

# Convening notice to the Annual General Meeting of shareholders 2016

Vastned Retail N.V. ('Vastned' or 'the Company') invites its Shareholders to attend the Annual General Meeting for the 2016 financial year, held on Thursday 20 April 2017 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 2016

2. Report of the Executive Board on the 2016 financial year
3. Remuneration report for the 2016 financial year

## Annual accounts and dividend for the 2016 financial year

4. Proposal to adopt the financial statements for the 2016 financial year **(resolution)**
5. Comments on the reservation and dividend policy
6. Dividend declaration proposal for the 2016 financial year **(resolution)**

## Discharge

7. Proposal to grant discharge to the members of the Executive Board for the 2016 financial year **(resolution)**
8. Proposal to grant discharge to the members of the Supervisory Board for the 2016 financial year **(resolution)**

## Remuneration

9. Proposal to determine the remuneration of the members of the Supervisory Board **(resolution)**

## Company law matters

10. Proposal to authorise the Executive Board to issue shares **(resolution)**
11. Proposal to authorise the Executive Board to buy back the Company's own shares **(resolution)**

## Other

12. Any other business
13. Close

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<sup>1</sup>This document is a translation of the Dutch original and is provided as a courtesy only. In the event of any disparity the Dutch version shall prevail. No rights can be derived from the translated document.

### Availability of meeting documents

The agenda with notes (including the information required in accordance with Article 2:142(3) of the Dutch Civil Code, the 2016 annual report (which includes the financial statements, the 2016 remuneration report and the information referred to in Article 2:392(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 of the Dutch Civil Code, attendance and voting rights for the Annual General Meeting (17:30) of shareholders of Thursday 20 April 2017 accrue to those persons listed on Thursday 23 March 2017 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 on the Registration Date, provided they have registered for the meeting in time and in the manner described hereafter. 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 Thursday 13 April 2017 with ABN AMRO Bank N.V. ('ABN AMRO'). No later than April 18, 2017 at 11:00 (CET) via [www.abnamro.com/intermediary](http://www.abnamro.com/intermediary) the Brokers must submit a declaration to ABN AMRO stating the number of shares held on the Registration Date by the shareholder concerned and submitted for registration. With the application Brokers are requested to include the full address details of the relevant ultimate holders in order to enable an efficient verification of the shareholding on the Registration Date. Via ABN AMRO shareholders receive a registration certificate that serves as proof 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 Executive Board no later than Thursday 13 April 2017. A copy of the proxy must be presented to the registration desk. Shareholders wishing to exercise their voting right through a digital proxy may also submit their voting instructions on [www.abnamro.com/evoting](http://www.abnamro.com/evoting) until 5:00pm on Thursday 13 April 2017.

### Registration for admission and identification

Registration for admission to the meeting starts at 12 noon and ends at 1:00pm 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 a 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.

### Other matters

For other information, please consult the web page: [http://www.vastned.com/investor\\_relations/contact](http://www.vastned.com/investor_relations/contact) or contact Vastned by telephone, Investor Relations department on +31 (0)20 24 24 368 or by email to [Anneke.Hoijtink@vastned.com](mailto:Anneke.Hoijtink@vastned.com).

The Supervisory Board  
The Executive Board

Amsterdam, 8 March 2017

# Appendices

## **Appendix 1**

Agenda of the Annual General Meeting of shareholders of VastNed Retail N.V. on 20 April 2017

## **Appendix 2**

Notes to the agenda of the Annual General Meeting of shareholders of Vastned Retail N.V. on 20 April 2017

## **Appendix 3**

Vastned Retail N.V. 2016 remuneration report

## **Appendix 4**

Proxy / voting instruction

# 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 2016 financial year, held on Thursday 20 April 2017 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

### Terugblik op 2016

2. Report of the Executive Board on the 2016 financial year
3. Remuneration report for the 2016 financial year

### Financial statements and dividend for the 2016 financial year

4. Proposal to adopt the financial statements for the 2016 financial year **(resolution)**
5. Comments on the reservation and dividend policy
6. Dividend declaration proposal for the 2016 financial year **(resolution)**

### Discharge

7. Proposal to grant discharge to the members of the Executive Board for the 2016 financial year **(resolution)**
8. Proposal to grant discharge to the members of the Supervisory Board for the 2016 financial year **(resolution)**

### Remuneration

9. Proposal to determine the remuneration of the members of the Supervisory Board **(resolution)**

### Company law matters

10. Proposal to authorise the Executive Board to issue shares **(resolution)**
11. Proposal to authorise the Executive Board to buy back the Company's own shares **(resolution)**

### Other

12. Any other business
13. Close

Shareholders will be given the opportunity to submit written questions on the agenda items ahead of the meeting. Written questions must be addressed to the Executive Board (attn. Anneke Hoijtink, Investor Relations Manager) and must be received no later than Thursday 13 April 2017 at 5:00pm. Written questions from a shareholder will be accepted only if the shareholder has complied with the abovementioned registration and confirmation procedure.

