## ANNEX I

**Agenda item 7 A: Appointment of Mrs K. Laglas as Supervisory Director**

During the financial year the Supervisory Board searched for a successor of Mr Pieter Haasbroek, who passed away in May 2017 and had vast real estate knowledge and experience.

After careful selection and with the assistance and advice of a reputable search firm, the Board of Supervisory Directors proposes to the Company's Annual General Meeting to be held on 5 November 2019, to appoint by way of a binding nomination pursuant to article 133 of Book 2 of the Dutch Civil Code Mrs Karin Laglas as Supervisory Director replacing Mr Haasbroek, for a period of four years, aforementioned period ending immediately after the annual general meeting in the year the appointment lapses. The Board of Supervisory Directors profile has been observed with regard to the proposed appointment.

The Board of Supervisory Directors has discussed the appointment of Mrs Laglas internally, and has taken account of the capabilities and experience of Mrs Laglas to be able to perform as Supervisory Director. Given the background and experience of Mrs Laglas the Board of Supervisory Directors recommends to vote in favour of the proposed appointment.

Mrs Karin Laglas (60) of Dutch nationality, was born in Rotterdam, The Netherlands, on 27 January 1959, and is a Dutch resident. She is currently Chief Executive Officer of Ymere, the biggest Dutch affordable housing investor with a portfolio of over € 10 billion.

Her curriculum vitae is enclosed herewith. Mrs Laglas is considered to be independent within the meaning of best practice provision 2.1.8 of the Dutch Corporate Governance Code and may be appointed Supervisory Director pursuant to the requirements set in article 142a of Book 2 of the Dutch Civil Code.

**Curriculum vitae Mrs Karin Laglas**

*Education*
Mrs Laglas is a graduate from the Delft University of Technology (M.Sc. in Civil Engineering) and has attended courses at a.o. Insead, Comenius and Nyenrode University.

*Professional experience*
Mrs Laglas started her career in 1985 with consultancy firm Twijnstra en Gudde and moved in 1990 to the MAB Group, an international retail development company where her last position was Chief Operating Officer. In 2004 she became Managing Director Rodamco Netherlands and Belgium and in 2007 she moved to OVG, a Dutch development company with a focus on sustainability. In 2009 she acted as interim-director of BNA, the Dutch Association of Architects and later became Faculty Dean (Architecture and the built environment) of Delft University and acted at the same time as professor Real Estate and Housing. In 2014 she was nominated as Chief Executive Officer of Ymere.
She is a Supervisory Board member of Royal De Vries Yachtbuilders (part of Feadship) and Board member of Arcam (Amsterdam Architecture Institute) and the Forum for Urban renewal.

*Competences*
During her career at MAB and Rodamco she has gained a deep knowledge of retail and has developed several large retail projects in Europe; she has also been living for two years in Paris. At Ymere Mrs Laglas is responsible for a company with 900 people and as a CEO she leads the asset management activities as well as investment and development.

Mrs Laglas does not hold shares or depositary receipts in the share capital of the Company.

## ANNEX II

### Agenda item 7 B: Supervisory Board's policy for proposed appointments

The Articles of Association of the Company provide inter alia that the Board of Supervisory Directors is authorized to make binding nominations to the General Meeting of Shareholders for the appointment of Managing Directors and Supervisory Directors.

The Nomination and Remuneration Committee consisting of Mr Carlo Croff and Mr Bas Steins Bisschop prepares the Supervisory Board's decision making in respect of binding nominations.

The following principles are applied for the binding nominations for the appointment of Supervisory Directors.

1. The Supervisory Board is composed of independent members, but may have one non-independent member. Currently Mr Carlo Croff is a non-independent member. Persons who have been Managing Directors or employees of the Company shall not be nominated.

2. The selection process for members of the Board of Supervisory Directors will include a search performed by a reputable suitably qualified firm on the basis of the profile of the Supervisory Board posted on the Company's website.

3. The most suitable candidate will be nominated.

The following principles are applied for the binding nominations for the appointment of Managing Directors.

1. The Board of Management is composed of members with appropriate expertise, back ground, competence and experience essential for the performance of their tasks and duties.

2. The selection process for members of the Board of Management will include a search performed by a reputable suitably qualified firm for internal and external candidates.

