, Houten, the Netherlands

1997 - 2004: Chief Executive Officer, Cortona Holdings B.V., Amsterdam

1990 - 1997: Letting and investment broker with DTZ Zadelhoff

### **Shareholding**

**Vastned:** 51,051

## ITEMS 10 - 12 ADDITIONAL INFORMATION TO INFORMATION AS REFERRED TO IN ARTICLE 142, PARAGRAPH 3 OF BOOK 2 OF THE DUTCH CIVIL CODE

### **Jeroen B.J.M. Hunfeld**

Born: 1950

Gender: Male

Nationality: Dutch

Education: - Business Administration Nyenrode Business University, Breukelen

- Advanced Management Program Harvard University, VS.

### **Main positions:**

- Vastned Retail N.V., member of the Supervisory Board and the audit committee

- Vroegop and Ruhe N.V., member of the Supervisory Board

- Verenigde Bedrijven Nimco B.V., member of the Advisory Board

- Deltaclip B.V., member of the Supervisory Board

- Infostrada Information Technology B.V., chairman of the Supervisory Board

### **Other positions: -**

### **Previous positions:**

Jeroen Hunfeld fulfilled various management and board positions with Royal Ahold, most recently as chairman of the Board of Management of Albert Heijn. He also served as Chief Operating Officer with Royal Vendex KBB and as chairman of the board of BBDO.

### **Shareholding**

**Vastned:** nil

**Charlotte M. Insinger**

Born: 1965

Gender: Female

Nationality: Dutch

Education: - Master of Business Administration - IMD Lausanne, Zwitserland  
- Certificaten bedrijfseconomie - Erasmus University Rotterdam  
- Fiscaal Recht - University Leiden

**Main positions:**

- Ballast Nedam N.V., member of the Supervisory Board, chairman of the audit committee
- Air Traffic Control Netherlands, member of the Advisory Board, chairman of the audit committee
- Enterprise Chamber (ondernemingskamer or 'EC'), Investigator and director appointed by the EC
- SNS Reaal N.V., member of the Supervisory Board, member of risk committee and nomination & remuneration committee (appointed on the nomination of the Ministry of Finance).

**Other positions:**

- Netherlands Film Fund, trustee
- Stichting Pensioenfondsen voor Huisartsen, external expert policy advice committee Audit
- Dutch Professional Accountants' Organisation, member of signalling council
- Municipality of Amsterdam, Council for advice and criticism
- Strategic Audit Committee Ministry of Foreign Affairs, member of Ministry's strategic audit committee

**Previous positions:**

Charlotte Insinger started her career with Shell, where she held a range of financial management posts. Subsequently, she fulfilled management positions with Robeco, among which project leader of the split-up of property fund Rodamco. From 2005 to 2010 she was Chief Financial Officer and a member of the Management Board of the Erasmus Medical Centre. Over the past ten years she has held various supervisory positions, including a supervisory directorship with Vesteda Residential Fund.

**Shareholding**

**Vastned:** nil

**Marc C. van Gelder**

Born: 1961

Gender: Male

Nationality: Dutch

Education: - Business economics, Erasmus University Rotterdam  
- Finance, Erasmus University Rotterdam  
- Business Administration, Wharton School, University of Pennsylvania, U.S.A.

**Main positions:**

- Maxeda N.V., member of the Supervisory Board
- Action B.V., member of the Supervisory Board
- Gimv, member of the Supervisory Board

**Other positions:**

- Netherlands-America Foundation, New York, board member,
- Paleis het Loo, trustee

**Previous positions:**

Marc van Gelder started his career with American merchant bank Drexel Burnham Lambert. He then moved to McKinsey & Company as a strategic consultant and fulfilled various management positions with Royal Ahold in the Netherlands and the United States in the area of retail and e-commerce. For the past nine years he has been CEO of medical service provider Mediq, which had a stock exchange listing until 2013.

**Shareholding**

**Vastned:** nil

# REMUNERATION REPORT 2014



**vastned**  
Venues for Premium Shopping





# REMUNERATION REPORT 2014

This chapter has three parts. The first part describes the current remuneration policy as approved by the Extraordinary General Meeting of 25 November 2011. The second part contains information on the remuneration of the Management Board and the changes to be expected in 2015. The third part contains information on the remuneration of the Supervisory Board.

## CURRENT REMUNERATION POLICY

The remuneration policy of the Management Board of Vastned was adopted by the Extraordinary General Meeting of 25 November 2011. The remuneration policy is based on the following principles:

- the total remuneration must be adequate in terms of level and structure for Vastned to be able to attract and retain qualified and expert directors;
- the ratio between fixed and variable income must be such as to benefit Vastned's medium-term and long-term interests; and
- the variable component of the remuneration must be in keeping with the fixed component.

In the context of its remuneration policy, Vastned performs a benchmark check every three years, comparing the total remuneration of the Management Board with similar Netherlands-based property companies that Vastned competes with in the employment market. They include Corio, Eurocommercial Properties, Wereldhave and NSI (peer group). Annually, an evaluation is made based on the remuneration benchmark whether the fixed basic salary should be raised. The determination of the total remuneration of the Management Board also takes account of its impact on the remuneration ratios within the Company.

## TOTAL DIRECT REMUNERATION (TDR)

The total direct remuneration of the Management Board is comprised of:

- (I) a basic salary
- (II) a variable income
  - a performance-linked Short-term Incentive (STI)
  - a performance-linked Long-term Incentive (LTI)

Next to this total remuneration, the Management Board is in principle entitled to a non-contributory pension and other fringe benefits like a company car and an allowance for telephone and internet expenses. The policy provides that the ratio between fixed and variable income elements (STI plus LTI) in the TDR of both members of the Management Board upon realisation of the targets should be 50%-50%.

### Breakdown of TDR (if targets are realised):

Basic salary	50%
Variable income (STI + LTI)	50%
Total direct remuneration (TDR)	100%

## BASIC SALARY

In its determination of a suitable level of remuneration, Vastned takes account of external reference data. The CEO is awarded a fixed annual salary including holiday allowance that is in line with those of the peer group mentioned above. The other members of the Management Board are awarded a fixed annual salary of 60%-80% of the fixed salary of the CEO, depending on the weight of their property portfolio, their experience and performance. The Supervisory Board has the discretionary power to change the basic salary. The fixed basic salary is pensionable, in contrast to the variable salary components listed below.

## VARIABLE INCOME

Annually at the end of the financial year, after the Supervisory Board has determined the fixed salaries of the members of the Management Board for the next financial year, it sets the maximum variable income for that year for each board member based on the average of the annual salaries set.

The variable income of the remuneration is comprised of Short-term and Long-term Incentives. The STI makes up 40% of the variable income and the LTI 60%. The STI is linked to the realisation of short-term objectives with a term of one year, and the LTI is linked to the realisation of long-term objectives with a term of three years. The above strikes a balance between short-term and long-term value creation. As explained above, upon realisation of the objectives, the maximum variable income (STI plus LTI) is 100% of the basic salary.

The Supervisory Board has the discretionary power to set the parameters related to the various components of the variable part of the income and alter them as necessary, taking into account the general rules and principles of the remuneration policy. The ratio of the variable income upon realisation of the objectives is shown below and explained in more detail in the subsequent paragraphs.

Short-Term Incentive (STI)	40%
Long-Term Incentive (LTI)	60%
Total variable income as a % of average basic salary	100%

### Short-Term Incentive (STI)

The members of the Management Board are entitled to participate in an STI scheme. This scheme rewards short-term operational achievements aimed at creating lasting value in the long term. The maximum STI upon realisation of all the objectives is 40% of the average annual salary.

For the STI, four performance criteria are set annually by the Supervisory Board based on factors including past performance, the short-term operational and strategic outlook of the company and the long-term expectations. The objectives contribute to the intended long-term value creation.

A score range is attached to each performance criterion in such a way that 'at target' performance on all four criteria results in a bonus of 32% of the set maximum bonus amount. The maximum STI of 40% is only awarded for above target performance on all criteria. No STI is awarded if none of the set minimum performance criteria is realised. At least three of the four performance targets will be objectively measurable, challenging targets, of which in principle two are the same for all board members and one is specific to each board member. The fourth performance criterion may contain qualitative elements, including an evaluation by the Supervisory Board of the board members' performance.

