Wereldhave

Proposed Remuneration policy Board of Management Wereldhave N.V. as of 2025

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Proposal to amend the Remuneration policy for the Board of Management as of 2025

Introduction

The remuneration policy for the Board of Management was adopted by the Annual General Meeting of Shareholders in April 2020 with effect from 1 January 2020. During the 2024 AGM a slightly revised remuneration policy for the Board of Management for 2024-2027 was proposed. Although, a majority of 56.29% was in favor of this revised proposed remuneration policy, this was not sufficient to meet the required qualified majority of 75%. Considering this outcome and the developments within the Wereldhave group, the Supervisory Board assigned Korn Ferry to assess the remuneration policy with the market and best practices, based upon today's situation, strategy and expected developments in the coming years. Furthermore, the Supervisory Board conducted stakeholder engagement, consulting several key stakeholders for preparation of a new proposal of the policy.

As a result, the Remuneration and Nomination Committee has reviewed and updated the policy. A new proposal with several amendments to the remuneration policy for the Board of Management, has been prepared, taking into account the view of the members of the Board of Management of their remuneration levels, the consultation with various stakeholders and the Works Council of Wereldhave NV. This amended policy is submitted for approval at the Annual General Meeting of Shareholders of Wereldhave N.V. to be held 9 May 2025. Approval is subject to a 75% majority of all votes cast.

In short, this proposal further aligns the peer group for the base salary with the Wereldhave bandwidth, the STI with market practice whereby the NPS metric will be replaced by an ESG metric. The financial target Total Shareholder Return of the LTI will be broadened with, next to the relative indicator, also an absolute indicator. Furthermore, the multiplier for the Total Shareholder Return targets will be mitigated.

The Remuneration and Nomination Committee notes that the current policy was drafted in 2020 tailored to the new customer-centric policy. This policy is still in place and recently entered its second phase. Over the past five years, the policy has resulted in a growing variable pay, reflecting the improvements in performance resulting from the new strategy.

Wereldhave will continue to use this total (property) return approach. We use forward-looking IRR for hold/sell analyses, invest in assets at densely populated areas and well-connected mixed-use locations, create sector and geographic scale to allow for an efficient service platform, invest in undermanaged assets that meet our strategic criteria, and dispose of assets that do not meet the IRR threshold. We therefore measure our success by the total property return of our assets, sustainability and footfall of our assets. These are the drivers for variable short-term pay. The indicators are used throughout the organization for incentive schemes, to enhance the alignment of pay with performance of the strategic goals. This uniform approach for the incentive schemes for Board and employees stays the fundament for the internal support for our remuneration schemes.

The Works Council has reviewed the proposed amendments to Wereldhave's remuneration policy starting 1 January 2025 and supports the proposed amendments, noting minimal deviation from the existing policy aligned with the company's mission and strategy. They endorse adjustments to the peer group for base salary benchmarking and replacing the NPS measure in the STI plan with an ESG target, while emphasizing the importance of aligning STI targets for the Board and other personnel where possible, and ensuring no disparity between the LTI programs for both groups.

The proposed amendments do include a mitigation in pay. The Remuneration and Nomination Committee will review the fixed income levels when making (re)appointments but does not aim for interim changes in running service contracts of current board members. The STI and LTI indicators chosen are used throughout the organization. Given the broad investor support to the policy, the Supervisory Board expects that these proposals will also receive sufficient support in society.

Part 1: Explanation to the proposal to amend the Board of Management Remuneration policy

It is proposed that the revised Board of Management remuneration policy and the related individual Board of Management remuneration shall take effect from 1 January 2025 and that all grants of shares in the Company as set out in the Board of Management remuneration policy will be approved, up to the maximum amounts that follow from the remuneration policy.
The table below outlines the proposed changes to the policy compared to the current Wereldhave N.V. remuneration policy:

Proposed Amendments:

Topic	Current	Proposed changes	Explanatory note
Reference market	• Remuneration benchmarked against European peer companies. • *Altarea-Cogedim (FR), Citycon (FI), Cofinimmo (BE), Eurocommercial Properties (NL), Gecina (FR), Hamborner (DE), Hufvudstaden (SE), IGD (IT), Klépierre (FR), Mercialys (FR), Nextensa (BE), NewRiver REIT (GB), NSI (NL), PSP Swiss Property (CH), Retail Estates (BE), Carmila (FR), Unibail-Rodamco-Westfield (FR) and Vastned (B).* • For remuneration levels, large companies Unibail-Rodamco-Westfield and Klépierre are excluded.	• In addition to Unibail-Rodamco-Westfield and Klépierre, Altarea-Cogedim (FR), Gecina (FR) and PSP Swiss Property (CH) are also excluded from the assessment of remuneration levels due to their larger size, so that Wereldhave's position will be around the median of the comparable companies.	
Fixed income	• Fixed income set by the AGM at the appointment for the duration of the term, with annual indexation.	• Annual indexation only at discretion of the Supervisory Board. • At (re)appointment of (new) members of the management board, the fixed income will be set according the benchmark.	
Short-term incentive 'STI' ***Annual cash plan***	• Amount equals 'at target' 40% of fixed income, applying a sliding scale performance range with multiplier between 0 and 1.5 times target of 40% of fixed income, resulting in a maximum of 60% of fixed income. • Performance metrics 90% quantitative measures (50% financial, 40% operational) and 10% individual but measurable performance.	• Replacing the NPS quantitative measure by a specific ESG target. For the year 2025 the target is to achieve more than 76.5% of new leases signed to qualify as Green Lease. • The Supervisory Board has the power to set an alternative ESG target, to be published in the remuneration report for the year prior to applying the new target. The target must be a quantitative ESG measure.	• ESG performance is currently only an LTI target. The Board seeks to enhance the STI alignment with short term ESG targets.
Long-term incentive 'LTI' ***3-year performance share plan***	• Conditional grant of 60% (target) with maximum multiplier for relative TSR at 3 times the financial performance metric. • Performance metrics 75% financial (relative TSR) and 25% non-financial (GRESB score). • TSR vesting range starts at position 10 out of 20 positions, i.e. no vesting for below median performance. Maximum vesting only at a Top 3 position.	• Conditional grant of 60% (target) with maximum multiplier for TSR target at 2 times the financial performance metric. • Performance metrics 80% financial (of which 50% absolute and 50% relative TSR) and 20% non-financial (GRESB score).	
Holding period and shareholding guidelines	• A shareholding guideline for members of the Board of Management of 2.5 times fixed income. • 3 year vesting and a 2 year holding period for performance shares ('3+2'). • Shareholding guideline: position to be built up with performance shares, within 5 years.	• A shareholding guideline for members of the Board of Management of 1.9 times fixed income.	

All other policy elements and arrangements (such as pensions and other contract terms) remain unchanged.

Remuneration levels

The total direct compensation ('TDC') for individual members of the Board of Management remained unchanged as of 1 January 2025 and is outlined in the table below, whereby it should be noted that the STI and LTI components of TDC are included at target level:

Position	Fixed income	STI	LTI	TDC
CEO	€ 663,605	40%	60%	€ 1,327,210
CFO	€ 479,008	40%	60%	€ 958,016

Remuneration outcome in different performance scenarios

The Supervisory Board's Remuneration and Nomination Committee considers the level of remuneration that may pay out in different performance scenarios as appropriate in the context of the performance to be delivered. The figures below show hypothetical values of the remuneration for individual members of the Board of Management under three assumed scenarios in the current and proposed remuneration policy:

- **Minimum:** no pay-out of the STI, no vesting of the LTI;
- **At target:** introduction of 'at target' for STI and LTI in the proposed package (assuming same share price);
- **Maximum:** maximum pay-out of the STI and maximum vesting of the LTI (assuming same share price).

	Current package – CEO			**Current package – CFO**		
	Minimum	**At target**	**Maximum**	**Minimum**	**At target**	**Maximum**
Fixed income	100%	50%	36%	100%	50%	36%
STI		20%	22%		20%	22%
LTI		30%	42%		30%	42%
Total in EUR	**€ 663,605**	**€ 1,327,210**	**€ 1,818,278**	**€ 479,008**	**€ 958,016**	**€ 1,312,482**

Part 2: Proposal Wereldhave N.V. remuneration policy 2025 onwards

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

Remuneration philosophy

The following elements are taken into consideration as part of the remuneration philosophy:

- **The remuneration policy aims to attract, motivate and retain the best executive management talent;**
  - As such, pay levels are benchmarked against relevant reference markets, taking into account the relative positioning of Wereldhave in terms of size and complexity;
  - To support the pay for performance principle, 50% of the at target total direct compensation package is fixed compensation and 50% is conditional upon the achievement of performance targets; at maximum scores, 36% of total direct compensation package is fixed compensation and 64% is conditional upon the achievement of performance targets.
- **The remuneration policy supports both short- and long-term business objectives (strategy), with an emphasis on sustainable long-term value creation. Wereldhave aims to continuously improve, in a balanced way, business results and the delivery on sustainability aspirations;**
  - This is amongst others realized by alignment with market and best- practices in terms of remuneration, based on the relevant European sector and the local cross-industry, taking into account the company's identity, mission and values;
  - Taking into account the level of support in society, a balanced approach is chosen. The measures in the incentive plans also reflect the balanced approach:
    - The short-term incentive performance indicators are based on and aligned with the financial aspects of the strategic review, complemented with assessment of individual (non-financial) performance;
    - For the long-term incentive, sustainable long-term value creation is measured by means of (relative) shareholder return, balanced by sustainability as measured by an independent and specialized institution (GRESB). To emphasize the importance of sustainable long-term value creation, the LTI comprises a relatively larger part of variable pay, compared to the STI;
- **The principles underlying the remuneration policies for the Board of Management, executives and other employees of Wereldhave are aligned. In this respect Wereldhave strives for internal consistency in remuneration;**
  - In establishing this policy, the Supervisory Board uses scenario analyses to estimate the possible outcomes and decides whether a correct risk incentive is set for the member of the Board of Management with respect to the overall level of pay;
  - Furthermore, the company's other remuneration programs have been taken into account, amongst others by ensuring consistency with the company salary structure (internal pay ratio and other pay differential approaches), the design of incentive plans and guidelines for salary increases for all employees;
- **The policy design takes into account statutory and other legal provisions, amongst others the Dutch implementation of the European Shareholder Rights Directive ('SRD II') and the Dutch corporate governance code.**

The Remuneration and Nomination Committee regularly reviews the remuneration policy in order to ensure alignment with the philosophy as presented above. Based on the advice of the Remuneration and Nomination Committee, the Supervisory Board draws up (amendments to) the remuneration policy, consults major shareholders and puts the proposal forward for adoption at the general meeting of shareholders.

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

- Fixed income;
- Variable income;
  - Short-term incentive ('STI');
  - Long-term incentive ('LTI');
- Pension and other secondary employment benefits.

Labor market and performance peer group

The remuneration levels for Board members are based on surveys and analyses by Korn Ferry. The Supervisory Board regards Wereldhave as an operational company, rather than a financial company, and compares market practice remuneration of European peer companies to individual benchmark remuneration.

The peer group consists of: Altarea-Codegim (FR), Citycon (FI), Cofinimmo (BE), Eurocommercial Properties (NL), Gecina (FR), Hamborner (DE), Hufvudstaden SE), IGD (IT), Klépierre (FR), Mercialys (FR), Nextensa (BE), NewRiver REIT (GB), NSI (NL), PSP Swiss Property (CH), Retail Estates (BE), Carmila (FR), Unibail-Rodamco-Westfield (FR) and Vastned (BE).

This peer group serves both for assessing the remuneration levels as measuring relative Total Shareholder Return ('TSR') performance. Given the size of the relatively larger UnibailRodamco-Westfield, Klépierre, Altarea-Cogedim (FR), Gecina (FR) and PSP Swiss Property (CH) and to position Wereldhave around the median of the Group in terms of size (based on revenue, market capitalization, total assets and employees), these companies are excluded for assessing remuneration levels. This exclusion will lead, under unchanged circumstances, to substantially lower remuneration levels.

To accommodate potential changes in the labor market and performance peer group due to e.g. a delisting, merger or other extraordinary circumstances, the Supervisory Board may exercise discretion to substitute comparable companies.

Given the company's headquarters in the Netherlands, and as a second reference market, the local cross-industry is taken into account by means of the index in which Wereldhave is included (currently the AScX index) corrected for size (based on revenue, market capitalization, total assets and employees).

Fixed income

As from 1 January 2025, fixed income per annum is set at € 663,605 for the CEO and € 479,008 for the CFO. These amounts are fixed for the appointment period, but could be indexed at the discretion of the Supervisory Board.

Variable income

The variable income amounts to a target variable income of 100% of the fixed annual income, of which 40% comprises a short-term incentive in cash and 60% comprises a long-term incentive in shares.