3. The most suitable candidate will be nominated.

## ANNEX III

## 2018/2019 REMUNERATION REPORT INCLUDING THE REMUNERATION POLICY OF EUROCOMMERCIAL PROPERTIES N.V.

**Introduction**

This report has been prepared by the Board of Supervisory Directors of Eurocommercial Properties N.V. (the "Company") and is available on the website of the Company. It addresses the remuneration policy of the Company and the remuneration for the members of the Board of Management and the Board of Supervisory Directors for the financial year 2019/2020, which will be proposed to the Annual General Meeting of Shareholders to be held on 5 November 2019 (section A and C) as well as the remuneration specifics for the financial year 2018/2019 (section B). This report will also address the way in which the policy will be pursued for the financial year 2019/2020 (section C). This report is an update of the 2017/2018 Remuneration Report of the Board of Supervisory Directors.

### A. Remuneration policy

**Goal**

The purpose of our remuneration policy is to attract, motivate and retain qualified executives and staff who will contribute to the success of the Company. The remuneration policy aims to reward management and key staff for their contribution to the performance of the Company and its group (the "Group").

**Work method**

The Board of Supervisory Directors proposes the general remuneration policy and implementation of that policy to the Annual General Meeting of Shareholders. The Annual General Meeting of Shareholders is therefore invited to approve both the policy and its implementation.

In order to implement the policy, the Board of Supervisory Directors reviews and discusses the remuneration of the members of the Board of Management at the end of each financial year. The level of remuneration for the members of the Board of Management reflects the differences in responsibilities of the Board members as well as their individual performance. The benchmark for remuneration of the Board of Management is the remuneration of Directors of international real estate companies with comparable positions, determined by the size and complexity of the organisation and the responsibilities of the Board members.

The Board of Supervisory Directors is informed about the level of remuneration for Property Directors. This level is linked to the European market and is comparable with the international (property) companies in the countries where the Company is active. External independent benchmarking of the remuneration for both the Board of Management and Property Directors has taken place from time to time. The latest report dated May 2018 has been prepared by Michael Lamb Associates of London and the peer group for benchmarking purposes consisted of 31 listed property companies and property organisations. This peer group included British Land, Hammerson, Intu, Land Securities, Segro, Klepierre, Mercialys, Unibail-Rodamco-Westfield, Deutsche Euroshop, Citycon, NSI, Vastned and Wereldhave, but also covered major real estate investment managers including Amundi, Schroder Group, Janus Henderson Group, Grosvenor, etc. and major real estate investors like CPPIB etc.

**Remuneration package**

The Company's remuneration package for employees and members of the Board of Management comprises the following elements:

- base salary – total annual gross fixed income including holiday allowance;
- short-term variable annual performance-related gross cash bonuses;
- long-term incentives through a performance depositary receipts plan;
- pension and other benefits.

***Base salary***

The base salary reflects the responsibilities and individual performance, in line with market standards, as described above. The total annual gross fixed income is determined each year in June and takes effect as from 1 July each year.

***Short-term variable cash bonuses***

Variable cash bonuses may be granted each year in addition to the base salary. Variable cash bonuses for executives and members of the Board of Management are entirely and directly linked to the annual growth in the Company's net asset value per share and dividend per share as well as the annual relative performance as per 30 June of the listed depositary receipts, representing ten ordinary shares each, in the capital of the Company compared to a peer group of ten listed retail property companies active in European and UK markets. This structure is in line with the Company's strategy of producing stable to rising dividends and adding long-term value to its property portfolio, all within a defensive risk profile, but also aligning itself further with its shareholders by linking bonuses to the relative outperformance of total shareholder return (return composed of dividend and increase in stock price) to its peer group. The ten listed retail property companies are Carmila, Citycon, Deutsche Euroshop, Hammerson, Intu, Klepierre, Mercialys, Unibail-Rodamco-Westfield, Vastned and Wereldhave.

These bonuses are calculated on the basis of (i) the published audited annual results of the Company for the financial year to which the bonuses relate and can therefore be verified directly using the published audited figures and (ii) the share performance report of Global Property Research, the Dutch specialist and producer of many indices for listed real estate companies, so that the data used to calculate the relative outperformance are provided by an independent external source.