Due to the sensitive character of the performance criteria, Vastned does not disclose the actual criteria. The level of realisation of the STI is determined after the conclusion of the relevant financial year and the corresponding bonus is paid out in cash after the Annual General Meeting has adopted the financial statements for the relevant financial year. Board members will use the STI paid out to buy Vastned shares while and to the extent that the value of the Vastned shares purchased at their own cost they hold is less than 50% of their gross annual salary.

**Long Term Incentive (LTI)**

The members of the Management Board are entitled to participate in an LTI scheme in the form of performance-linked shares. The performance-linked share scheme concerns conditional awarding of shares to members of the Management Board. Actual acquisition of these shares is dependent on the realisation of certain predefined performance criteria over a period of three years (evaluation of the realisation over three years will occur for the first time in 2015). The nominal amount of the LTI determined at that time will be paid out in shares at the opening price of the Vastned share determined for that year, as defined below (Opening price). Such shares are immediately entitled to dividends. Two objectives are set for the acquisition of performance-linked shares:

- a. Total Shareholder Return (TSR) of the Vastned share compared to a peer group;
- b. The three-year return that Vastned realises on the average of the share's opening prices and net asset value per share (NAV).

The LTI performance targets are defined as follows:

**a. TSR of the Vastned share compared to a peer group;**

50% of the LTI is linked to the total result over a rolling three-year period, which is defined as consisting of value movements of the share price and takes account of reinvestment of dividends received in the interim (TSR) compared to an international peer group. At the start of each financial year, the opening share prices of Vastned and of a peer group of nine other listed retail property companies are determined by calculating the average of the first 10 closing prices of the year of every company. This peer group currently includes:

**Reference group**

.....	
Eurocommercial Properties	Corio
Mercialys	Citycon
Wereldhave	NSI
Deutsche EuroShop	Klépierre
Unibail-Rodamco	Vastned

The peer group is reviewed annually by the Supervisory Board in view of market developments (such as mergers and takeovers) that may impact the suitability of the composition of the group. After three years, for the first time in 2015, the TSRs of Vastned and its peer group over the preceding three years are ranked. The maximum LTI to be awarded conditionally becomes definitive in accordance with the following scheme:



Ranking	LTI (in %)
Vastned in position 1-2	50%
Vastned in position 3-4	35%
Vastned in position 5-6	20%
Vastned in position 7-10	0%

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

#### b. LTI linked to three-year return

The remaining 50% of the LTI is linked to the three-year return Vastned realises on the average of the opening share price and NAV. The latter is corrected for the purchasing costs incurred on investment properties in the context of the updated strategy during the relevant period. Every year the starting value is determined by calculating Vastned's average opening share price as set out above (the average of the first ten closing prices) and the NAV at year-end of the preceding financial year, corrected for the purchase costs during the preceding three financial years. After three years, the return realised on the starting value determined thus is calculated by dividing the value movement plus the dividend paid out in the interim by the starting value.

##### Example

Say the average of the first ten closing prices of the Vastned share in 2012 was € 32.67 and the NAV at year-end 2011 was € 53.73. The starting value for the calculation of the LTI is set as the average of these two values, i.e. € 43.20. Now say the starting value of the share in 2015 calculated in the same way is € 46 and that € 10 dividend has been paid out in the interim, the three-year return would be 29.6%  $((€ 46 - € 43.20 + € 10) / € 43.20)$ .<sup>1)</sup>

<sup>1)</sup> The amounts used are fictitious and are in no way predictive.

6 The conditionally awarded maximum LTI vests in accordance with the following scheme:

Three-year yield less than 25%:	0% LTI
Three-year yield between 25% and 35%:	LTI pro rata, 5% per % rendement
Three-year yield 35% or more:	50% LTI

If the starting value of the three-year period calculated as explained above rises, the awarding ranges referred to above will be adjusted in accordance with the scheme below.

Percentage awarded	Initial share price three-year period (amounts in €) (as %)					
	<45	45-50	50-55	55-60	>60	
0	25,0	23,8	22,6	21,4	20,4	
Lower limits of graduated scales for three-year yield	5	26,0	24,7	23,5	22,3	21,2
	10	27,0	25,7	24,4	23,1	22,0
	15	28,0	26,6	25,3	24,0	22,8
	20	29,0	27,6	26,2	24,9	23,6
	25	30,0	28,5	27,1	25,7	24,4
	30	31,0	29,5	28,0	26,6	25,2
	35	32,0	30,4	28,9	27,4	26,1
	40	33,0	31,4	29,8	28,3	26,9
	45	34,0	32,3	30,7	29,2	27,7
	50	35,0	33,3	31,6	30,0	28,5

No more than 50% of the shares awarded in respect of the LTI in any financial year may be sold immediately to pay taxes due. The remaining shares paid out must be retained for at least two years or, if earlier, until the end of the relevant board member's employment.

Amounts conditionally awarded in respect of the LTI scheme will vest unconditionally in principle when a public offer for Vastned shares supported by Vastned becomes irreversible. However, before the amounts awarded in respect of the LTI vest unconditionally in the event of a public offer, the Supervisory Board will examine based on good corporate governance and applicable legislation whether the vesting of these amounts would lead to disproportional or otherwise unfair results, in which case the Supervisory Board is authorised to adjust the remuneration.

In the event of early termination of the employment of a Management Board member, the Supervisory Board will determine based on the way and the circumstances in which that termination took place whether, and if so to what extent, the shares conditionally awarded in respect of the LTI to the relevant board member will be cancelled.

#### **Awarding date**

The shares are awarded on the day of the first ex dividend listing following the Annual General Meeting in which Vastned's annual accounts are adopted.

## **EMPLOYMENT AGREEMENTS OF THE MANAGEMENT BOARD**

#### **Duration of the agreement**

The employment agreements with Mr De Groot and Mr Walta have a four-year term.

#### **Term of office**

The Annual General Meeting of 2 May 2012 appointed Mr De Groot for a four-year term, starting on 25 November 2011. The Annual General Meeting of 28 November 2014 appointed Mr Walta for a four-year term, starting on 1 November 2014.

#### **Notice period**

A notice period of three months applies to the members of the Management Board when a board member terminates the agreement himself. If it is terminated by Vastned, a statutory notice period of six months applies.

#### **Severance payment**

*Mr T.T.J. de Groot (CEO) and Mr Walta (CFO as of 1 November 2014)*

If the employment agreement with Mr De Groot or Mr Walta is terminated in connection with a merger or takeover on Vastned's initiative, a maximum compensation of twelve months will be paid. Mr De Groot's and Mr Walta's employment agreements comply with the Dutch Corporate Governance Code.

*Mr T.M. de Witte (CFO until 1 november 2014)*

In early 2014, Vastned and Mr De Witte came to an agreement about the payment of a severance payment totalling 1.5 times his annual salary in 2014. This severance payment, which is higher than allowed by the Dutch Corporate Governance Code, is partly intended as compensation for the rights arising from the existing employment agreement and as redemption of possible rights derived from the LTI scheme.

#### **Share ownership**

The Supervisory Board will encourage the Management Board to hold shares in the company to emphasise their belief in the company and the strategy.

#### **Loans**

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

## Scenario analysis

According to the Code, the Supervisory Board must analyse possible outcomes of the variable remuneration components and consider the consequences for the remuneration of directors. Vastned performs such an analysis at least every three years.

## REMUNERATION OF THE MANAGEMENT BOARD

### REMUNERATION OF THE MANAGEMENT BOARD IN 2014

The basic salaries (excluding social charges) over a full calendar year of the Management Board for the 2014 financial year have been determined as follows:

Basic salary	2014	2013	Change as %
Taco T.J. de Groot	375,000	375,000	0%
Tom M. de Witte <sup>1)</sup>	300,000	300,000	0%
Reinier Walta <sup>2)</sup>	245,000	-	-

<sup>1)</sup> Stepped down on 1 November 2014.

<sup>2)</sup> Appointed as of 1 November 2014.

### Variable income in 2014

The maximum variable income for the 2014 financial year for managing directors De Groot and De Witte was € 337,500, with a maximum STI of € 135,000 and a maximum LTI of € 202,500. Mr Walta has agreed with the Supervisory Board that he is not entitled to either STI or LTI in 2014 as he joined the company as per 1 November 2014.