# APPENDIX 2

## Notes to the agenda of the Annual General Meeting of shareholders of Vastned Retail N.V.

### **Item 2** Report of the Executive Board on the 2016 financial year

The Executive Board will present the results of the Company in 2016. The chairman will then invite the Annual General Meeting to discuss the results (described in detail in the annual report on the 2016 financial year). At this agenda item, questions may also be raised on the annual report for 2016, including the report of the Supervisory Board. The meeting may also address the main points of the Company's corporate governance structure and its compliance with the Dutch Corporate Governance Code.

### **Item 3** Remuneration report for the 2016 financial year

In accordance with Article 2:135(5)(a) of the Dutch Civil Code, the implementation of the remuneration policy for the Executive Board in 2016 will be discussed. The 2016 remuneration report is attached as Appendix 3.

### **Item 4** Proposal to adopt the annual accounts for the 2016 financial year **(resolution)**

The Supervisory Board proposes to the Annual General Meeting of shareholders to adopt Vastned's financial statements for the 2016 financial year. At this item, the shareholders will have the 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 2016 financial year **(resolution)**

It is proposed to the Annual General Meeting of shareholders to declare a total dividend of € 2.05 per share for the 2016 financial year. After deduction of the interim dividend in cash of € 0.73 per share, the final dividend will be € 1.32 per share in cash. The final dividend for the 2016 financial year will be made payable on 9 May 2017.

### **Item 7** Proposal to grant discharge to the members of the Executive Board for the 2016 financial year **(resolution)**

A proposal is put to the Annual General Meeting to grant the Executive Board full and final discharge for the performance of its duties in the 2016 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 2016 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 2016 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 determine the remuneration of the members of the Supervisory Board **(resolution)**

The remuneration for the members of the Supervisory Board has remained the same since 2012. However, the demands placed on the members have increased significantly. Next to the time needed for the activities of members, work pressure has also increased significantly, as has the complexity of the work.

In 2015, a new remuneration policy for the Executive Board was adopted. At the moment on the basis of a 'quick scan' the remuneration of the chairman of the Supervisory Board was renewed, but not the remuneration system of the Supervisory Board as a whole. In the context of the above, a benchmark survey was conducted by an external agency. In accordance with the remuneration policy for the Executive Board, this survey initially looked at the 'Labour Market Peer Group' which consists of companies which are comparable to Vastned in terms of strategic focus, complexity and ambition, taking into account the various governance structures. Secondly, the findings were compared to the remuneration for the Supervisory Board of all companies in the AMX index in which Vastned is listed, and thirdly to a group of fourteen Dutch companies (including some that are not stock exchange listed) that are of similar complexity and size. The principle in the findings is to take the lower quartile of the results as a reference point for a remuneration that is in line with the market. Finally, the top of the small cap companies is included in the evaluation of the Supervisory Board remunerations.

This benchmark survey has shown that the remuneration of the chairman and the members and the supplemental fee for membership of the committees is below the level of comparable companies.

**Current Supervisory Board remuneration system**

The current remuneration system is as follows:

Chairman	€ 42,000
Member	€ 30,000
Supplemental fee for membership of appointment and remuneration committee	€ 4,000
Supplemental fee for membership of audit & compliance committee	€ 4,000
Expense allowance for travel and accommodation expenses	€ 1,250
(All amounts excluding VAT)	

**Proposal for new Supervisory Board remuneration system**

To bring the Supervisory Board remuneration into line with the market, the Supervisory Board proposes the following remuneration system, to take effect as of 1 January 2017:

Chairman	€ 48,000
Member	€ 36,000
Supplemental fee for chairman of audit & compliance committee	€ 7,750
Supplemental fee for membership of audit & compliance committee	€ 5,500
Supplemental fee for chairman of appointment and remuneration committee	€ 6,750
Supplemental fee for membership of appointment and remuneration committee	€ 4,750
Expense allowance for travel and accommodation expenses	€ 1,250
(All amounts excluding VAT)	

This remuneration system will remain in place for another period of three years and then be evaluated again.