The gross variable cash bonus is equal to the sum of the growth of the dividend per share, the growth of the net asset value per share and the relative outperformance of the total shareholder return for the year ending 30 June of the listed depositary receipts, representing ten ordinary shares each, in the capital of the Company compared to the aforesaid peer group of ten listed retail property companies of the Company, which sum is multiplied by six times the base salary of the year in which the bonus is paid out. Negative growth of either the dividend per share or the net asset value per share or relative underperformance of total shareholder return will not be taken into account when applying the aforesaid formula. Also, if total shareholder return outperforms the peer group but is still negative in absolute terms, it cannot contribute to a variable cash bonus. For information purposes, the following example is included:

- assumptions: annual base salary: € 300,000, dividend per share growth 2%, net asset value per share growth 1%;
- relative outperformance of total shareholder return: 3%
- gross variable cash bonus is: € 300,000 x 6 x {2% + 1% + 3% = 6%} = € 108,000

There is no minimum guaranteed variable cash bonus for members of the Board of Management. The variable cash bonus for members of the Board of Management is capped at one year's base salary and the relative outperformance can only produce such bonus up to a maximum of half of one year's base salary, which implies that the relative outperformance up to a maximum of 8.33% will be taken into account to avoid extreme results. Any variable cash bonus awarded on the basis of incorrect financial or other data may be recovered by the Company from members of the Board of Management (claw back clause). During the last ten years, variable cash bonuses ranged between 8% and 100% of base salaries. Variable bonuses are usually paid in the first quarter in which the annual results of the Company are published.

***Long-term incentives***
Since 2000 the Company had a long-term incentive scheme for Group employees and directors in the form of a Stock Option Plan. The plan had a number of conditions relating to the performance of the Company in terms of net asset value and dividend growth, but suffered from the fact that the scheme by its very nature encouraged employees to exercise the options when these were in the money, but did not result in long-term shareholdings by employees in the capital of the Company.

In 2012 the option scheme was replaced with the annual grant of free long-term Performance Shares (depositary receipts), which are conditional upon the meeting of Company performance targets and that the employee remains with the Company for more than three years from the grant of the Performance Shares and holds them from that vesting date for a further two years. The details of the scheme are as follows:-

Entitlement
All permanent employees and directors of the Company.

Date of annual grant
If the Annual General Meeting of Shareholders of the Company has approved the remuneration report the Performance Shares will be granted immediately after the last day of the blackout period after the publication of the Company's first quarter results in November or after the ex-dividend date, if that date is later than the publication date.

Conditions of grant
The employee will be granted Performance Shares that vest after three years on condition that the employee remains employed by the Company and retains them for a further two years after the vesting date. The Performance Shares will be formally blocked by the Company to ensure compliance, but a concession can be made to allow the sales of sufficient Performance Shares to enable the payment of any relevant national income tax and social security charges.

Holders of blocked Performance Shares will nevertheless be entitled to full dividend and other shareholders' rights after the vesting date.

Calculation of award of long-term Performance Shares

For this year the number of Performance Shares to be granted will be calculated as follows:

1. The base salary of the employee will be multiplied by three and a percentage taken of this figure as follows: -
2. The percentage increase in the audited net asset value per share of the Company will be added to the percentage increase of the dividend per share of the Company and the sum of these percentages will be added to the annual relative performance as per 30 June of the listed depositary receipts, representing ten ordinary shares each, in the capital of the Company compared to the aforesaid peer group of ten listed retail property companies. The resulting total percentage will be applied to the grossed up salary as defined under 1) above.
3. The basic formula will be subject to the condition that, at the end of the three year vesting period, the growth of each of the Company's net asset value per share and dividend per share must have risen at least 6% each over the three year vesting period. This implies that half of the Performance Shares are conditional upon the growth of the dividend per share of at least 6% over the three year vesting period and the other half of the Performance Shares are conditional upon the growth of the net asset value per share of at least 6% over the three year vesting period. In case of a lower growth rate, a proportionally lower percentage of the number of Performance Shares granted will vest.
4. The result of multiplying three times the employee's base salary by the percentage arrived at under 3) above will be divided by the market price of a Performance Share (depositary receipt) at close of trading on the day of the grant, thus arriving at a number of Performance Shares to be granted. The calculation can be demonstrated by the following example:

| | | |
|---|---|---|
| Annual Salary | | € 100,000 |
| X3 | | € 300,000 |
| | | |
| Dividend Growth | 2% | |
| Net Asset Growth | 1% | |
| Relative performance | 3% | |
| | | |
| Total Growth | 6% | |
| X € 300,000 = | | € 18,000 |
| | | |
| Divided by share price | | |
| - Say € 30 = | | 600 Performance Shares |

Cap on number of Performance Shares to be granted

The amount to be divided by the price of depositary receipts on the day of granting cannot exceed 50% of one year's base salary and the relative outperformance of total shareholders return can only produce such amount up to a maximum of 10% of one year's base salary, which implies that the relative outperformance up to a maximum of 3.33% will be taken into account to avoid extreme results. Also, if total shareholder return outperforms the peer group but is still negative in absolute terms, it cannot contribute to the granting of Performance Shares. Performance Shares are granted under the condition that the number of Performance Shares could be adjusted at the vesting date, if such number would be unfair due to extraordinary circumstances. Any Performance Shares granted to members of the Board of Management on the basis of incorrect financial or other data may be recovered by the Company from these members (claw back clause).