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### Short-term Incentives for 2014

The STI targets are reviewed annually to ensure they are challenging but realistic. The performance targets are determined in relation to Vastned's operational and strategic direction and are directly linked to Vastned's ambitions. Performance targets were set at the start of the year for each Management Board member, which included:

- 1) raising the share of premium city high street shops in the property portfolio;
- 2) disposing of non-core property;
- 3) realising a predetermined occupancy rate; and
- 4) further diversification of financing.

The Supervisory Board has determined the extent to which the 2014 STI performance targets have been achieved. The realisation rate for Mr. De Groot was 40% of the basic salary, the realisation rate of Mr. De Witte 27.7%. A table showing the STI paid to each individual member of the Management Board in 2013 is presented on the next page.

### Long-term Incentives for 2012

The maximum LTI Mr De Groot and Mr De Witte could achieve for 2012 was € 202,500. Reporting year 2014 is the third and last year in the three-year period over which the LTI for 2012 is determined. Based on the position at year-end 2014, no LTI linked to relative TSR is payable as Vastned ranked ninth in the defined peer group. Based on the position at year-end 2014, no LTI linked to the three-year return is due. In view of the above, no LTI for 2012 has been recognised in the annual accounts.

### Long-term Incentives for 2013

The maximum LTI Mr De Groot and Mr De Witte could achieve for 2013 was also € 202,500. Reporting year 2014 is the second year in the three-year period over which the LTI for 2013 is determined. Based on the position at year-end 2014, Vastned owes an LTI linked to relative TSR of 50% as Vastned came second in the ranking within the peer group. Based on the position at year-end 2014, no LTI linked to the three-year return is due. In view of the above, no LTI for 2013 has been recognised in the annual accounts.

### Long-term Incentives for 2014

The maximum LTI Mr De Groot and Mr De Witte could achieve for 2014 was € 202,500. Reporting year 2014 is the first year of the three-year period over which the LTI for 2014 is determined. Based on the position at year-end 2014, Vastned owes an LTI linked to relative TSR of 20% as Vastned finished sixth in the ranking. Based on the position at year-end 2014, no LTI linked to the three-year return is due. In view of the above, no LTI for 2014 has been recognised in the annual accounts.

### Pensions

The pension schemes for the Management Board are non-contributory. Mr De Witte's and Mr Walta's pensions are based on a career average scheme and Mr De Groot's is a defined-contribution scheme. The expected retirement age of Mr De Groot, Mr De Witte and Mr Walta is 67 years. The schemes include among others a partner's pension and an invalidity pension.

### Loans

Vastned did not provide any loans or guarantees to members of the Management Board in 2014.

### Share purchase

At year-end Mr De Witte and De Groot hold respectively 4,130 and 51,051 shares in the company to emphasise their belief in the strategy and the company itself. Mr. Walta joined the company as per November 2014 and did not acquired shares yet. They have acquired these shares in private transactions with their own financial means. More information is provided in the section 'Information on the Vastned share' on page 43.

### Overview of the remuneration of the Management Board

The table below presents the remuneration awarded to the Management Board.

Name	Fixed salary <sup>4)</sup>	Severance payment	Allowances and other payments <sup>3)</sup>	Variable income	Subtotal	Pension	Shares awarded	Total
Taco T.J. de Groot	375,000	-	25,757	135,000	535,757	70,000	0	605,757
Tom M. de Witte <sup>1)</sup>	300,000	450,000	17,706	93,462	861,168	59,000	0	920,168
Reinier Walta <sup>2)</sup>	40,833	-	5,367	-	46,200	10,000	0	56,200

<sup>1)</sup> Stepped down on 1 November 2014.

<sup>2)</sup> Appointed as of 1 November 2014.

<sup>3)</sup> This concerns costs related to a company car, telephone and internet costs and allowances for health insurance.

<sup>4)</sup> Excluding social charges

The Supervisory Board has not availed itself of the right to adjust or reclaim the bonuses awarded to the Management Board for the 2014 reporting year.

## REMUNERATION OF THE MANAGEMENT BOARD IN 2015

Based on an analysis of the current remuneration policy, also within the context of the current views regarding remuneration as also described in the report from the Supervisory Board, the Supervisory Board decided begin 2014 to develop a new draft remuneration policy for the Management Board. This remuneration policy will be put to the Annual General Meeting on 24 April 2015.

## REMUNERATION OF THE SUPERVISORY BOARD

### REMUNERATION POLICY AND REMUNERATION IN 2014

In accordance with good corporate governance, the remuneration of the members of the Supervisory Board is independent of the results of the Company. This implies that no shares are awarded as remuneration to the members of the Supervisory Board.

The current remuneration package for the Supervisory Board comprises a fixed annual remuneration and an annual remuneration for membership in committees. The fixed annual remuneration of the Chairman of the Supervisory Board is € 38,000; the other members of the Supervisory Board each receive a fixed remuneration of € 30,000. Members receive € 4,000 for membership of the Audit Committee. Members of the Remuneration Committee each receive € 3,000. All members receive an allowance for travel and accommodation expenses of € 1,250 per year excluding VAT.

Insofar members of the Supervisory Board own Vastned shares, they must be a long-term investment in the Company. As at 31 December 2014, none of the members of the Supervisory Board held any shares in Vastned.

Vastned does not provide any loans or guarantees to the members of the Supervisory Board.

#### Overview of the remuneration of the Supervisory Board in 2014

The table below presents the remuneration awarded to the Management Board in 2014 (remuneration in €).

Name	Supervisory Board	Audit committee	Remuneration committee	Total
Wouter J. Kolff	38,000	-	-	38,000
Pieter M. Verboom	30,000	4,000	3,000	37,000
Jeroen B.J.M. Hunfeld	30,000	4,000	-	34,000
Marieke Bax	30,000	-	3,000	33,000
Total 2014	<b>128,000</b>	<b>8,000</b>	<b>6,000</b>	<b>142,000</b>



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# 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:

<b>RANKING</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7-13</b>
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, 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.<sup>1</sup>

## 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.

# TRIPTYCH AMENDMENT OF THE ARTICLES OF ASSOCIATION



## GENERAL

The purpose of amending the articles of association is to adhere to and anticipate on changing statutory law. With the implementation of the Alternative Investment Fund Manager Directive ('AIFMD') it is no longer desirable that Vastned Retail N.V. retains the status of investment company with variable capital ('icvc'). The current amendment is a reflection thereof. By foregoing the icvc-status the provisions on buy-back shares (inkoop van aandelen) and issuing shares (uitgeven van aandelen) need to be changed. The provisions included in the current amendment are a reflection of the applicable statutory rules as laid down in the Dutch civil code.

### CURRENT ARTICLES

### PROPOSED AMENDMENTS

### EXPLANATION

#### I. General

##### Definitions Article 1.

- a. **shareholders**: holders of shares in the company's capital;
- b. **shares**: shares in the company's capital;
- c. **affiliated institution**: an affiliated institution within the meaning of the Wge (the Dutch Securities (Bank Giro Transactions) Act);
- d. **accountant**: ea registered accountant or another expert referred to in section 393 of Book 2 of the Netherlands Civil Code or an organization in which such experts work together;
- e. **general meeting**: both the corporate body of the company as referred to in section 107 of Book 2 of the Netherlands Civil Code as well as the meeting of the corporate body;
- f. **central institution**: the central institution within the meaning of the Wge;
- g. **participant**: a participant in the assembled deposit as referred to in the Wge;
- h. **management**: the corporate body of the company as referred to in section 129 of Book 2 of the Netherlands Civil Code;
- i. **giro depot**: giro depot within the meaning of Wge;
- j. **intermediary**: an intermediary within the meaning of the Wge;
- k. **annual accounts**: the balance sheet and the profit and loss account with explanation, as referred to in section 361 and following of Book 2 of the Netherlands Civil Code in the form in which it has been drawn up by the management and adopted by the general meeting, unless it explicitly appears otherwise;
- l. **annual report**: the written report by the management about the company's state of affairs as referred to in section 391 of Book 2 of the Netherlands Civil Code;

- m. **Necigef**: the Dutch Central Securities Depository (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.) in Amsterdam, the Centraal Instituut within the meaning of the Wge;
- n. **supervisory board**: the corporate body of the company as referred to in section 140 of Book 2 of the Netherlands Civil Code;
- o. **company**: Vastned Retail N.V.;
- p. **assembled deposit**: assembled deposit within the meaning of the Wge;
- q. **Wge**: the Dutch Securities (Bank Giro Transactions) Act (Wet giraal effecten verkeer).

