

## APPENDIX I : REMUNERATION POLICY FOR MEMBERS OF THE EXECUTIVE COMMITTEE

The Company compiles a remuneration report which constitutes a specific section of the Corporate Governance declaration and which includes a description of the internal procedure adopted to (i) work out a policy concerning the remuneration of non-executive Directors and members of the Executive Committee and (ii) to fix the level of remuneration of non-executive Directors and members of the Executive Committee

The company also publishes in its remuneration report a declaration on the remuneration policy adopted for each member of the Executive Committee. Any significant change in this remuneration policy in relation to the company's financial year, which is the subject of an annual report, must be explicitly shown in the remuneration report.

### **I. GENERAL PRINCIPLES**

The remuneration of Executive Committee members is determined by the Board of Directors on the basis of recommendations by the Appointments, Remuneration and Corporate Governance Committee.

The remuneration policy seeks to ensure that the remuneration of members of the Executive Committee is fair and appropriate to attract, retain and motivate the Management and is reasonable taking into account the Company's economic aspect and the practice of other businesses listed on the stock market and judged appropriate as a benchmark by the Appointments, Remuneration and Corporate Governance Committee.

### **II. ELEMENTS MAKING UP THE REMUNERATION**

The remuneration package of Executive Committee members has the following components: fixed remuneration, short-term variable remuneration, long-term variable remuneration, the savings and provident scheme and the pension forecasts

The fixed remuneration of members of the Executive Committee is determined according to their individual responsibilities and competences. It is completely independent of any result.

The variable remuneration is intended to reward the collective and individual contribution of members of the Executive Committee. Its amount is determined according to the effective achievement of the financial and qualitative objectives and more precisely the realisation of the Company's annual budget: the growth of revenue per share according to the criteria fixed every year, the occupancy rate of the properties, the overall appreciation and any other parameter decided on

by the Board of Directors on the proposal of the Appointments, Remuneration and Corporate Governance Committee. The criteria for the assessment of performances with regard to the objectives are published in the remuneration report; however, this information is indicated in such a way as not to reveal any confidential data on the company's strategy.

The variable remuneration amounts in principle ("target") to 50% of the fixed remuneration, but can be raised without exceeding 75%. As from the financial year 2013, and strictly applying the law of 06.04.2010, the Board of Directors has decided to grant half of the variable remuneration in the form of a stock bonus. The Board of Directors may, within its sole discretion, decide to grant the entire or a part of the variable remuneration being part of a payment plan, or not, taking the form of unilateral pension promises.

The stock option plan's main objectives are maximising on the long term the value of Cofinimmo through aligning the management's interests with those of the shareholders, and reinforcing the vision on the long term.

The savings and providence scheme and pension forecasts aim to reduce as far as possible the difference between resources before and after retirement. Supplementary pensions are exclusively financed by Cofinimmo's contributions.

The remunerations thus paid to members of the Executive Committee reward all their services in their capacity as Directors.

The amount of remuneration paid to members of the Executive Committee is published each year in the company's annual report. More precisely, the Company communicates in its annual report:

1. On an individual basis, the remuneration and other benefits paid directly or indirectly to the Chairman of the Executive committee by the Company or any other subsidiary belonging to the Group, divided as follows:
  - The fixed remuneration,
  - The short-term variable remuneration (bonus); any bonus related to the financial year just closed,
  - The long-term variable remuneration (share options),
  - The savings and providence scheme and the pension forecasts,
  - Other components of the remuneration, such as insurance cover, the monetary value of other company benefits with an explanation and, if applicable the amounts of the main components.
2. The overall remuneration and other benefits accorded, directly or indirectly, to all the other members of the Executive Committee by the Company or any other subsidiary belonging to the Group, divided as follows:
  - The fixed remuneration,
  - The short-term variable remuneration (bonus); any bonus related to the financial year just closed,
  - The long-term variable remuneration (share options),
  - The savings and providence scheme and the pension forecasts,
  - Other components of the remuneration, such as insurance cover, the monetary value of other company benefits with an explanation and, if applicable the amounts of the main components.
3. The main clauses relating to terms and conditions for concluding and terminating work contracts.

### **III. ASSESSMENT PROCEDURE FOR MEMBERS OF THE EXECUTIVE COMMITTEE**

Under the guidance of the Appointments, Remuneration and Corporate Governance Committee and the Chairman, the Board of Directors assesses the Executive Committee's size, performances and the interaction with the Board.

This assessment has four aims:

- Judging the working of the Executive Committee;
- Assessing the effective contribution of each member of the Executive Committee;
- Checking how far the objectives have been achieved and,
- Checking if the current composition of the Executive Committee corresponds to that which is desirable.

The assessment of the Executive Committee is conducted in accordance with a process established by the Appointments, Remuneration and Corporate Governance Committee and approved by the Board of Directors. It is included as an item for decision in the agenda of the Board of Directors.