**Item 10** Authorisation of the Executive Board to issue shares or grant rights to acquire shares (resolution)

The Executive Board and the Supervisory Board propose to appoint the Executive Board (subject to prior 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 another maximum 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 Executive Board and the Supervisory Board.

A proposal is put to the Annual General Meeting to appoint the Executive Board for a period of eighteen months from the date of this Annual General Meeting, i.e. up to and including 20 October 2018 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 an additional maximum 10%, of the share capital in issue on 20 April 2017;
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 shares is to be able to respond promptly and flexibly in matters relating to the financing of the company. It also provides the Executive Board some room for manoeuvre in mergers and takeovers. In accordance with Articles 96 and 96(a) of Book 2 of the Dutch Civil Code, it is proposed to authorise the Executive Board, subject to approval from the Supervisory Board, to issue shares or grant rights to acquire shares.

**Item 11** Authorisation of the Executive Board to buy back the Company's own shares (resolution)

A proposal is put to the Annual General Meeting to appoint the Executive Board for a period of eighteen months from the date of this Annual General Meeting, i.e. up to and including 20 October 2018, as the body authorised 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 Executive Board the power to buy back the Company's own shares in order to reduce the capital and/or fulfil obligations based on share schemes or for other purposes in the interests of the Company. The proposal is made in accordance with Article 98(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 20 April 2017. If the proposed authorisation will be given by the Annual General Meeting, the existing authorisation expires, or at least will not be used.

**Item 12** Any other business

Questions that have not been dealt with under the preceding agenda items can be asked here.

# 2016 REMUNERATION REPORT

This 2016 remuneration report has three parts. The first part outlines the remuneration policy as approved by the Annual General Meeting of 25 April 2015. The second part contains information on the remuneration granted to the members of the Executive Board in 2016. The third part contains information on the remuneration granted to the members of the Supervisory Board in 2016.

## 1 EXECUTIVE BOARD REMUNERATION POLICY

This remuneration policy for the Executive Board of Vastned was adopted by the Annual General Meeting of shareholders on 25 April 2015. The policy took effect on 1 January 2015 and is based on the following principles:

- Preparation of a clear and transparent remuneration policy that complies with the most recent (also international) corporate governance insights. Vastned has the ambition also in this respect to compete with the European 'best in class' companies.
- Bringing the remuneration policy in line with Vastned's strategy aimed at obtaining more predictable and stable results.
- Further strengthening of the relationship between the Executive Board's performance and its remuneration.
- Bringing the interests of the members of the Executive Board in line with those of the shareholders by further encouraging long-term shareholding.
- Being able to attract, motivate and retain Executive Board members of the highest quality.

For the determination of the total remuneration, an labour market reference group has been defined that matches Vastned's present strategic focus, complexity and ambition. This group of companies comprises the following fourteen European listed property companies (the 'Labour Market Reference Group'):

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

The total remuneration for the Executive Board in 2014 was compared to this Labour Market Reference Group. As a double test of reasonableness, the findings of this comparison were also compared with all the companies in the AMX index and with a group of fourteen Dutch companies of similar complexity and size. The determination of the total remuneration of the Executive Board also takes account of its impact on the remuneration ratios within the company.

Based on this comparison and the double reasonableness test, the remuneration levels were adjusted with effect as of 2015. The basic salary was set around the median of the Labour Market Reference Group and the total remuneration around the 25 percentile point, since Vastned positions itself within this percentile in terms of size. At year-end 2017, the present total remuneration will be evaluated in using the same methodology.



## ELEMENTS OF TOTAL REMUNERATION

The Executive Board's total remuneration comprises the following five elements:

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

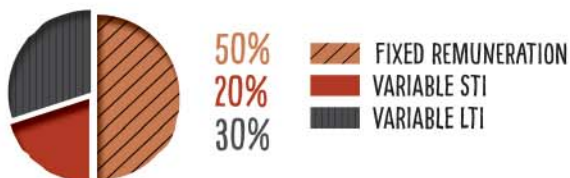
### Fixed remuneration

The fixed remuneration for the Executive Board is tested annually against the previously mentioned Employment Market Peer Group, and is set in principle for twelve months. The fixed remuneration includes 8% holiday pay and is paid monthly in cash. The fixed remuneration is pensionable up to € 100,000; any variable remuneration is not.