The introduction of Performance Shares did not imply that any options granted under the Stock Option Plan in the past were cancelled.

***Pension and other benefits***

The Company has a competitive package of benefits. Members of the Board of Management and (some) Group employees receive allowances and benefits in accordance with the general Group rules. These benefits include, in some cases, usage of a company car or a travel or housing allowance, health insurance and travel and accident insurance. Pension plans differ from country to country. All offices of the Company have their own pension plans or follow the local (state) pension practice. For The Netherlands, the pension scheme is based on a defined contribution plan. For the United Kingdom pensions are mostly based on defined benefits plans with capped pensionable salaries. Three members of the Board of Management have joined a pension scheme. This scheme is a defined contribution scheme for Mr Fraticelli and Mr Van Garderen with current annual premiums being capped using a maximum pensionable salary of € 107,593, which is now the compulsory maximum cap in The Netherlands (in previous years the maximum was € 170,000). The Company makes an annual gross-up compensation payment of 23.3% of the difference between the old and the new maximum pensionable salary. Mr Mills is a deferred member of the defined benefit scheme and receives an annual gross-up compensation payment of 40% of the UK earnings cap, as he opted out of the pension scheme.

## B. Remuneration in 2018/2019

**Remuneration of the Board of Management**
In the reporting year, the Company's remuneration policy resulted in the following variable and non-variable rewards to the Board of Management.

**Specification of the base salaries, variable cash bonuses, pension premiums and social security charges for the Board of Management (Mr Lewis and Mr Van Garderen) for the financial years 2001/2002 to 2017/2018 included.**

**At the previous Annual General Meeting of 6 November 2018 Mr Fraticelli and Mr Mills were appointed as members of the Board of Management.**

| (Amounts in € '000) | J.P. Lewis | E.J. van Garderen | Total |
|---|---|---|---|
| **Base salary** | | | |
| 2017/2018 | 689 | 450 | 1,139 |
| 2016/2017 | 689 | 435 | 1,124 |
| 2015/2016 | 689 | 435 | 1,124 |
| 2014/2015 | 677 | 415 | 1,092 |
| 2013/2014 | 616 | 415 | 1,031 |
| 2012/2013 | 563 | 381 | 944 |
| 2011/2012 | 498 | 369 | 867 |
| 2010/2011 | 467 | 351 | 818 |
| 2009/2010 | 451 | 334 | 785 |
| 2008/2009 | 451 | 334 | 785 |
| 2007/2008 | 450 | 318 | 768 |
| 2006/2007 | 488 | 318 | 806 |
| 2005/2006 | 482 | 318 | 800 |
| 2004/2005 | 445 | 306 | 751 |
| 2003/2004 | 443 | 294 | 737 |
| 2002/2003 | 435 | 285 | 720 |
| 2001/2002 | 417 | 272 | 689 |
| **Variable cash bonuses** | | | |
| 2017/2018 | 465 | 305 | 770 |
| 2016/2017 | 430 | 281 | 711 |
| 2015/2016 | 623 | 435 | 1,058 |
| 2014/2015 | 386 | 231 | 617 |
| 2013/2014 | 362 | 234 | 596 |
| 2012/2013 | 111 | 77 | 188 |
| 2011/2012 | 73 | 49 | 122 |
| 2010/2011 | 464 | 326 | 790 |
| 2009/2010 | 200 | 143 | 343 |
| 2008/2009 | 46 | 34 | 80 |
| 2007/2008 | 215 | 164 | 379 |
| 2006/2007 | 526 | 356 | 882 |
| 2005/2006 | 433 | 250 | 683 |
| 2004/2005 | 293 | 201 | 494 |
| 2003/2004 | 201 | 140 | 341 |

