



**NEPI
ROCKCASTLE**



**DUTCH CORPORATE
GOVERNANCE CODE**

The revised Dutch Corporate Governance Code 2016 (the **Code**) as drawn up by the Monitoring Committee for Dutch Corporate Governance, was published on 8 December 2016. The Code consists of principles and best practice provisions regarding the corporate governance of Dutch listed companies and the associated accountability towards shareholders. Dutch listed companies, including NEPI Rockcastle NV, are required to apply the principles and best practice provisions of the Code or to explain where they deviate. This paper, which will be updated annually, describes how NEPI Rockcastle applied the Code for the financial year ended December 31, 2022, and where applicable, the deviations thereto. The Group recognizes that compliance with the code provisions needs continuous attention. The Monitoring Committee has published an updated version of the code applicable by the companies for the financial year starting January 2023, which the Group recognizes and targets alignment.

NEPI Rockcastle has a one-tier Board of Directors, and compliance against the Code has been shaped considering this structure. Given the one-tier Board structure, the functions of the supervisory board are fulfilled by the non-executive members of the Board.

Principle 1.1 Long-term value creation

The management board is responsible for the continuity of the company and its affiliated enterprise. The management board focuses on long-term value creation for the company and its affiliated enterprise, and takes into account the stakeholder interests that are relevant in this context. The supervisory board monitors the management board in this.

1.1.1 Long-term value creation strategy

The management board should develop a view on long-term value creation by the company and its affiliated enterprise and should formulate a strategy in line with this. Depending on market dynamics, it may be necessary to make short-term adjustments to the strategy.

When developing the strategy, attention should in any event be paid to the following:

- i. the strategy's implementation and feasibility;
- ii. the business model applied by the company and the market in which the company and its affiliated enterprise operate;
- iii. opportunities and risks for the company;
- iv. the company's operational and financial goals and their impact on its future position in relevant markets;
- v. the interests of the stakeholders; and
- vi. any other aspects relevant to the company and its affiliated enterprise, such as the environment, social and employee-related matters, the chain within which the enterprise operates, respect for human rights, and fighting corruption and bribery.

NEPI Rockcastle Group applies this best practice provision.

Strategy development and key issues covered in:

- Corporate Governance Framework
- Risk Management Policy
- Risk Appetite

Both the Group Strategy, its six capital value creation and its dedicated sustainability strategy are approved by the Board of Directors and disclosed on a high-level basis in the Integrated Annual Report.

1.1.2 Involvement of the supervisory board

The management board should engage the supervisory board early on in formulating the strategy for realising long-term value creation. The management board renders account to the supervisory board of the strategy and the explanatory notes to that strategy.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework details the Board and Executive Directors role in elaboration of the strategy.

1.1.3 Role of the supervisory board

The supervisory board should supervise the manner in which the management board implements the long-term value creation strategy. The supervisory board should regularly discuss the strategy, the implementation of the strategy and the principal risks associated with it. In the report drawn up by the supervisory board, an account is given of its involvement in the establishment of the strategy, and the way in which it monitors its implementation.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework details the Board and Executive Directors role in elaboration of the strategy and further on the monitoring of roll out.

1.1.4 Accountability of the management board

In the management report, the management board should give a more detailed explanation of its view on long-term value creation and the strategy for its realisation, as well as describing which contributions were made to long-term value creation in the past financial year. The management board should report on both the short-term and long-term developments.

NEPI Rockcastle Group applies this best practice provision.

The strategy approach and the six capitals value creation process are described in the Integrated Annual Report.

Principle 1.2 Risk management

The company should have adequate internal risk management and control systems in place. The management board is responsible for identifying and managing the risks associated with the company's strategy and activities.

1.2.1 Risk assessment

The management board should identify and analyse the risks associated with the strategy and activities of the company and its affiliated enterprise. It is responsible for establishing the risk appetite, and also the measures that are put in place in order to counter the risks being taken.

NEPI Rockcastle Group applies this best practice provision.

Risk management principles have been embedded in the Risk Management Policy and Risk Appetite approved by the Board.

1.2.2 Implementation

Based on the risk assessment, the management board should design, implement and maintain adequate internal risk management and control systems. To the extent relevant, these systems should be integrated into the work processes within the company and its affiliated enterprise it, and should be familiar to those whose work they are relevant to.

NEPI Rockcastle Group applies this best practice provision.

Risk management principles have been embedded in the Risk Management Policy and Risk Appetite approved by the Board. Training and awareness approach is embedded in the same policy.

1.2.3 Monitoring of effectiveness

The management board should monitor the operation of the internal risk management and control systems and should carry out a systematic assessment of their design and effectiveness at least once a year. This monitoring should cover all material control measures relating to strategic, operational, compliance and reporting risks. Attention should be given to observed weaknesses, instances of misconduct and irregularities, indications from whistleblowers, lessons learned and findings from the internal audit function and the external auditor. Where necessary, improvements should be made to internal risk management and control systems.

NEPI Rockcastle Group applies this best practice provision.

According to their Charters, the Audit Committee is responsible and monitors the effectiveness of the overall internal controls system and the Risk & Compliance Committee oversees the effectiveness of the compliance and risk management systems.

Principle 1.3 Internal audit function

The duty of the internal audit function is to assess the design and the operation of the internal risk management and control systems. The management board is responsible for the internal audit function. The supervisory board oversees the internal audit function and maintains regular contact with the person fulfilling this function.

1.3.1 Appointment and dismissal

The management board both appoints and dismisses the senior internal auditor. Both the appointment and the dismissal of the senior internal auditor should be submitted to the supervisory board for approval, along with the recommendation issued by the audit committee.