### Variable remuneration

The total variable remuneration is limited to 100% of the fixed remuneration. The variable remuneration will be comprised of 40% short-term variable remuneration and 60% long-term variable remuneration.

### Performance-related part of the total remuneration



### Short-term variable remuneration

Every financial year, members of the Executive Board 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 has a clear focus on more predictable and stable results. In support of this strategy, the STI comprises four challenging targets, each of which is weighted 25%. Three of these are financial and objectively measurable, and one contains a qualitative criterion. The three financial STI targets have a 'threshold', an 'at target' and a 'maximum' award. The qualitative STI target is determined individually for each member of the Executive Board, and its achievement is evaluated by the Supervisory Board.

The STI targets are set annually in advance by the Supervisory Board based on the operational and strategic ambitions of the company as laid down in the business plan. In view of their market sensitivity, Vastned does not disclose the STI targets in advance. After the conclusion of the relevant financial year, an explanation is given in the remuneration report of the STI targets set and of the degree to which they have been achieved.

The STI is paid in cash after the Annual General Meeting has adopted the financial statements for the related financial year. Members of the Executive Board may use their short-term incentive to purchase Vastned shares until and to the extent that their value does not meet the share ownership guidelines.

### Long-term variable remuneration

Every year, members of the Executive Board are eligible for a long-term variable remuneration (Long-Term Incentive or 'LTI'). The LTI varies from 0% up to a maximum of 60% of the fixed remuneration, and in each case covers a three-year period. The LTI scheme has the following three elements:

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

The long-term variable remuneration aims to further align the interests of the members of the Executive Board with shareholders' interests. The Executive Board is obliged based on a procedure adopted by Vastned to use their cash incentive payment under the LTI scheme to purchase Vastned shares, until the share ownership guidelines are complied with.

### Relative Total Shareholder Return test

The RTSR test sets 50% of the total LTI remuneration. The RTSR is measured by calculating the total shareholder return (share price movements plus dividends) of the Vastned share over a period of three financial years. The calculation is based on the average share price three months preceding the performance period and three months at the end of the performance period. This total shareholder return is then compared to a peer group of direct competitors. The ranking on total shareholder return within this peer group determines a possible granting of the RTSR-based LTI.

The peer group for the RTSR test is largely similar to the Labour Market Reference Group, and consists of the following thirteen companies, whereby Vastned has set itself the goal to compete with the ‘best in class’ companies in its sector:

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

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 award**

The 50% LTI based on the RTSR test is awarded based on Vastned’s ranking in the peer group in terms of the share’s total shareholder return after each three-year period, using the following scale:

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

The realisation of this LTI performance target will be validated by an external party and audited by the external auditor.

#### **Absolute Total Shareholder Return test**

The ATSR test sets 30% of the total LTI remuneration. The ATSR is measured by calculating the total shareholder return of the Vastned share over a period of three financial years.

#### **Realisation ATSR**

The 30% LTI remuneration based on the ATSR test is determined based on a range whereby at an ATSR of below 45% over the three-year period no ATSR-based LTI is awarded. An ATSR of 60% over this period results in an ‘at target’ realisation of the ATSR test and a realisation of 75% ATSR results in a full LTI award. The ATSR awarded between the threshold and the maximum is determined on a pro rata basis. The realisation of this ATSR test target will be validated by an external party and audited by the external auditor.

#### **Business Health Test**

The Business Health Test determines 20% of the total LTI award. The intention of this test is to promote that short-term incentives do not get the upper hand in the determination of the policy and that the Executive Board keeps sight of the long-term strategy at all times. For this reason, this test initially measures the impact of the annual STI targets over a three-year period. But it also takes account of other, non-financial performance indicators. These may include strategic leadership, the ‘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.

## SHARE OWNERSHIP GUIDELINES

One of the objectives of the remuneration policy is to align long-term shareholder interests with those of the Executive Board by promoting shareholding. Accordingly, the Executive Board must build up a position in Vastned shares that is 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 in principle be built up over a maximum term of five calendar years. The Supervisory Board regularly checks whether this build-up period is reasonable and fair.

Members of the Executive Board may use the short-term incentive awarded to them to purchase Vastned shares until and to the extent that they do not meet the share ownership guidelines within the term of five calendar years.

The long-term variable remuneration must be used to purchase Vastned shares based on a procedure defined by Vastned until the share ownership guidelines are complied with. This procedure can be inspected on Vastned's website. When the minimum shareholding is reached, it must be maintained for the duration of the member's employment with Vastned.