#### Name, nature and registered office Article 2.

1. The company is a company limited by shares and bears the name: Vastned Retail N.V.
2. The company is an investment company with variable capital within the meaning of section 76a, Book 2 of the Netherlands Civil Code.
3. The corporate seat of the company is Rotterdam. It may also have offices and branches elsewhere.

#### Objects Article 3.

The sole objects of the company are:

- a. the investment of capital, mainly through the direct or indirect acquisition of real estate for leasing, in such a way that the risks involved are spread in order to make its shareholders share in the proceeds;
- b. furthermore the performance of everything that is useful and/or necessary to enhance the company's objects, including but not limited to, in the context of the investment of capital mentioned under a, the granting of securities, including guarantees and mortgages.

#### Duration Article 4.

The company shall continue to exist for an indefinite period of time.

~~2.—The company is an investment company with variable capital within the meaning of section 76a, Book 2 of the Netherlands Civil Code.~~

2. ~~3:~~The corporate seat of the company is Rotterdam. It may also have offices and branches elsewhere.

The ~~sole~~ objects of the company are:

As a consequence of the implementation of the AIFMD it is no longer desirable (from, inter alia, a cost efficiency perspective) to retain the status of icvc.

By deleting paragraph 2 of article 1 it is expressed that Vastned Retail N.V. no longer is an icvc.

Kindly see the explanation above with regard to the amendment



## I. Capital and shares

### Capital Article 5.

1. The authorised capital of the company is three hundred seventy-five million euros (EUR 375,000,000), divided into seventy-five million (75,000,000) shares, all shares having a nominal value of five euros (EUR 5).
2. The company shall not render cooperation to any issue of depositary receipts for shares.

### Shares, share certificates Article 6.

1. The shares are registered or bearer shares.
2. No share certificates shall be issued for registered shares. The holders of registered shares shall be entered in the company's share register.
3. Upon subscription for shares to be issued, the person entitled to a share in the capital of the company may inform the company in writing that he desires a registered share. Without such notification, he shall obtain a bearer share in the manner stipulated hereinafter.
4. All bearer shares shall be embodied in one share certificate.
5. The share certificate is meant to be kept on behalf of the person(s) entitled by Necigef.  
The management over the share certificate has been irrevocably assigned to Necigef, in its capacity of manager of the giro deposit of the shares, without prejudice to the stipulations in article 23 subsection 2 of these articles. As soon as Necigef has deposited the share certificate, (a) Necigef will credit each affiliated institution, designated by one or more persons entitled, hereinafter referred to as: affiliated institution, for a share in the giro deposit of the shares corresponding with the right of such person(s) entitled, and (b) each intermediary designated by one or more persons entitled will credit this/these person(s) entitled accordingly in the assembled deposit at this intermediary of the shares.
6. At a subsequent issue of shares, (a) Necigef will, upon the company's request, credit respectively have the newly issued shares credited to the share certificate, by which

the number of shares embodied in the share certificate shall be increased by the number of shares thus credited, (b) Necigef will credit each affiliated institution designated by one or more person(s) entitled of the newly issued shares for a share in the giro deposit corresponding with the right of such person(s) entitled and (c) each intermediary designated by one or more persons entitled will credit this/ these person(s) entitled accordingly in the assembled deposit at this intermediary of the shares.

7. Delivery of one or more shares from the giro depot respectively the assembled deposit may occur with due observance of the provisions of the Wge and is only possible to the extent permitted under the Wge.
8. In respect of the applicability of the provisions in these articles, shareholders shall also mean to understand participants in an assembled deposit.
9. The share certificate is signed by or on behalf of a member of company's management.
10. The company may charge to the shareholder who has his share become a registered or bearer share pursuant to the provision in this article the actual costs thereof.

#### **Share register Article 7.**

1. The management shall keep a register in which the names and addresses of all shareholders of registered shares are recorded, stating the date at which they acquired the shares, the date of acknowledgement or service and the amount paid up on each share.  
The names and addresses of those persons who have a right of usufruct or pledge in respect of the registered shares shall also be recorded, stating the date at which they acquired the right, the date of acknowledgement or service and the rights attached to the shares which are vested in them pursuant to subsections two and four of Sections 88 and 89, Book 2 of the Netherlands Civil Code.  
If registered shares belonging to an assembled deposit or a giro deposit within the meaning of the Securities (Bank Giro Transactions) Act, these may be recorded in the name

and address of an affiliated institution respectively the Necigef, stating that the shares belong to the assembled deposit of securities of the class in question with the affiliated institution respectively the giro deposit of securities of that class.

2. Each shareholder and each person who has a right of usufruct or pledge on a registered share, is obliged to notify the management in writing of his address and any change of address.
3. Upon request and at no cost, the company shall provide a shareholder, usufructuary and pledgee with an extract from the register in respect of their rights to a registered share. If the registered share is subject to a right of usufruct or pledge, the extract shall state in whom the rights are vested referred to in subsections 2 and 4 of sections 88 and 89, Book 2, of the Netherlands Civil Code. The extract may not be sold.

#### Issue of shares Article 8.

1. The management shall resolve, with due observance of the limits and conditions set by the supervisory board, the further terms of issue of shares.
2. The shares shall never be issued below par, without prejudice to the provisions in section 80, subsection 2 of the Netherlands Civil Code.

#### Issue of shares Article 8.

1. ~~The management shall resolve, with due observance of the limits and conditions set by the supervisory board,~~the further terms of issue of shares. Shares can only be issued pursuant to a resolution of the general meeting or of another corporate body designated to do so by a resolution of the general meeting for a specified period, not exceeding five years. On such designation the number of shares which may be issued must be specified. The designation may be extended, from time to time, for periods not exceeding five years. Unless such designation provides otherwise, it may not be withdrawn.
2. ~~The shares shall never be issued below par, without prejudice to the provisions in section 80, subsection 2 of the Netherlands Civil Code.~~ Within eight days after a resolution of the general meeting to issue shares or to make a designation, the company shall deposit the full text thereof at the commercial registry.

By foregoing the icvc-status (kindly see the explanation with regard to article 2 paragraph 2) a different procedure for issuing shares is applicable. The suggested provisions are a reflection of the provisions laid down in the Dutch civil code.

**Payment on shares Article 9.**

1. Shares are only issued against payment in full.
2. The payment must be made in cash, in so far as no other contribution was agreed.  
The payment in foreign currency may only be made with the consent of the company.  
If a non-cash contribution has been agreed on, this contribution should be made according to the market value.  
A right to perform work or render services may not be contributed.  
A non-cash contribution must take place after the subscription for the share.
3. The managing board is empowered, without the approval of the general meeting but with the prior approval of the supervisory board, to perform legal acts as referred to in section 94 subsection 1 Book 2 of the Netherlands Civil Code.

**Purchase and disposal by the company of shares in its capital Article 10.**

1. The management may, at the time and under the conditions to be determined by the management with due observance of the limits and conditions set by the supervisory board, have the paid-up shares in the company's capital acquired for valuable consideration, provided that the company's subscribed capital, decreased by the shares it keeps itself, represents at least one/tenth (1/10) of the authorized capital.

3. Within eight days from the end of each calendar quarter the company shall lodge at the commercial registry a notification of each issue of shares in the past calendar quarter stating the number and class.
4. This article applies, mutatis mutandis, to the granting of rights to subscribe for shares, but shall not apply to the issue of shares to a person who exercises a previously-acquired right to subscribe for shares.

1. ~~The management may, at the time and under the conditions to be determined by the management with due observance of the limits and conditions set by the supervisory board, have the paid-up shares in the company's capital acquired for valuable consideration, provided that the company's subscribed capital, decreased by the shares it keeps itself, represents at least one/tenth (1/10) of the authorized capital.~~ A company may only acquire fully paid up shares in its own capital gratuitously or if its net assets less the acquisition price are not less than the sum of the paid and called up part of its capital and the reserves which must be maintained by law.