| | | | |
|---|---|---|---|
| 2002/2003 | 109 | 73 | 182 |
| 2001/2002 | 250 | 169 | 419 |
| **Pension premiums and compensation** | | | |
| 2017/2018 | 0 | 50 | 50 |
| 2016/2017 | 0 | 57 | 57 |
| 2015/2016 | 0 | 49 | 49 |
| 2014/2015 | 0 | 37 | 37 |
| 2013/2014 | 0 | 37 | 37 |
| 2012/2013 | 0 | 37 | 37 |
| 2011/2012 | 0 | 37 | 37 |
| 2010/2011 | 0 | 37 | 37 |
| 2009/2010 | 0 | 37 | 37 |
| 2008/2009 | 0 | 37 | 37 |
| 2007/2008 | 0 | 38 | 38 |
| 2006/2007 | 0 | 41 | 41 |
| 2005/2006 | 7 | 41 | 48 |
| 2004/2005 | 7 | 40 | 47 |
| 2003/2004 | 7 | 37 | 44 |
| 2002/2003 | 6 | 34 | 40 |
| 2001/2002 | 7 | 29 | 36 |
| **Total rewards** | | | |
| 2017/2018 | 1,154 | 805 | 1,959 |
| 2016/2017 | 1,119 | 773 | 1,892 |
| 2015/2016 | 1,312 | 919 | 2,231 |
| 2014/2015 | 1,063 | 683 | 1,746 |
| 2013/2014 | 978 | 686 | 1,664 |
| 2012/2013 | 674 | 495 | 1,169 |
| 2011/2012 | 571 | 455 | 1,026 |
| 2010/2011 | 931 | 714 | 1,645 |
| 2009/2010 | 651 | 514 | 1,165 |
| 2008/2009 | 497 | 405 | 902 |
| 2007/2008 | 665 | 520 | 1,185 |
| 2006/2007 | 1,014 | 715 | 1,729 |
| 2005/2006 | 922 | 609 | 1,531 |
| 2004/2005 | 745 | 547 | 1,292 |
| 2003/2004 | 651 | 471 | 1,122 |
| 2002/2003 | 550 | 392 | 942 |
| 2001/2002 | 674 | 470 | 1,144 |
| **Social security charges** | | | |
| 2017/2018 | 148 | 48 | 196 |
| 2016/2017 | 138 | 9 | 147 |
| 2015/2016 | 183 | 6 | 189 |
| 2014/2015 | 151 | 7 | 158 |
| 2013/2014 | 128 | 7 | 135 |
| 2012/2013 | 77 | 8 | 85 |
| 2011/2012 | 72 | 8 | 80 |
| 2010/2011 | 74 | 5 | 79 |
| 2009/2010 | 80 | 8 | 88 |

| | | | |
|---|---|---|---|
| 2008/2009 | 63 | 10 | 73 |
| 2007/2008 | 84 | 6 | 90 |
| 2006/2007 | 127 | 7 | 134 |
| 2005/2006 | 114 | 5 | 119 |
| 2004/2005 | 87 | 4 | 91 |
| 2003/2004 | 83 | 4 | 87 |
| 2002/2003 | 59 | 4 | 63 |
| 2001/2002 | 76 | 5 | 81 |
| **Total** | | | |
| 2017/2018 | 1,302 | 853 | 2,155 |
| 2016/2017 | 1,257 | 782 | 2,039 |
| 2015/2016 | 1,495 | 925 | 2,420 |
| 2014/2015 | 1,214 | 690 | 1,904 |
| 2013/2014 | 1,106 | 693 | 1,799 |
| 2012/2013 | 751 | 503 | 1,254 |
| 2011/2012 | 643 | 463 | 1,106 |
| 2010/2011 | 1,005 | 719 | 1,724 |
| 2009/2010 | 731 | 522 | 1,253 |
| 2008/2009 | 560 | 415 | 975 |
| 2007/2008 | 749 | 526 | 1,275 |
| 2006/2007 | 1,141 | 722 | 1,863 |
| 2005/2006 | 1,036 | 614 | 1,650 |
| 2004/2005 | 832 | 551 | 1,383 |
| 2003/2004 | 734 | 475 | 1,209 |
| 2002/2003 | 609 | 396 | 1,005 |
| 2001/2002 | 750 | 475 | 1,225 |

**Specification of the base salaries, variable cash bonuses, pension premiums and social security charges for the Board of Management for the financial year 2018/2019:**

| Amounts in € '000 | J.P. Lewis | E.J. van Garderen | R. Fraticelli | J.P.C. Mills |
|---|---|---|---|---|
| Base Salary | 723 | 475 | 339 | 302 |
| Variable cash bonus | 60 | 40 | 42 | 37 |
| Pension premium/compensation | - | 53 | 62 | 48 |
| Total rewards | 188 | 126 | 84 | 78 |
| Social security charges | 110 | 10 | 7 | 36 |
| Total overall | 1,081 | 704 | 534 | 510 |

***Base salary***

The base salary for J.P. Lewis for the financial year 2018/2019 compared to the financial year 2017/2018 increased to € 723,000. The base salary for E.J. van Garderen for the financial year 2018/2019 increased to € 475,000. Regarding Mr Fraticelli and Mills the financial year 2018/2019 was their first year as member of the Board of Management and therefore only their remuneration since the appointment date is recognised in the above table.