### Position at year-end 2016

As at year-end 2016, at a closing price of € 36.86, Mr Taco T.J.de Groot, CEO, with 54,051 shares purchased from his own means, or 453%, met the minimum Vastned shareholding requirement of at least 300% of the CEO's fixed remuneration.

Mr Reinier Walta, CFO, joined Vastned at the end of 2014, and must build up a position in Vastned shares from his LTI of at least 150% of his fixed remuneration within five years. At year-end 2016, Mr Walta had built up a Vastned shareholding of 1,000 shares from his own means at an accelerated rate. At a closing price of € 36.86, this is 14% of his fixed remuneration.

## 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 compliance with relevant laws and regulations, including legislation on takeover bonuses, on the recommendation of the remuneration committee. In such a case, the normalised share price will be used in the determination of the share price-linked LTI. This means that when due to a takeover the price of a Vastned share rises for example from fifth to first place in the ranking, the Supervisory Board will use the normalised share price before the takeover offer, not the top ranking. In case of a takeover, the LTI will also be settled pro rata, unless this should yield unfair results for the Company or the Executive Board.

At the time of publication of this remuneration report, CEO Taco de Groot already held 54,051 Vastned shares. These shares are not subject to the 'takeover bonus legislation' in Article 2:135(7) of the Dutch Civil Code. For the coming years, Vastned will explicitly disclose in its reporting the difference between Mr De Groot's shareholding acquired from his own means and his shareholding acquired from means received under the remuneration policy.

## POLICY FOR EARLY TERMINATION OF AN EMPLOYMENT AGREEMENT

In the event of early termination of the employment agreement with a member of the Executive Board, 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, the LTI granted conditionally to the board member in question will be awarded.

## MALUS AND CLAW-BACK

There may be special circumstances that prevent awarding of both the short-term and 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. Finally, the law states that if an LTI is awarded wrongly when it later appears the award was based on incorrect information, it can be claimed back ('claw-back').

## PENSION

The members of the Executive Board may choose to participate in Vastned's pension plan, or receive a pension compensation in cash. The pension compensation in cash and pension contributions in the context of a pension plan do not count towards the level of the short-term or long-term variable remuneration. The main elements of Vastned's pension plan since 1 January 2015 are:

- the pension plan is a career average scheme, in which the annual pensionable salary is limited by law to € 100,000 as of 1 January 2015;
- the accrual rate is 1.875% per service year;
- the survivors' pension is based on 70% of the lifelong old-age pension; and
- the annual pension contributions up to € 100,000 as well as the pension contributions in cash are at Vastned's expense.

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

## OTHER REMUNERATION COMPONENTS

### 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 Executive Board.

### Other reimbursements

Members of the Executive Board are eligible for customary payments and allowances such as additional health insurance, mobile phone, tablet, compensation for internet costs, sick leave, paid leave, etcetera. Travel and accommodation expenses incurred in the performance of the employment contract are reimbursed. Reimbursement of legal costs is subject to prior approval from the Supervisory Board. The expenses of the Executive Board are evaluated and approved quarterly by the remuneration and nomination committee.

## EMPLOYMENT AGREEMENTS OF THE EXECUTIVE BOARD

### Duration of the agreement

The Annual General Meeting of 25 April 2015 appointed Mr De Groot for a four-year term, taking effect on 25 November 2011. The Extraordinary General Meeting of 28 November 2014 appointed Mr Walta for a four-year term, taking effect on 1 November 2014. Concerning members of the Executive Board, the Company must observe a notice period of six months, the members themselves three months.

### Concurrentiebeding en relatiebeding

The employment agreement or agreement for services contains 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 are limited to twelve months of the fixed remuneration. Mr De Groot's and Mr Walta's employment agreements comply with the Dutch Corporate Governance Code.

### Loans, guarantees and similar

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

### Scenario analysis

The Code requires that the Supervisory Board analyses the possible outcomes of the variable remuneration components and their impact on the Executive Board's total remuneration. This analysis is conducted at least once every three years. In cases not covered by the remuneration policy, the Supervisory Board decides. Any decision must match the principles and intent of the remuneration policy as closely as possible. Where necessary, the Supervisory Board will inform the Annual General Meeting.

### 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 intent of the remuneration policy as closely as possible. Where necessary, the Supervisory Board will inform the Annual General Meeting.