By foregoing the icvc-status (kindly see the explanation with regard to article 2 paragraph 2) a different procedure for acquiring own shares is applicable. The suggested provisions are a reflection of the provisions laid down in the Dutch civil code.

2. The management shall resolve, with the approval of the supervisory board, to dispose of the shares acquired by the company in its own capital.  
In respect of such disposal the provisions in article 8 shall apply mutatis mutandis, provided that such disposal, may also occur below par.
3. The company may not in view of the subscription or acquisition by third parties of shares in its capital or depositary receipts thereof, provide collateral, guarantee the price, otherwise guarantee or bind itself jointly or severally with or for third parties.  
This prohibition also applies to its subsidiaries.  
The company and its subsidiaries may not, in view of the subscription or acquisition by third parties of shares in its capital or depositary receipts thereof, provide loans, unless the management resolves thereto with due observance of section 98c of Book 2 of the Netherlands Civil Code.  
The prohibition does not apply if shares or depositary receipts thereof are subscribed for or acquired by or on behalf of employees of the company or a group company.

Notwithstanding the provisions in the preceding sentence, the nominal amount of the shares in its capital which the company acquires, holds or holds under pledge or which are held by a subsidiary, may not exceed one half of its issued capital.

Any non-gratuitous acquisition may be made only if and to the extent the general meeting has so authorised the management. The general meeting shall specify in its authorization the number of shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set. Such authorisation shall be valid for no more than eighteen months. No authorization shall be required, insofar as shares are acquired for the purpose of transferring the same to employees of the company or of a group company under a scheme applicable to such employees.

#### Capital reduction Article 11.

## CURRENT ARTICLES

## PROPOSED AMENDMENTS

## EXPLANATION

1. The general meeting may, with the prior approval of the supervisory board and with due observance of the provisions in section 99 Book 2 of the Netherlands Civil Code, resolve to reduce the issued capital by a cancellation of shares or by a reduction of the nominal amount of the shares by amendment of the articles.  
The shares referred to in such resolution must be designated therein and provisions for the implementation of the resolution must be made therein.  
A partial redemption must be made pro rata to all the shares in question.  
The general meeting may grant a power of attorney to the management with regard to the cancellation of shares referred to in the first sentence.
2. The general meeting may, if less than one-half of the issued capital is represented at the meeting, resolve to reduce the capital only with a majority of at least two-thirds of the votes cast.  
The notice convening a general meeting at which a resolution referred to in this section will be taken shall state the object of the reduction of capital and the manner of implementation.  
The second, third and fourth subsections of section 123 of Book 2 of the Netherlands Civil Code shall apply mutatis mutandis.

3. The company shall lodge the resolutions referred to in the first paragraph of this article at the commercial registry and shall publish a notice of the deposit in a daily newspaper with a national circulation.
4. The company must provide security for, or otherwise guarantee, the satisfaction of the claim of any creditor who demands the same, failing which the opposition referred to in the following paragraph shall be upheld. This shall not apply if the payment of the creditor's claim is sufficiently secured or if the financial condition of the company provides

By foregoing the icvc-status (kindly see the explanation with regard to article 2 paragraph 2) a different procedure with regard to a capital reduction is applicable. The suggested provisions are a reflection of the provisions laid down in the Dutch civil code.

**Transfer of registered shares Article 12.**

1. The transfer of a registered share requires a deed and, except where the company itself is party to that legal act, a written acknowledgment by the company of that transfer.
2. The transfer of registered shares shall be entered in the shareholders' register as referred to in article 7 paragraph 1.
3. The paragraphs 1 and 2 of this article shall apply mutatis mutandis to the creation and transfer of the right of usufruct and to the creation of a right of pledge on registered shares.

**III. Management and supervision****Management Article 13.**

1. The company shall be managed by a management, consisting of one or more members, under the supervision of a supervisory board.

sufficient security that the claim will be satisfied.

5. Within two months after the publication of the notice referred to in the first paragraph, any creditor may, by filing a petition with the district court, oppose the resolution to reduce the capital, stating the security requested. The court shall disallow the application if the applicant has not shown prima facie that, as a result of a reduction of capital, there is reason to doubt that settlement of his claim will be made while the company has not given sufficient safeguards that his claim will be settled.
6. A resolution to reduce the issued capital shall not take effect as long as opposition may be instituted. If opposition has been instituted on time, the resolution shall take effect only upon the withdrawal of the opposition or upon an order setting aside the opposition becoming enforceable. The deed of amendment of the articles required for the reduction of the capital may not be executed prior thereto.
7. No security needs to be provided if the company reduces its capital on account of losses incurred and to an amount which is not less than its net assets. The resolution shall then take immediate effect.

**CURRENT ARTICLES**

**PROPOSED AMENDMENTS**

**EXPLANATION**

A legal person shall also be eligible for appointment as director.

2. The number of directors shall be fixed by the supervisory board.
3. The management shall, with due observance of these articles of association, draw up rules, regulating matters concerning the management internally.  
The adoption or change of the rules shall take place in consultation with the chairman of the supervisory board.
4. The supervisory board shall subject to the proposal of the remuneration committee determine the remuneration of the individual directors, with due observance of the remuneration policy as adopted by the general meeting.
5. In the event of any vacancies, or the absence of one or more directors, the remaining director or directors shall be charged temporarily with the entire management, whereas in the event of any vacancies, or the absence of all directors, the supervisory board shall be charged temporarily with the management and shall be authorised to temporarily assign the management to others.
6. Each director and each former director being involved or in danger of getting involved as a party in any legal action or proceedings running or in the future, of whatever nature, due to an action or omission in the performance of the position of director or of any other position that he holds at the company's request, shall be compensated by the company for any possible financial losses or damage - reputation damage and other immaterial damage explicitly not included - that he actually and reasonably had to bear in connection with this legal action or proceedings.  
The obligation to compensate as described in this stipulation shall apply in respect of actions or proceedings initiated by a third party, including a shareholder, depositary receipt holder and bond holder, or by the company itself, unless the loss or damage has been caused by a serious culpable act by the director or former director in question. Furthermore, there is no claim made by the director or former director on compensation if and in so far as the



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damage involved is covered by an insurance and the insurer has compensated the damage.

Costs incurred for putting up the defence in an action or proceedings, of whatever nature, even the costs incurred in connection with proceedings to establish the compensation obligation of the company under this stipulation, shall be advanced by the company upon submission of a specified statement, awaiting the final and binding judgment in the action or proceedings, after receipt of a written promise by or on behalf of the director or former director to pay this amount back, if it eventually appears that he was not entitled to be compensated by the company because the loss or the costs were caused by serious culpable acts by the director or former director in question. The right to compensation hereby stipulated does not affect any other right to compensation of the director or former director pursuant to the rules and legislation, an agreement, a resolution of the general meeting or otherwise, in connection with actions carried out in his capacity of board member, and shall continue to apply to persons who are no longer part of the management, and shall accrue to the heirs, executors of the last wills and administrators of that person.

A change of this stipulation will not affect the rights of a director or former director which were assigned to them under this stipulation, before this stipulation was changed. The company's obligation shall remain in force as if this article had not been changed.

The company is entitled to take out and hold insurances for each person who is or was director of the company, as cover for each liability which was brought against him and which he had to bear in his capacity, or which is the consequence of his capacity as such, irrespective of whether the company would be authorized to compensate him for this liability of not under the stipulations of this article.

The rights arising from this stipulation shall be governed by Dutch law.

Disputes between the company and a board member or former board member that arise from or in connection with this compensation stipulation shall be settled in accordance with the arbitration regulations of the Netherlands Arbitration Institute.

The arbitral tribunal shall consist of one arbitrator and the place of arbitration shall be Rotterdam.

Decisions shall be taken according to the rules of law.

### **Appointment, suspension and removal of directors**

#### **Article 14.**

1. Directors shall be appointed by the general meeting from a binding nomination with due observance of section 133 Book 2 of the Netherlands Civil Code, to be drawn up by the supervisory board.

2. In the event of an appointment of one or more directors, the management board shall invite the supervisory board to draw up a list within eight weeks.