***Variable cash bonuses***
Variable cash bonuses are awarded over the financial year to which they relate and reflect the growth of the net asset value per share and of the dividend per share and relative outperformance of total shareholders return realised, as described above. For the financial year 2018/2019 using the above described formula, J.P. Lewis, R. Fraticelli, E.J. van Garderen and J.P.C. Mills are awarded a gross cash bonus equal to 8% of the relevant base salary.

***Long-term incentive – stock option plan***
As at 30 June 2019, no member of the Board of Management hold any options. Only some other executives and employees of the Group hold 68,808 options representing 0.14% of the current issued share capital of the Company.

No options have been granted since 2010 as the option scheme has been replaced by the Performance Shares plan.

***Long-term incentive – Performance Shares***
The movements in Performance Shares (PS) granted under the Performance Shares Plan are highlighted in the table below:

| | J.P. Lewis | E.J. van Garderen | J.P.C. Mills | R. Fraticelli | Total |
|---|---|---|---|---|---|
| Number of PS at 30/06/18 | 25,027 | 16,547 | 17,225 | 13,931 | 72,730 |
| 2018/2019 movements in PS | | | | | |
| Not vested | 0 | 0 | 0 | 0 | 0 |
| Sold | 0 | 0 | (1,971) | 0 | (1,971) |
| Granted | 4,179 | 2,746 | 2,609 | 2,934 | 12,468 |
| Number of PS at 30/06/19 | 29,206 | 19,293 | 17,863 | 16,865 | 83,227 |

The outstanding 83,227 Performance Shares held by the Board of Management represent 0.171% of the current issued share capital of the Company.

The 12,468 Performance Shares granted in 2018 are conditional as explained on page 3 of this report, and will become unconditional on 12 November 2023, provided the conditions prevailing are met. At the date of granting of these Performance Shares the fair value per Performance Share was € 24.04.

The amount charged to the profit and loss account for the 12,468 Performance Shares granted in November 2018, the 17,868 Performance Shares granted in November 2017, the 27,699 Performance Shares granted in November 2016 and the 12,762 Performance Shares granted in November 2015 was € 474,634 for the financial year 2018/2019.

As at 30 June 2019 other executives and employees of the Group hold 56,695 Performance Shares representing 0.08% of the current issued share capital of the Company.

The scenario analyses as referred to in best practice provision 3.2.1 of the Code have been carried out.

***Pension***
All pension costs as explained above are incurred by the Company.

***Other arrangements***
All members of the Board of Management were employed on indefinite contracts, but have accepted the amendments that (i) they are appointed for a maximum period of four years (appointment of Mr Lewis and Van Garderen on 1 November 2016 and Mr Fraticelli and Mr Mills on 6 November 2018)) and subsequently may be reappointed for a term of not more than four years at a time and that (ii) the amount of compensation which they may receive on termination of their employment may not exceed one year’s base salary. There are no loans granted by the Company to the members of the Board of Management and there are no guarantees issued by the Company for the members of the Board of Management.

***Shareholdings***
J.P. Lewis and entities associated with him hold 1,077,004 depositary receipts, which include 10,235 vested Performance Shares, in total representing 2.16% of the issued share capital of the Company. E.J. van Garderen holds 23,994 depositary receipts, which includes 6,493 vested Performance Shares, in total representing 0.05% of the issued share capital of the Company. R. Fraticelli holds 3,211 depositary receipts, which includes 3,211 vested Performance Shares, in total representing 0.01% of the issued share capital of the Company. J.P.C. Mills holds 27,075 depositary receipts, which includes 6,493 vested Performance Shares, in total representing 0.05% of the issued share capital of the Company.

***Internal pay ratio***
The amended Netherlands Corporate Governance Code (principle 3.4.1, item iv) recommends to provide an internal pay ratio. The Company’s internal pay ratio is based on the Company’s financial reporting under IFRS and calculated as the total compensation of the Chief Executive Mr J.P. Lewis as disclosed in note 29 to the consolidated financial statements for the financial year ended 30 June 2019 divided by the average employee compensation in the Group as disclosed in note 9 to the consolidated financial statements for the financial year ended 30 June 2019. This results in a ratio of 6.4 (2017/2018: 6.4).