Short-term incentive

The short-term incentive score is determined by a financial target, accounting for 50% of the STI, two qualitative and measurable targets that are directly connected to the strategy, each accounting for 20% of the STI, and one nonfinancial (individual) target, accounting for 10% of the STI. The targets are taken from the revised new Company strategy, which are fixed for the coming remuneration policy period (3-4 years). The targets and weights are as follows:

STI Targets	Weight	Threshold	At Target	Maximum
		0% score	100% score	150% score
Total return continued operating shopping centers (calculated as EBIT + valuation result)[1]	50% of STI	Return equal to MSCI retail property return Benelux	Return 0.5% above the MSCI retail property return Benelux	Return 1% above the MSCI retail property return Benelux
Green leases in %[2]	20% of STI	73.8%	76.5%	77.8%
Average footfall increase y-o-y of continued operating shopping centers[3]	20% of STI	0%	1%	3%
Individual target Board members	10% of STI	Set annually	Set annually	Set annually

1 Continued operating shopping centers exclude developments and refurbishments until the first transformation projects have been completed. As from this date, the performance will be calculated over continued operations including developments and refurbishments. The rationale is that developments and refurbishments for the transformation have a negative impact on performance, while under construction. This will on the somewhat longer term be mitigated by completed transformations, however not during the initial period.

2 The ESG target for 2025 will be set by the Supervisory Board and will be published (ex-ante) in the remuneration report for the year 2025, and so on. The Supervisory Board has the power to set an alternative ESG target, to be published in the remuneration report for the year prior to applying the new target. The target must be a quantitative ESG measure.

3 The Supervisory Board is allowed to replace this indicator by an even more targeted indicator of average dwell time and basket size, when the required data collection for these measures becomes available.

Total property return is a measure of the ungeared return for the portfolio and is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period concerned, excluding land.

Green leases assist tenants and landlords to gradually reduce the environmental footprint and operating costs of the property. The percentage of green leases is measured as the total share of green leases compared to the total number of leases.

Footfall is the measure of visitor numbers, counted by automated counters, leading to anonymized visitor information. It is an indicator of the competitiveness of a shopping center.

Individual targets will be aligned with strategic business priorities in a certain year and will always be measurable. Disclosure will be made afterwards in the remuneration report for the year.

Based on performance against these targets, a minimum of zero and a maximum of 1.5 times (150%) the short-term incentive (of 40% of the fixed annual income) can become payable, with pro rata pay-out for performance between threshold (50% of target) and maximum (150% of target).

Long-term incentive

The number of shares conditionally granted under the LTI is determined based on the closing price of the first trading day after the share has gone ex-dividend date, immediately after the Annual General Meeting of Shareholders of the year in respect of which the LTI is to be granted. The vesting period will start on the day the conditional shares are granted.

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

The performance shares are conditional. Vesting, three years after grant, is subject to continuous employment and is determined by financial and non-financial targets, accounting for 80% and 20% of the LTI, respectively.

The targets and weights are as follows:
- Total Shareholder Return - 80% of the LTI determined using Absolute TSR ('ATSR') of 50% and Relative TSR ('RTSR') of 50%;
- GRESB score - 20% of the LTI.

After vesting, a holding period of two years applies.

Total Shareholder Return (80% of LTI)

Total shareholder return ('TSR') exists of the ATSR and RTSR and is defined as the share price increase, including reinvested dividends. TSR is measured over a three-year period based on a three-month average of the last three months of the year before the start and the end of the performance period. The performance period starts on 1 January of the year in respect of which the LTI is to be granted. At the end of the vesting period, a minimum of zero and a maximum of 2 times (200%) the number of shares conditionally granted, under the TSR performance condition, can become unconditional based on performance over the performance period.

Absolute Total Shareholder Return (50% of TSR)

The figures below show the absolute TSR performance multipliers for members of the Board of Management in the proposed remuneration policy.

Vesting per total shareholders return three year for the absolute TSR performance

ATSR	<24%	≥24%	≥26%	≥28%	≥30%	≥32%	≥34%	≥36%	≥38%	≥40%	≥42%	≥44%
Vesting	0%	100%	110%	120%	130%	140%	150%	160%	170%	180%	190%	200%

A total shareholder return of 24% over the three year period results in an 'at target' realization of the ATSR. And a total shareholder return of 45% and above results in a maximum vesting.

Relative Total Shareholder Return (50% of TSR)

The ranking against the peer group determines the vesting level. The vesting range for the RTSR is determined by threshold vesting at ranking position 10 (no vesting for performance below the median of the Group) and maximum vesting at a Top 3 ranking position. An absolute TSR hurdle will be applied: if TSR development is negative, the LTI multiplier will be capped at 100% of the originally granted shares plus reinvested dividends. The figures below show the relative TSR performance multipliers for members of the Board of Management in the proposed remuneration policy.

Vesting per ranking position for the relative TSR performance incentive zone

Ranking	20-11	10	9	8	7	6	5	4	3	2	1
Vesting	0%	100%	120%	140%	160%	160%	180%	180%	200%	200%	200%

GRESB score (20% of LTI)

GRESB was launched in 2009 by a group of large pension funds who wanted to have access to comparable and reliable data on the ESG performance of their investments. GRESB have grown to become the leading Environmental, Social and Governance (ESG) benchmark for real estate and infrastructure investments across the world. The GRESB Score is an overall measure of ESG performance – represented as a percentage (150 percent maximum).