The general meeting may, notwithstanding the foregoing provisions, at all times resolve that a binding nomination shall not be binding, by resolution passed with an absolute majority of the votes cast representing at least one-third of the issued capital.

If not at least one-third of the issued capital was represented at the meeting but an absolute majority of votes has been cast with respect to the resolution to take away the binding character of the nomination, a new meeting is called at which the resolution may be adopted regardless of the share in the capital represented at this meeting.

The list shall be included in the notice convening the general meeting, where the appointment is to be brought up for discussion or rather announcing that the list has not been drawn up or not in time.

If a list has not been drawn up or not in time, the general meeting shall be at liberty to appoint such person as it shall think fit.

3. Directors may at all times be suspended and removed by

the general meeting at a resolution passed with an absolute majority of the votes cast if the proposal to suspend or remove has come from the supervisory board.

4. Directors may at all times, without a proposal as referred to in paragraph 3, be suspended and removed by the general meeting on the grounds of a resolution passed with an absolute majority of the votes cast at least, representing at least a one-third share in the issued capital.

If not at least one-third of the issued capital was represented at the meeting but an absolute majority of the votes cast has been cast with respect to the resolution to suspension or removal, a new meeting is called at which the resolution may be adopted with an absolute majority of the votes cast regardless of the share in the capital represented at this meeting.

5. Each director can further be removed by resolution from the supervisory board, which removal must be notified to him immediately in writing, stating the reasons that lead thereto.
6. If either the general meeting or the supervisory board has suspended a director, the general meeting shall within three months after commencement of such suspension resolve either upon termination or upon extension of the suspension, failing which the suspension shall cease. A suspension may be extended only once and for a period not exceeding three months, commencing on the day on which the general meeting resolves upon such extension. If the general meeting has not resolved upon removal or upon termination of the suspension within the period prescribed for such extension, the suspension shall cease. A suspended director shall be enabled to account for his actions at the general meeting and may for that purpose procure the assistance of an adviser.

**Approval of management resolutions Article 15.**

1. The approval of general meeting is required for management resolutions regarding a major change of the identity or the character of the company or the enterprise, including in any event:

- a. the transfer of the enterprise or a major part of the enterprise to a third party;
  - b. the entering into or breaking off of long-term cooperation of the company or a subsidiary with another legal person or company, or as a full partner in a limited partnership (commanditaire vennootschap) or a general partnership (vennootschap onder firma) if this cooperation or breaking off is of significant importance to the company;
  - c. acquiring or shedding a participating interest in the capital of the company to an amount of at least one-third of the amount of the assets according to the balance sheet and notes, or if the company draws up a consolidated balance sheet, in accordance with the consolidated balance sheet and notes according to the most recent annual accounts of the company, by itself or by a subsidiary;
2. The approval of the supervisory board is required for management resolutions for the purpose of:
    - a. acquiring, encumbering, alienating, renting and letting immovable property to the extent that these transactions exceed the amount(s) set by the supervisory board for that financial year;
    - b. instructions for refurbishments, maintenance and repair work with respect to immovable property to the extent that these exceed the amount(s) set by the supervisory board for that financial year;
    - c. granting, amending and withdrawing a power of attorney and granting or withdrawing a continuing authority to represent.
  3. If a resolution as referred to in paragraph 1 or by the supervisory board as referred to in paragraph 2 of this article, does not have the approval of the general meeting, this does not affect the management's or the directors' authority to represent.

**Representation Article 16.**

The management represents the company to the extent that the

contrary does not follow from the law.

The representative authority shall also vest in every director.

**Supervisory board Article 17.**

1. The duties of the supervisory board shall be the supervision of the policy of the management and the general course of affairs of the company and the enterprise connected therewith.  
It shall provide assistance to the management.  
In the performance of its duty, the supervisory board shall be guided by the interest of the company and the enterprise connected therewith.
2. The supervisory board consists of a number of at least three members to be determined by that board.
3. The chairman of the supervisory board and the members of the supervisory board, with the authorisation of the chairman, are empowered to audit all the company's documents and records, to gain insight into all the official documents on the company's investments and to gain access to all rooms and sites used by the company.
4. The supervisory board may have itself assisted by such experts at the company's expense as it shall see fit.
5. The supervisory board may appoint from its members one or more delegated members whose task shall be to supervise and advise more intensively and to hold consultations with the management more frequently.  
They shall report their findings to the supervisory board.  
The appointment as delegated member shall be temporary.
6. Each member of the supervisory board director and each former member of the supervisory board being involved or in danger of getting involved as a party in any legal action or proceedings running or in the future, of whatever nature, due to an action or omission in the performance of the position of member of the supervisory board or of any other position that he holds at the company's request, shall be compensated by the company for any possible financial losses or damage - reputation damage and other immaterial damage explicitly not included - that he actually and

reasonably had to bear in connection with this legal action or proceedings.

The obligation to compensate as described in this stipulation shall apply in respect of actions or proceedings initiated by a third party, including a shareholder, depositary receipt holder and bond holder, or by the company itself, unless the loss or damage has been caused by a serious culpable act by the member of the supervisory board or former member of the supervisory board in question.

Furthermore, there is no claim made by the member of the supervisory board or former member of the supervisory board on compensation if and in so far as the damage involved is covered by an insurance and the insurer has compensated the damage.

Costs incurred for putting up the defence in an action or proceedings, of whatever nature, even the costs incurred in connection with proceedings to establish the compensation obligation of the company under this stipulation, shall be advanced by the company upon submission of a specified statement, awaiting the final and binding judgment in the action or proceedings, after receipt of a written promise by or on behalf of the member of the supervisory board or former member of the supervisory board to pay this amount back, if it eventually appears that he was not entitled to be compensated by the company because the loss or the costs were caused by serious culpable acts by the member of the supervisory board or former member of the supervisory board in question.

The right to compensation hereby stipulated does not affect any other right to compensation of the member of the supervisory board or former member of the supervisory board pursuant to the rules and legislation, an agreement, a resolution of the general meeting or otherwise, in connection with actions carried out in his capacity of board member, and shall continue to apply to persons who are no longer part of the management, and shall accrue to the heirs, executors of the last wills and administrators of that person.

A change of this stipulation will not affect the rights of a member of the supervisory board or former member of the supervisory board that were assigned to them under this stipulation, before this stipulation was changed.

The company's obligation shall remain in force as if this articles had not been changed.

The company is entitled to take out and hold insurances for each person who is or was member of the supervisory board of the company, as cover for each liability which was brought against him and which he had to bear in his capacity, or which is the consequence of his capacity as such, irrespective of whether the company would be authorized to compensate him for this liability or not under the stipulations of this article.

The rights arising from this stipulation shall be governed by Dutch law.

Disputes between the company and a member of the supervisory board or former member of the supervisory board that arise from or in connection with this compensation stipulation shall be settled in accordance with the arbitration regulations of the Netherlands Arbitration Institute.

The arbitral tribunal shall consist of one arbitrator and the place of arbitration shall be Rotterdam.

Decisions shall be taken according to the rules of law.

**Appointment, resignation, suspension and removal of supervisory board members Article 18.**

1. The members of the supervisory board shall be appointed by the general meeting and may be suspended and removed by it at all times. In this respect, article 14, paragraphs 2, 3, 4 and 6 shall apply mutatis mutandis.
2. A member of the supervisory board shall resign no later than at the closure of the general meeting, which shall be held in the fourth financial year following that in which he was appointed.

A resigning member of the supervisory board is immediately eligible for reappointment on the understanding that a

member of the supervisory board may be a member of the supervisory board for a maximum of three times for a period of four years.

Resigning takes place according to a rotation schedule determined by the supervisory board.

The person who is appointed to fill the interim vacancy, shall be a member for the time his predecessor still had to fill.

3. When a member of the supervisory board is proposed for appointment, the particulars as referred to in Article 142, paragraph 3, Book 2 of the Netherlands Civil Code have to be provided to the shareholders.

The reasons for the nomination for appointment or reappointment shall be stated.

In case of reappointment, the manner in which the candidate discharged his duties as member of the supervisory board, will be taken into consideration.

4. A change in the number of supervisory board members may only take place on the proposal of the supervisory board by a resolution of the general meeting.
5. The members of the supervisory board may receive annual remunerations for their duties, which shall be determined by the general meeting on a non-binding proposal of the supervisory board.