**Remuneration of the Board of Supervisory Directors**
In the reporting year, the total remuneration of the Board of Supervisory Directors amounted to € 249,000 and is specified below.

**Specification of the remuneration of the Board of Supervisory Directors for the financial years 2009/2010 to 2018/2019**

| (Amounts in € '000) | 18/19 | 17/18 | 16/17 | 15/16 | 14/15 | 13/14 | 12/13 | 11/12 | 10/11 | 09/10 |
|---|---|---|---|---|---|---|---|---|---|---|
| Previous board members | 0 | 0 | 45 | 42 | 69 | 109.6 | 180 | 170 | 160 | 150 |
| E.R.G.M. Attout | 31 | | | | | | | | | |
| C. Croff | 47 | 46 | 45 | 42 | 39 | 24.3 | | | | |
| B.M. Carrière | 47 | 46 | 45 | 42 | 26 | | | | | |
| R.R. Foulkes | 16 | 46 | 45 | 42 | 26 | | | | | |
| J.Å. Persson | 47 | 46 | 45 | 42 | 39 | 24.3 | | | | |
| B.T.M. Steins Bisschop | 61 | 60 | 59 | 55 | 33 | | | | | |
| | ------ | ------ | ------- | ------ | ------ | ------- | ------- | ------- | ------- | ------- |
| Total | 249 | 244 | 284 | 265 | 232 | 195.2 | 180 | 170 | 160 | 150 |

Members of the Board of Supervisory Directors do not receive options on (or compensation in) depositary receipts in the Company, nor will personal loans or guarantees be granted to them by the Company.

As at 30 June 2019 members of the Board of Supervisory Directors held no depositary receipts in the Company.

**Other employees**
As at 30 June 2019 employees, excluding the Board of Management, held in total 81,405 depositary receipts, representing in total 0.16% of the issued share capital in the Company.

## C. Remuneration policy in 2019/2020

In 2018/2019, the remuneration policy as stated above was pursued. It is the intention that the current policy will be continued in the next financial year.

It is proposed that with respect to the base salaries of the members of the Board of Management for the financial year 2019/2020 the base salaries will remain unchanged.

For the senior executives the result of the benchmark study held in the spring of 2018 is used as guidance, resulting in increases ranging between 1% and 8% of base salaries.

It is proposed that under the existing Performance Shares Plan a certain number of Performance Shares is granted to permanent employees and directors of the Company based upon the financial results for the financial year ended 30 June 2019 and the relative outperformance of total shareholders return for the year up to 30 June 2019. This implies the issue of Performance Shares in November 2019, which reflect a value of approximately 4% of base salaries having regard to the basic formula explained in this report, as the growth of the dividend is limited and the net asset value and the relative outperformance do not contribute to the granting of Performance Shares.

It is also proposed that for the financial year 2019/2020 the remuneration for the Board of Supervisory Directors will remain unchanged.

## ANNEX IV

### Agenda item 10: Re-Appointment of auditors

The Board of Supervisory Directors independently assessed the performance of KPMG Accountants N.V., with seat in Amstelveen, as auditors to the Company. Based upon the work performed, the reports issued, the audit process and the discussions with the auditors, the Board of Supervisory Directors proposes to re-appoint KPMG Accountants as auditors of the Company for the financial year 2020/2021.

KPMG Accountants N.V. has only rendered audit services and has not provided any tax, legal or other advice or services to the Company, with the exception of one confirmation statement in respect of the dividend distribution of the Company which is always required by the French Tax authorities, to maintain the SIIC tax status in France. The currently responsible partner with KPMG Accountants N.V. is Mr Hans Grönloh, one of the practice leaders for the real estate industry.

## ANNEX V

**Agenda item 11: Authorisation to issue Shares and/or Options and to limit or exclude pre-emptive rights**

Additional information on the proposal to authorise the Board of Management, subject to approval of the Board of Supervisory Directors, to issue shares or grant rights to subscribe for shares, and to limit or exclude pre-emptive rights attached to such shares or rights.