The GRESB Score gives quantitative insight into ESG performance in absolute terms, over time and against peer companies. The GRESB Green Star is a rating on absolute performance. Entities with scores higher than 50 on both the 'Management & Policy' and the 'Implementation & Measurement' dimensions are rated a 'Green Star'. This is why the GRESB 5-star rating system is more challenging. It is based on the GRESB Score and its quintile position relative to the GRESB universe, with annual calibration of the model. It is calculated relative to the global performance of all reporting entities - property type and geography are not taken into account. In this way the GRESB Rating provides investors with insight into the differentiation of overall ESG performance against continuously improving peers within the global property sector. If certain regions systematically perform better, they will on average have higher-rated companies and funds. If the entity is placed in the top quintile, it will have a GRESB 5-star rating; if it is in the bottom quintile, it will have a GRESB 1-star rating, etc. If GRESB ceases to rate companies, the Supervisory Board will replace this indicator with an equivalent as published by an independent leading sector specialist, whereby the company must rank between the top 25% of sustainability performers in the sector to earn the target level.

At vesting, a minimum of zero and a maximum of 1,5 time (150%) the number of shares conditionally granted can become unconditional, based on performance. This implies that a 4-star rating is rewarded with at target reward level to emphasize the standard ambition level. The below vesting range is applicable for the GRESB target (as a percentage of target, i.e. 20% of the LTI).

Vesting per ranking position for the relative TSR performance incentive zone

GRESB star	1	2	3	4	5
Vesting	0%	0%	50%	100%	150%

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

After vesting of LTI shares, a two-year holding period is applicable. The holding period and the shareholding guideline do not apply for the portion of the shares that have vested, to pay the taxes that are due upon vesting.

Malus/claw back/change of control
If a director is summarily dismissed without further notice in accordance with the law or is considered to be a bad leaver, the conditional share balance reverts to the company. If the director steps down or is not reappointed at the end of the agreed appointment period, the scheme remains intact with regard to the conditional share balance. The awards will be pro-rated for the time served. Once the conditions have been met, the vested shares will be transferred to the director. The scheme will remain intact for good leavers, with due observation of the original vesting period of three years, but no additional holding period.

Upon vesting, the members of the Board of Management pay income tax and social charges on the long-term variable remuneration. The Supervisory Board is authorized to downwards adjust the amount of a short or long term incentive to an appropriate level if payment of the incentive, based on standards of reasonableness and fairness, would be unacceptable. Incentive for this purpose means the unpaid part of the variable remuneration of which the granting is entirely or partially dependent on the achievement of certain targets or the occurrence of certain circumstances. The Supervisory Board is also authorized to withdraw conditional long-term benefits in exchange for a cash payment at market value, if circumstances require.

The Supervisory Board will motivate a decision to adjust an incentive or to withdraw in exchange for cash appropriately. The Supervisory Board is authorized to claw back a short or long term incentive or annul a non-vested incentive entirely or partially to the extent that the award paid out was based on materially misstated information with respect to the achievement of targets or the occurrence of circumstances on which the incentive was based which was known or should reasonably have been known by the Board of Management. The Supervisory Board will motivate the decision to claw back the incentive appropriately. In case of a change in control, the awards normally vest pro-rated for time and subject to the performance conditions.
Alternatively, the award may be exchanged for awards in the acquiring company.

Pension
No provision facilitating early retirement is in place. Members of the Board of Management are subject to the same pension scheme as all other Wereldhave employees in the Netherlands. Wereldhave has a defined contribution pension scheme based on a fiscal maximum ladder of 2.5% over the pensionable salary which is indexed annually. Due to previous benefits prior to their employment by Wereldhave, the CEO and CFO are receiving an additional gross pension contributions. These amounts are subject to indexation annually with the Dutch Consumer Price index (Eurostat) over the period between 31 October of the current year and the previous year.

Other secondary conditions, fringe benefits
Wereldhave N.V. offers the members of its Board of Management a competitive package of secondary employment benefits in accordance with those offered to its other employees. This benefit package includes a company car or a car allowance equal to the applicable leasing price, accident insurance, disability insurance and director liability insurance. The Board of Management may receive a remuneration for any fiduciary duties they may have in relation to Wereldhave Belgium N.V. The company does not issue loans, advances or guarantees to the members of its Board of Management.

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

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

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