#### **The organisation of the supervisory board Article 19.**

1. The supervisory board shall appoint from its number a chairman and a vice-chairman.  
In the event of vacancy or absence of the chairman, the vice-chairman shall exercise his duties and authorities.  
In the event of vacancy or absence of the chairman and the vice-chairman of the supervisory board, the secretary exercises the duties and authorities of the chairman.
2. The supervisory board shall hold its meetings at least four times a year in accordance with a schedule to be determined by the supervisory board each year, and further as frequently as the chairman of the supervisory board shall deem necessary; the meetings shall be convened by or upon the chairman's order.



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3. The supervisory board shall lay down rules on its working procedure and on its decision-making, this also in compliance with the code of conduct referred to in Article 391, paragraph 4, Book 2 of the Netherlands Civil Code.
4. In the absence of the chairman and the vice-chairman, the supervisory board member who is the oldest of age shall act as chairman.
5. A supervisory board member may have himself represented at the meeting by a co-member of the supervisory board by written proxy.
6. The supervisory board shall pass all resolutions by absolute majority of the votes cast.  
In the event of a tie after two voting's, the issue shall be decided by the chairman of the supervisory board unless the proposal refers to granting approval to the conclusion of an agreement or the performance of an act as referred to in article 15 paragraph 2, in which case the proposal shall be deemed to have been rejected.  
Invalid and blank votes shall be deemed not to have been cast.
7. As a rule, directors shall attend the meetings of the supervisory board, unless the chairman of the board decides otherwise in a specific case, and have an advisory opinion. Also others may be invited by the supervisory board to attend the meetings of that board.
8. The management shall notify the supervisory board at least once a year in writing of the main features of the strategic policy, the general and financial risks and the management and control system of the company.
9. Minutes must be kept of the proceedings of each meeting, which shall be signed by the chairman and the vice-chairman.
10. The supervisory board may also pass resolutions without holding a meeting, provided that these are signed by all members of the supervisory board.
11. Supervisory board members may participate in meetings of the supervisory board by teleconference or similar means of telecommunication provided that all participating

members can hear each other.

Participating in a meeting in the manner as described in this paragraph shall be deemed as attending a meeting.

#### IV. General meeting

##### **General meetings of shareholders Article 20.**

1. The ordinary general meeting shall be held within six months after the end of the financial year.  
The items of the agenda shall be at least the following:
  - a. dealing with the annual report;
  - b. adopting the annual accounts;
  - c. the reserve and dividend policy of the company;
  - d. a proposal to distribute dividend with due observance of article 29;
  - e. the discharge from liability for the board members;
  - f. the discharge from supervision for the supervisory board members.
2. Extraordinary general meetings shall be held whenever the management or the supervisory board shall call the same; in that case, the corporate body in question is authorised to convene the general meeting.
3. Within three months after it has become credible for the management that the company's assets have declined to an amount equal to or lower than fifty per cent of the paid-up and called-up part of the capital, a general meeting shall be held in order to discuss the measures, if necessary, to be taken.

##### **Convening the general meetings of shareholders Article 21.**

1. Convening a general meeting shall be done in the manner prescribed by applicable law and regulations and with due observance of the periods required therein.
2. The notice convening the meeting shall at least state:
  - a. the subjects to be discussed;
  - b. the venue and time of the general meeting;
  - c. the procedure to participate in the general meeting and to exercise voting rights, whether or not represented by a holder of a written proxy.
 As for subjects which are not included in the notice and

which dealing has not yet been announced accordingly and with due observance of the time-limit set for the convening, no valid resolutions may be passed.

3. A subject that is submitted for discussion in writing by one or more shareholders entitled thereto in accordance with the next sentence, will be included in the notice of a meeting or announced in the same manner, if the company receives the reasoned request or a proposal for a resolution at least sixty days prior to the meeting. The submission for discussion may be requested by one or more shareholders who represent solely or jointly at least one per cent (1%) of the issued capital or the amount as referred to in section 114a Book 2 of the Netherlands Civil Code. The requirement that the requests must be in written form is fulfilled when this is recorded electronically.

#### **Special convocation Article 22.**

1. If one or more shareholders, representing together at least one-tenth of the issued capital, make a written request to the management to convene a general meeting, thereby specifying the matters to be handled, the management is obliged to do so.  
The requirement that the request must be in written form is fulfilled when this is recorded electronically.
2. If the meeting is not convened in time, the shareholders who made the request have the right to convene the meeting themselves, in the way and subject to the term prescribed in these articles of association.

#### **The procedure at general meetings of shareholders Article 23.**

1. The general meetings shall be held in The Hague, Amsterdam, Rotterdam or Utrecht.
2. All members of the management, supervisory directors, shareholders, usufructuaries and pledgees who have the rights following sections 88 and 89 of Book 2 of the Netherlands Civil Code conferred by law to holders of depositary receipts for shares issued with the cooperation

of the company, are authorised to attend the general meeting to speak and insofar as they are entitled to vote, to cast their vote.

In order to use that right, shareholders, usufructuaries and pledgees who have the rights following section 88 as the case may be or 89 of Book 2 of the Netherlands Civil Code conferred by law to the holders of depositary receipts for shares issued with the cooperation of the company, must express such wish to the company in writing in the manner and not later than and in the place as mentioned in the notice.

3. If so decided by the management or the law persons entitled to vote and/or attend meetings are considered those who (a) on a date of registration as referred to in section 119 subsection 2 of Book 2 of the Netherlands Civil Code (the 'record date') are persons entitled to vote and/or attend meetings, and (b) who are registered in that capacity in a register (or one or more parts thereof) designated by the management, which register is hereinafter referred to as: the 'register', provided that (c) prior to the general meeting, a person entitled to vote and/or attend meetings, notified the company in writing of his intention to attend the general meeting, regardless of who is a person entitled to vote and/or attend meetings at the date of the general meeting.

With regard to shares which are included in a collection deposit (verzameldepot), the notification referred to in the previous sentence has to be made by the affiliated intermediary at the request of the person entitled to vote and/or attend meetings. The notification shall state the name and the number of shares with respect to which the person entitled to vote and/or attend meetings has a right to attend the general meeting.

The stipulations under (c) above regarding the notification to the company shall also apply for a proxy-holder of a person entitled to vote and/or attend meetings.

The management may stipulate that votes cast prior to the general meeting by electronic means or by a letter are

equated with votes cast during the meeting. These votes, in order to be valid, may not be cast earlier than on the record date.

4. The record date referred to in paragraph 3 shall be set in accordance with the provisions of section 119 of Book 2 of the Netherlands Civil Code.  
The convocation notice shall state the record date as well as where and how the registration as referred to in paragraph 3 is to take place, and, in so far as votes can be cast electronically, the way in which the rights of the person entitled to vote and to attend a meeting can be exercised.
5. A person entitled to vote and/or attend meetings, who wants to be represented in the general meeting by an attorney authorised in writing, must hand in their power of attorney at the office of the company or at another place to be designated by the company; or inform the company about the power of attorney by electronic means.  
The management may decide that the proxies from those entitled to vote are attached to the attendance list.
6. The general meetings shall be chaired by the chairman of the supervisory board; in his absence by the vice-chairman, and in the absence of the latter by the secretary of the supervisory board.  
In the absence of the chairman, the vice-chairman and the secretary, the general meetings are chaired by the supervisory board member who is oldest of age, and in the absence of all members of the supervisory board by the director present who is oldest of age; in the absence of all members of the supervisory board and all directors, the management shall take charge of the meeting itself.
7. The secretary's office shall be monitored by a person to be designated by the chairman of the meeting; this person need not be a shareholder.
8. The secretary referred to above in paragraph 4 shall keep the minutes to be signed by the chairman and the secretary, unless a notarial record is made of the proceedings.
9. The chairman shall decide in disputes concerning voting, who may attend the meeting, and the general course of

affairs at the meeting unless otherwise provided by law or in these articles of association.

