

## Remuneration report

### Remuneration policy for non-executive Directors

The independent and non-executive Directors receive an annual fixed remuneration of € 10,000 (the chairman receives an fixed annual remuneration of € 20,000). The Directors also receive an attendance fee of € 1,000 for each meeting of the Board of Directors (the chairman receives an attendance fee of € 2,000) and € 500 for each meeting of the Audit Committee or the Remuneration Committee they attend.

For further details of the remuneration policy of the Directors we refer to Annex 2 point 6.1 of the VGP Corporate Governance Charter.

Non-executive Directors do not receive any remuneration linked to performance or results.

The remuneration of the members of the Board of Directors is reflected in the table below:

NAME <i>amounts in €</i>	FIXED REMUNERATION	VARIABLE BOARD ATTENDANCE	VARIABLE COMMITTEE ATTENDANCE	TOTAL
<b>CHAIRMAN</b>				
MAREK ŠEBEŠŤÁK	20,000	10,000	1,500	31,500
<b>DIRECTORS</b>				
ALEXANDER SAVERYS	10,000	5,000	1,000	16,000
RIJO ADVIES BVBA represented by JOS THYS	10,000	6,000	3,000	19,000
VM INVEST NV represented by BART VAN MALDEREN	10,000	6,000	3,000	19,000
JAN VAN GEET s.r.o. represented by JAN VAN GEET	10,000	6,000	—	16,000
<b>TOTAL</b>	<b>60,000</b>	<b>33,000</b>	<b>8,500</b>	<b>101,500</b>

### Remuneration policy for Executive Management

For the Executive Management the remuneration is determined by the Remuneration Committee in line with the rules described in the company's charter Annex 2 point 6.2 of the VGP Corporate Governance Charter.

The Executive Management consists of Jan Van Geet s.r.o. represented by Jan Van Geet (Chief Executive Officer), Jan Prochazka (Chief Operating Officer), Dirk Stoop BVBA represented by Dirk Stoop (Chief Financial Officer), Tomas Van Geet s.r.o. represented by Tomas Van Geet (Chief Commercial Officer) and Jan Papoušek s.r.o. represented by Mr Jan Papoušek (Chief Operating Officer – Outside CZ).

VGP strives overall for a position above the market median on the total reward position with a substantial variable part based on company, team and individual performance.

Given the small organisation of the Group the VGP remuneration including the variable remuneration is set based on the performance criteria defined by the Remuneration Committee on an annual basis and paid out in cash. These criteria relate amongst others to the occupancy rate of the income generating assets, the gearing level of the Group, the profit contribution of the development activities and the maximisation of shareholder value.



The Remuneration Committee will from time to time approve an overall variable remuneration envelope based on the company's performance and delegates the effective allocation of this variable remuneration to the CEO. The allocation by the CEO to executive and senior management will occur based on individual performance taking the overall performance criteria as set by the Remuneration Committee into consideration.

The remuneration policy is reviewed on an annual basis to accommodate potential developments in (labour) market characteristics, company strategy, company and individual performance as well as other relevant factors influencing the performance and motivation of the management team. Currently VGP expects to continue the current practice for the next two financial years.

#### *Remuneration package 2016 of the CEO*

- fixed remuneration of € 300,000 and a total directorship remuneration of € 16,000
- short term variable remuneration: € 0
- contribution of retirement benefits: € 0
- other components of the remuneration: € 35,160 (includes company car and related expenses)

#### *Total remuneration 2016 for the executive management*

The amount of the remuneration and other benefits granted directly or indirectly to the executive management members other than the Chief Executive Officer, by the Company or its subsidiaries, in respect of 2016 is set forth below on a global basis.

- fixed remuneration of € 565,632
- short term variable remuneration: € 700,000
- contribution of retirement benefits of € 35,963
- other components of the remuneration: € 71,161 (company car and related expenses)



#### *Mid-term variable remuneration Little Rock SA*

Little Rock SA is responsible for the Group's daily management, financial management and commercial management and is represented for this purpose by the CEO (Mr Jan Van Geet), CFO (Mr Dirk Stoop) and CCO (Mr Tomas Van Geet) respectively. As a consideration for rendering such services, Little Rock SA is entitled to receive a fixed fee, a short-term variable fee subject to certain criteria being met, and a mid-term variable fee of 5% of the profits before taxes of the Group on a consolidated basis, in return for Little Rock SA's (and the aforementioned managers') commitment to observe the Group's daily, financial and commercial management for a period of five years (starting April 2015).

The fixed fee and short term variable remuneration has been included in the remuneration overview of the CEO and the executive management.

The mid-term variable remuneration allocated to Little Rock for 2016 amounts to € 5,951,356 and has been fully provided for in the 2016 consolidated accounts. This amount will be paid out over the next three years at a rate of 1/3 per annum. The aggregate amount which will therefore be paid out in 2017 covering the periods 2015 (1/3) and 2016 (1/3) amounts to € 3,722,209.

For 2016 no post-employment benefits nor share based payment benefits were granted.

The members of the executive team are appointed for an undetermined period and the notification period, in case of termination of their employment contract is 12 months. This rule applies to all members of the executive management.

Furthermore there are no claw back provisions for variable remuneration.