## 2 REMUNERATION OF THE EXECUTIVE BOARD IN 2016

### VOTING RESULTS EXECUTIVE BOARD REMUNERATION POLICY

On 25 April 2015, the Annual General Meeting adopted the remuneration policy for the Executive Board, with the following votes:

VOTES	Number	Percentage
in favour	10,040,363	98.8%
against	125,119	1.2%
total votes	10,165,482 <sup>1)</sup>	100%
abstentions Onthoudingen	31,223	

1) This is the total number of votes in favour and against; abstentions are not included

### FIXED REMUNERATION 2016

Based on the remuneration policy set out above, the fixed remuneration of the members of the Executive Board (including employer's social security contributions) for 2016 has been determined as follows:

FIXED REMUNERATION	2016	2015	Change
Taco de Groot	450,000	449,000	0.2%
Reinier Walta	276,000	254,000	8.5%
<b>Total</b>	<b>726,000</b>	<b>703,000</b>	<b>3.2%</b>

It has been agreed with Mr Walta that he will be able based on clear targets to rise to a fixed remuneration of € 308,000 (excluding employer's social security contributions) over a period of three calendar years starting on 1 January 2015. This fixed remuneration is 70% of the CEO's fixed remuneration. At the start of 2016, one third of this agreed salary growth had been awarded.

### VARIABLE REMUNERATION IN 2016

#### Short-Term Incentives for 2016

Both members of the Executive Board have been set the same three quantitative targets, as well as an individual qualitative target. The three common quantitative STI-targets are outlined below, including their realisation:

#### STI TARGETS 2016 AND REALISATION

	Threshold	At target	Maximum	Realisation
At year-end 2016, 75% premium city high street shops in the entire portfolio	73%, 15% rewarded	75%, 20% rewarded	77%, 25% rewarded	18.25%
At year-end 2016, 2% like-for-like gross rental growth of premium city high street shops	1%, 15% rewarded	2%, 20% rewarded	3%, 25% rewarded	0%
At year-end 2016, at least € 65 million in acquisitions of new premium city high street shops	€ 52 million, 15% rewarded	€ 65 million, 20% rewarded	€ 78 million, 25% rewarded	24.19%

The fourth, qualitative STI target for the CEO and CFO is realised for the maximum 25%.

#### **Long-term Incentives for 2015**

The maximum LTI Mr De Groot and Mr Walta could achieve for 2015 were € 440,000 and € 245,000 respectively. 2016 is the second year of the three-year period over which the LTI for 2015 is determined. Based on the position at year-end 2016, no RTSR-linked LTI is payable as Vastned came ninth in the defined peer group. Based on the position at year-end 2016, no ATSR is payable, and the level of realisation of the Business Health Test cannot yet be determined. In view of the above, no LTI for 2016 has been recognised in the 2015 financial statements. Determination of the realisation will take place after 2017.

#### **Long-Term Incentives for 2016**

The maximum LTI Mr De Groot and Mr Walta could achieve for 2016 were € 440,000 and € 266,000 respectively. 2016 is the first year of the three-year period over which the LTI for 2016 is determined. Based on the position at year-end 2016, no RTSR-linked LTI is payable as Vastned came ninth in the defined peer group. Based on the position at year-end 2016, no ATSR is payable, and the level of realisation of the Business Health Test cannot yet be determined. In view of the above, no LTI for 2016 has been recognised in the 2016 financial statements. Determination of the realisation will take place after 2018.

#### **PENSION 2016**

The members of the Executive Board do not pay own contributions to their pension schemes; these contributions are paid by the company. Mr Walta's pension is based on a career average scheme and Mr De Groot's is a defined-contribution scheme. Mr Walta's and Mr De Groot's expected retirement age is 67 years. The schemes include a partner's pension and an invalidity pension.

#### **Pension compensation Mr Reinier Walta (CFO)**

As of 1 January 2015, the tax relief on pension accrual has been restricted by new legislation, and is now accrued 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 scheme. The company has agreed with him that he will receive a compensation for this adjustment up to the level of the pension contribution which Vastned no longer has to withhold. The same scheme has been agreed with other Vastned employees. This pension compensation does not qualify as part of the fixed remuneration.

#### **LOANS 2016**

Vastned did not provide any loans or guarantees to members of the Executive Board in 2016.