10. The shareholders and other persons entitled to convene or their proxies shall sign the attendance list.
11. The requirement that the power of attorney must be in written form is fulfilled when this is recorded electronically.
12. The management may determine that each registered shareholder and other persons entitled to attend, either in person or represented by a person holding a written procuration, has the right to attend and address the general meeting by electronic means, and to exercise the voting right.
13. The application of paragraph 12 requires that the registered shareholder and other persons entitled to attend can be identified, that they can take note of the proceedings at the meeting and that they can exercise their voting rights.
14. The management may set conditions to the use of electronic means.  
These conditions and the way in which the attendance list is to be signed are made public at the notice to convene the meeting.

**Voting; majority Article 24.**

1. At the general meeting, one vote may be cast in respect of each share.
2. If, at the creation of a right of usufruct or pledge on a share, no deviating arrangements have been made in respect of the voting right attaching to that share, this voting right accrues to the shareholder.  
The usufructuary or pledgee who has no voting right has the right assigned by law to holders of depositary receipts for shares, issued with the cooperation of a company, unless these rights were withheld from him at the creation or the transfer of a usufruct respectively at the creation or the passing of the right of pledge.
3. No vote may be cast for shares in the capital of the company that are held by the company itself, or by or at the expense of the subsidiary, unless a right of usufruct or pledge is

vested in those shares for the benefit of another party than the company or a subsidiary, the voting right attaching to those shares accrues to that other party and the right of usufruct or pledge has been created by another party than the company or subsidiary.

The company or a subsidiary may neither vote for shares in the capital of the company in respect of which the company or that subsidiary has a right of usufruct or pledge.

At the determination of whether a certain part of the capital is represented at the meeting or whether a majority represents a certain part of the capital, the capital is decreased by the amount of the shares for which no vote may be cast.

4. In respect of matters as referred to in paragraphs 1 and 2, a second general meeting may not be convened by using section 120, subsection 3 of Book 2 of the Netherlands Civil Code.
5. In the event of a tie of votes on a motion, the motion shall be deemed to have been rejected, without prejudice to the provisions in paragraph 6.
6. In the event of a tie of votes on a binding list of candidates, the person among those involved who is mentioned first on the list will be appointed.
7. Matters concerning persons and business matters will be voted on by sealed and unsigned ballots, unless the chairman chooses a different way to vote with the approval of the meeting; the vote on the deviating way of voting will take place in the way as determined by the chairman.
8. The ballots shall be destroyed immediately after the result of the voting has been made known.

**Special resolutions Article 25.**

1. Proposals to amend the provisions of the articles, to dissolve the company or serving to wind up the company's business or applying for a moratorium of payments may be passed by the general meeting with absolute majority of the votes cast, if the proposals in questions come from the management with the approval of the supervisory

board.

2. If the proposals referred to in paragraph 1 did not come from the management with the approval of the supervisory board, the proposals in question may only be passed by a majority of more than a two/third (2/3) part of the votes cast in a meeting, in which more than a three/forth (3/4) part of the issued capital is present or represented.
3. A proposal as referred to in the preceding two paragraphs must always be stated in the notice convening the meeting in which the proposal will come up.  
Furthermore, a proposal to amend the provisions of the articles may only be passed after a copy of the proposal, containing the proposed amendment verbatim in the way as prescribed in section 123 of Book 2 of the Netherlands Civil Code, has been filed at the company's office and at a place in Amsterdam to be determined by the management, for inspection of the shareholders and other persons entitled to attend meetings.  
This copy shall be available to the shareholders and other persons entitled to attend meetings free of charge at the company and at the place in Amsterdam referred to above.
4. In respect of matters as referred to in paragraphs 1 and 2, a second general meeting of shareholders may not be convened by using section 120, subsection 3 of Book 2 of the Netherlands Civil Code.

**Convocation notices and notifications Article 26.**

All convocation notices of or notifications to shareholders respectively other persons entitled to attend meetings shall take place in such a manner as prescribed by the law and regulations applicable to the company and with regard of the prescribed periods.

Those persons who are registered in the shareholders register as holders of registered shares and who are entitled to attend the meeting may also be called by a notice sent to the address as mentioned in the shareholders register and, with the consent of the shareholder, by a report sent electronically, which is good to read, to the address made known for this purpose to the



company by the holder of registered shares in question.

#### V. Financial data, profit appropriation, winding-up

##### Financial year, annual accounts Article 27.

1. The financial year shall be the calendar year.
2. Each year, within four months after the end of each financial year, annual accounts over the last financial year shall be prepared by the management.
3. The annual accounts shall be supplemented with the audit report referred to in article 28 of these articles of association, with the annual report and the further information referred to in section 392 subsection 1, Book 2 of the Netherlands Civil Code, however, as far as the other information is concerned, to the extent that the provisions contained therein are applicable.
4. The annual accounts shall be signed by all the directors and all the supervisory board members; if one or more of their signatures is missing, this shall be stated giving the reason therefore.
5. The annual accounts shall be adopted by the general meeting.
6. Without prejudice to the provisions in paragraph 8, the drafted annual accounts and the other documents referred to in paragraph 3 shall, as from the day of convening the general meeting, designated for consideration and adoption of the annual accounts, be available at the company's office and at such places as stated in the notice convening the meeting.  
The shareholders and others who are entitled to attend meetings may inspect the documents there and obtain a copy free of charge. Third parties may obtain a copy at cost at the aforementioned places.
7. The annual accounts may not be adopted if the general meeting was not able to take note of the audit report referred to in article 28 of these articles, unless the other data state a legal ground why the report is missing.
8. With due observance of section 394 of Book 2 of the Netherlands Civil Code, the company shall make the annual accounts and the other documents referred to in paragraph

3 of this article available for inspection.

9. If the members of the management are discharged from liability for its management during any financial year respectively the members of the supervisory board for its supervision carried out during any financial year, these discharges are limited to what appears from the annual accounts or has been announced at the general meeting.

**Accountant Article 28.**

1. The company may give instructions for the audit of the annual accounts drawn up by the management to an accountant in accordance with section 393 subsection 3 of Book 2 of the Netherlands Civil Code.  
The accountant shall report on his audit to the supervisory board and to the management and shall present the result of his audit in a report.  
If the general meeting has not appointed an accountant, then the supervisory board shall give an accountant the instruction to audit the annual accounts or, if the supervisory board does not proceed thereto, the management is authorised to do so.
2. The supervisory board or the management may give instructions to the accountant referred to in paragraph 1 or to another accountant, at the company's cost and expense.

**Profit appropriation Article 29.**

1. The result is the credit balance of the profit and loss account belonging to the annual accounts.
2. The management is empowered, with the approval of the supervisory board, to allocate from the result such sums as permitted pursuant to the tax prescriptions applicable to the company.
3. The company may make distributions to the shareholders only to the extent that its own capital exceeds the sum of the issued capital increased by the reserves which must be maintained under the law.
4. Any distribution of the result shall be made after the

adoption of the annual accounts from which it appears that the same is permitted.

5. From what is left over after application of paragraph 2, is at the disposal of the general meeting. No distributions are made in respect of shares held by the company in its own capital unless these shares are encumbered with usufruct or pledge at the benefit of third parties.
6. Distributions of the result respectively interim distributions are made payable at such a point in time as shall be fixed by the management, with the approval of the supervisory board, however, with respect to the distribution of the result not later than eight months after the end of the financial year to which the result to be distributed refers.
7. The management may, with the approval of the supervisory board and with observance of section 105 of Book 2 of the Netherlands Civil Code, resolve to make interim distributions.
8. A deficit may only be set off against reserves that are to be maintained by virtue of law to the extent permitted by law.
9. The general meeting may, on the proposal from the management, submitted with the approval of the supervisory board, resolve to make adopted dividends on shares entirely or partly available for payment (at the shareholders' option) in shares in the company instead of in currency.

**Winding-up after dissolution Article 30.**

1. If the company is wound up by resolution of its general meeting, its affairs shall be liquidated by the management under the supervision of the supervisory board, if and to the extent that the general meeting shall not otherwise resolve.
2. During the liquidation, the provisions of these articles of association shall as far as possible continue in force.
3. From the balance left after winding-up in proportion to the nominal amount of the possession of shares of each of them; the foregoing after, if necessary, a reasonable

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compensation is distributed to the management and the supervisory board in respect of their services regarding the winding-up. No distribution shall be made on shares that the company holds itself in its own capital.

- 4. After the company has ceased to exist, the company's books, records and other database shall be retained for a period of seven (7) years by the custodian designated as such by the general meeting.