Since the inception of the Company the General Meeting has annually granted the authority to issue shares and/or rights to subscribe for shares to the meeting of holders of priority shares for a period of three years and for a number of shares being the balance between the authorised share capital and the issued share capital. The same authorisation has been granted in respect of the sale and transfer of bought back shares and depositary receipts. Since the amendment of the Articles of Association per 7 November 2018, this power has been granted to the Board of Management. This has enabled the Company to act swiftly with regard to capital market transactions and these powers have been used in the past to strengthen the shareholders' equity by various share issues.

The Company has issued shares eight times in its history, most recently in May 2015, to raise capital for acquisitions and extension projects. Since its introduction in 1995, the number of shares issued per annum in the past fifteen years has never exceeded 10% of the Company's issued share capital (including the stock dividend, which has ranged between 0.3% and 2.3% of the issued share capital per annum).

All Dutch peers of the Company have similar structures often with corporate bodies, but other bodies than the shareholders' meeting, having the ongoing power to issue shares and/or options. It is believed to be important that the Company has a flexible structure to raise capital, but equally it is important that shareholders consider every year whether they wish to continue to grant the designation.

Having due regard to suggestions and remarks made by some investors it is proposed, like it was proposed and accepted in the previous six years, to (i) limit the designation period to almost twenty months, i.e. to 30 June 2021, instead of the statutory period of five years, so that the authorisation covers not more than the next financial year, and to (ii) limit the number of shares and/or rights to subscribe for shares for the first time to only 10% (N.B. up until 2018/2019 20% was proposed and approved by the AGM) of the issued share capital of the Company, instead of the higher statutory percentages, to bring this limit in line with the latest international practise. This shorter term and reduced percentage resulted in the last years in majorities which voted in favour of the authorisation proposal (91.8% in 2013, 92.5% in 2014, 87.9% in 2015, 91.5% in 2016 and 75.6% in 2017, 68.2 % in 2018).

If this authorisation is granted by the General Meeting, the existing authorisation for 20% as granted per 6 November 2018 will cease to apply as per the date of the General Meeting.

## ANNEX VI

### Agenda item 12: Authorisation to repurchase Shares and/or Depositary Receipts

Additional information on the proposal to authorise the Board of Management to repurchase shares and/or depositary receipts.

Since the inception of the Company, shareholders annually authorised the Board of Management to repurchase shares and/or depositary receipts within the limits set out by the Dutch Civil Code. In November and December 2006 the Company, for the first time since its inception, bought back the same number of depositary receipts which had been issued as stock dividend. In November and December 2007, May and June 2008 and during the period 5 June 2014 to 1 September 2014, the Company bought back depositary receipts to cover (possible) exercises of options by staff of the Company.

With effect from 14 June 2019 the Company started to repurchase its depositary receipts with a market value up to € 20 million for the purpose of returning capital to its holders of depositary receipts, as first announced in its press release of 12 June 2019. The programme was successfully completed on 29 July 2019. 835,420 depositary receipts were bought back at an average price of € 23.94 compared to a much higher net asset value. This number of depositary receipts bought back represents 1.67% of the Company's issued share capital.

Prior to November 2006 the Company had never bought back any shares and/or depositary receipts, but the Board of Supervisory Directors and the Board of Management believe that this tool should be available to the Company as it is a tool regularly used by listed companies. The authority to buy back is also an important tool with a view to the conditionally granted and to be granted Performance Shares to staff, which Performance Shares will vest in due course. The Company may use this tool to comply with its obligation to transfer these Performance Shares to staff.

Furthermore, all Dutch peers of the Company have corporate structures where this power is or can be delegated to management in order to offer a very flexible capital structure to real estate companies. The Dutch Civil Code offers the possibility to repurchase up to a maximum of 50% of the issued share capital and provides for a maximum term of such authorisation of 18 months. The Articles of Association of the Company also limit the number of shares/depositary receipts to be repurchased to 50% of the issued capital. The Company believes it is important that it has a flexible structure to in effect reduce capital, but equally it is important that shareholders consider every year whether they wish to continue to grant the authorisation. The Board of Management wishes to ask the authorisation for only 20% of the issued capital, although having regard to the law and the articles of association a higher percentage up to 50% would be allowed. The Board of Management believes that 20% provides sufficient room in case of a buy back.

Therefore, it is proposed to authorise the Board of Management to repurchase shares and depositary receipts for shares for a period ending 31 December 2020, up to a maximum of 20% of the issued share capital of the Company on 5 November 2019, on a stock exchange or otherwise, for a price being equal to or ranging between the nominal value and the higher of the prevailing net assets value or the prevailing stock market price. If this authorisation is approved by the General Meeting, the existing authorisation as granted per 6 November 2018 will cease to apply.