## OVERVIEW OF THE REMUNERATION OF THE EXECUTIVE BOARD

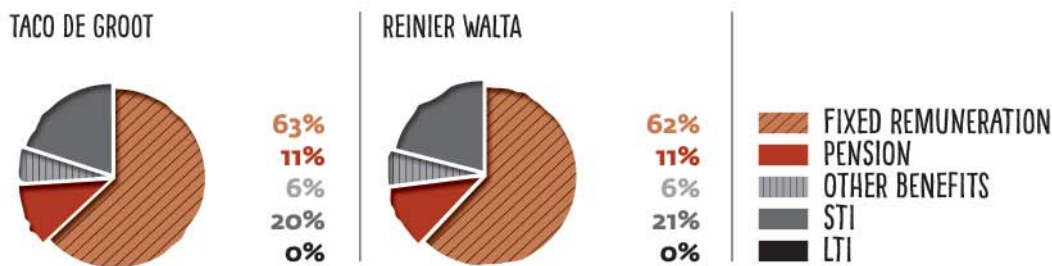
The table below presents the remuneration awarded to the Executive Board in 2016:

Name	Fixed remuneration <sup>1)</sup>	Pension	Other reimbursements <sup>2)</sup>	STI	LTI	Total
Taco de Groot (CEO)	450,000	81,000	44,069	119,000	-	694,069
Reinier Walta (CFO)	276,000	49,000	24,137	72,000	-	421,137
<b>Total 2016</b>	<b>726,000</b>	<b>130,000</b>	<b>68,206</b>	<b>191,000</b>	<b>-</b>	<b>1,115,206</b>

<sup>1)</sup> including employer's social security contributions

<sup>2)</sup> Concerns expenses for company car, telephone, Internet costs and healthcare insurance contributions.

The table below presents the remuneration awarded to the Executive Board in 2016:



The Supervisory Board has not availed itself of the right to adjust or reclaim the bonuses awarded to the Executive Board for the 2016 reporting year.

## 3 REMUNERATION OF THE SUPERVISORY BOARD

### VOTING RESULT ON THE REMUNERATION OF THE SUPERVISORY BOARD

On 25 April 2015, the Annual General Meeting adopted the new remuneration policy for the Supervisory Board, with the following votes:

Votes	Number	Percentage
in favour	10,194,516	100.0%
against	163	0%
total votes	10,194,679 <sup>1)</sup>	100%
abstentions	2,026	

<sup>1)</sup> This is the total number of votes in favour and against; abstentions are not included

### REMUNERATION OF THE SUPERVISORY BOARD

The Supervisory Board benchmarked the remuneration of its members against those of peer companies at the end of 2015. In order to bring the remuneration more in line with the market, the Annual General Meeting of 25 April 2015 adopted the following amounts:

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

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

### OVERVIEW OF THE REMUNERATION GRANTED TO THE SUPERVISORY BOARD IN 2016

The table below presents the remuneration awarded to the Supervisory Board in 2016 (fee € 1):

Name	Supervisory Board	A&C committee	R&N committee	Expense allowance	Total
Marc C. van Gelder <sup>c)</sup>	38,416	-	4,000	1,250	43,666
Wouter J. Kolff <sup>1)</sup>	12,542	-	-	373	12,916
Jeroen B.J.M. Hunfeld	30,000	4,000	-	1,250	35,250
Charlotte M. Insinger	30,000	4,000	-	1,250	35,250
Marieke Bax	30,000	-	4,000	1,250	35,250
<b>Total 2016</b>	<b>140,959</b>	<b>8,000</b>	<b>8,000</b>	<b>5,373</b>	<b>162,332</b>

<sup>c)</sup> Chairman

<sup>1)</sup> Retired as chairman as per 20 April 2016



# APPENDIX 4

## Proxy / Voting instruction

for the Annual general meeting of shareholders (hereinafter: 'AGM') of Vastned Retail N.V. (Hereinafter: 'Vastned') held on Thursday 20 April 2017 at 1:00 pm (CET) in the Rosarium, Amstelpark 1 in Amsterdam.

If you as a Shareholder holding voting rights are unable to attend the Vastned AGM yourself, Vastned provides you the possibility to grant a voting proxy and issue voting instructions (the 'Proxy') by using this form (the 'Form') to (i) an independent third person, as referred to in the Dutch Corporate Governance code best-practice provision IV.3.12, NFGD Zoetermeer B.V.; or (ii) a third person of your choice. The proxy holder must submit the written proxy at the AGM along with the certificate of registration and a valid ID.

Vastned's 'Conditions for Granting Proxies' set out on the final page of this Form apply to this proxy. By signing this form you state that you accept these conditions.

The undersigned,

Name: ..... Initials: .....  
 Company name (if applicable): .....  
 Address: .....  
 City: .....  
 E-mail: .....

hereinafter referred to as 'the Shareholder', acting in capacity as the holder of ..... (number) Vastned shares, hereby declares that he/she grants a proxy to:

**Please tick as applicable:**

- (i) Any employee of NFGD Zoetermeer B.V. (the 'Proxy Holder'),
- (ii) Name:.....Initials:.....  
 Company name (if applicable).....  
 Address: .....  
 City: ..... (the 'Proxy Holder'),

to represent the Shareholder at the Vastned AGM and address the meeting on behalf of the Shareholder and vote in accordance with the voting instructions provided below.

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<sup>2</sup>The certificate you received from the affiliated institution, bank or broker after you registered your shares for the AGM. If you fail to submit the certificate of registration and/or sign the proxy and/or submit the proxy on time, the proxy including voting instructions will not be valid.

If you wish to grant a voting proxy including voting instructions to the Proxy Holder, as mentioned above under (i), this form and the certificate of registration must be received no later than Thursday 13 April 2017 at the following e-mail address: vastned@nfgd.nl, or by post at the following address: NFGD Zoetermeer BV, attn. Debby Vlasman, NFGD Zoetermeer B.V., Koraaalrood 48, 718 SC Zoetermeer.

**Agenda item and voting instructions for the Vastned AGM on 20 April 2017 at 1:00 (CET):**

Nr.	Item	Please tick the box of your choice:		
		In favour	against	abstention
4	Proposal to adopt the financial statements for the 2016 financial year (resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Dividend declaration proposal for the 2016 financial year (resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Proposal to grant discharge to the members of the Executive Board for the 2016 financial year (resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Proposal to grant discharge to the members of the Supervisory Board for the 2016 financial year (resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Proposal to determine the remuneration of the Supervisory Board (resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Authorisation of the Executive Board to issue shares or grant rights to acquire shares (resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Authorisation of the Executive Board to buy back the Company's own shares (resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Name: ..... Initials: .....

City and date: .....

Singature: .....

## Conditions for Granting Proxies

1. The Shareholder is given the opportunity to vote at the AGM by granting a Proxy to a Proxy-holder who attends the AGM. At the AGM the Proxy Holder will vote in accordance with the voting instructions provided by the Shareholder.
2. The Shareholder may grant, change or withdraw a Proxy from the time when the Form is placed on Vastned's website up to and including the time stated in the Form.
3. Every Proxy granted by the Shareholder is a Proxy with the right of substitution.
4. The Shareholder provides voting instructions to the Proxy Holder by completing the Form placed on Vastned's website and submitting it as described in the Form.
5. Any Proxy granted revokes previously granted Proxies as well as proxies previously granted to third parties to exercise the Shareholder's attendance rights in the AGM. Any Proxy granted may be cancelled at any time exclusively in writing.
6. The Proxy is only valid if the affiliated institution, bank or broker which administrates the Shareholder's shares has registered the Shareholder's shareholding in the way described by the Company in the convening notice.
7. By signing the Proxy, the Shareholder declares and warrants that he holds the Shares fully and unencumbered, and that there is no pledgee or usufructuary who pursuant to statutory provisions or the articles of association may exercise the voting right vested in the Shares.
8. The Proxy Holder is entitled to represent multiple Shareholders simultaneously.
9. The Proxy Holder excludes any liability for legal acts the Proxy Holder performs for and on behalf of the Shareholder based on the Proxy. The Shareholder indemnifies and holds harmless the Proxy Holder from any third party claims in respect of or in connection with (i) the Proxy and (ii) any legal act the Proxy Holder performs for and on behalf of the Shareholder based on the Proxy. Third parties cannot derive rights from the Proxy.
10. If the Shareholder holds shares on behalf of third parties professionally or in the course of his business, he warrants by signing the Proxy that he is authorised to grant the Proxy and that he has taken note of all the conditions he/she must fulfil in order to grant the Proxy, which arise from the relationship between the Shareholder and that other person.
11. If a trust office grants a proxy for the AGM to the Shareholder, stipulating that the proxy only take effect by signing the attendance list, this will not affect that the Proxy granted by the Shareholders to the Proxy-holder entitles him to sign the attendance list on behalf of the Shareholder.
12. The Proxy is governed by Dutch law.