NEPI Rockcastle Group applies this best practice provision.

According to the Internal Audit Charter approved by the Board, the Head of Internal Audit is nominated by the Board based on the recommendation of the Audit Committee.

1.3.2 Assessment of the internal audit function

The management board should assess the way in which the internal audit function fulfils its responsibility annually, taking into account the audit committee's opinion.

NEPI Rockcastle Group applies this best practice provision.

According to its Charter, the Audit Committee assesses the annual performance of the Internal Audit Function and of the Internal Audit Director.

1.3.3 Internal audit plan

The internal audit function should draw up an audit plan, involving the management board, the audit committee and the external auditor in this process. The audit plan should be submitted to the management board, and then to the supervisory board, for approval. In this internal audit plan, attention should be paid to the interaction with the external auditor.

NEPI Rockcastle Group applies this best practice provision.

According to its Charter, the Audit Committee is the Committee delegated by the Board to approve the Internal Audit Plan.

1.3.4 Performance of work

The internal audit function should have sufficient resources to execute the internal audit plan and have access to information that is important for the performance of its work. The internal audit function should have direct access to the audit committee and the external auditor. Records should be kept of how the audit committee is informed by the internal audit function.

NEPI Rockcastle Group applies this best practice provision.

The Internal Audit Charter regulates access to and functional reporting line to the Audit Committee.

1.3.5 Reports of findings

The internal audit function should report its audit results to the management board and the essence of its audit results to the audit committee and should inform the external auditor. The research findings of the internal audit function should, at least, include the following:

- i. any flaws in the effectiveness of the internal risk management and control systems;
- ii. any findings and observations with a material impact on the risk profile of the company and its affiliated enterprise; and any failings in the follow-up of recommendations made by the internal audit function.

NEPI Rockcastle Group applies this best practice provision.

Reporting line is regulated through the Internal Audit Charter.

1.3.6 Absence of an internal audit department

If there is no separate department for the internal audit function, the supervisory board will assess annually whether adequate alternative measures have been taken, partly on the basis of a recommendation issued by the audit committee, and will consider whether it is necessary to establish an internal audit department. The supervisory board should include the conclusions, along with any resulting recommendations and alternative measures, in the report of the supervisory board.

Not applicable, NEPI Rockcastle has an insourced internal audit function.

Principle 1.4 Risk management accountability

The management board should render account of the effectiveness of the design and the operation of the internal risk management and control systems.

1.4.1 Accountability to the supervisory board

The management board should discuss the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3 inclusive with the audit committee, and render account of this to the supervisory board.

NEPI Rockcastle Group applies this best practice provision.

According to the Risk Management Policy and the Operational Mandate, management is responsible for the day to day risk management. The Risk and Compliance Officer reports on the effectiveness of the risk management to the Risk and Compliance Committee.

Audit Committee oversees the effectiveness of the internal controls system overall, based on reports provided by management, internal and external auditors and other assurance providers.

1.4.2 Accountability in the management report

In the management report, the management board should render account of:

- i. the execution of the risk assessment, with a description of the principal risks facing the company in relation to its risk appetite. These risks may include strategic, operational, compliance and reporting risks;
- ii. the design and operation of the internal risk management and control systems during the past financial year;
- iii. any major failings in the internal risk management and control systems which have been observed in the financial year, any significant changes made to these systems and any major improvements planned, along with a confirmation that these issues have been discussed with the audit committee and the supervisory board; and the sensitivity of the results of the company to material changes in external factors.

NEPI Rockcastle Group applies this best practice provision.

The Risk section of the Integrated Annual Report details:

- i. the execution of the risk assessment, with a description of the principal risks facing the company in relation to its risk appetite. These risks may include strategic, operational, compliance and reporting risks;
- ii. the design and operation of the internal risk management and control systems during the past financial year;
- iii. any major failings in the internal risk management and control systems which have been observed in the financial year, any significant changes made to these systems and any major improvements planned

1.4.3 Statement by the management board

The management board should state in the management report, with clear substantiation, that:

- i. the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- iv. the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

NEPI Rockcastle Group applies this best practice provision.

The Risk section of the Integrated Annual Report states that:

- i. the report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- ii. the aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- iii. based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- iv. the report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of twelve months after the preparation of the report.

Principle 1.5 Role of the supervisory board

The supervisory board should supervise the policies carried out by the management board and the general affairs of the company and its affiliated enterprise. In so doing, the supervisory board should also focus on the effectiveness of the company's internal risk management and control systems and the integrity and quality of the financial reporting.

NEPI Rockcastle Group applies this best practice provision.

The oversight role of the Board as a whole is detailed in the Corporate Governance Framework.

1.5.1 Duties and responsibilities of the audit committee

The audit committee undertakes preparatory work for the supervisory board's decision-making regarding the supervision of the integrity and quality of the company's financial reporting and the effectiveness of the company's internal risk management and control systems. Among other things, it focuses on monitoring the management board with regard to:

- i. relations with, and compliance with recommendations and following up of comments by, the internal and external auditors;
- ii. the funding of the company;
- iii. the application of information and communication technology by the company, including risks relating to cybersecurity; and the company's tax policy.

NEPI Rockcastle Group applies this best practice provision.

The Audit Committee Charter details its responsibilities in relation to internal audit, external audit, internal control system, information and technology oversight, accounting and taxation policies.

1.5.2 Attendance of the management board, internal auditor and external auditor at audit committee consultations

The chief financial officer, the internal auditor and the external auditor should attend the audit committee meetings, unless the audit committee determines otherwise. The audit committee should decide whether and, if so, when the chairman of the management board should attend its meetings.

NEPI Rockcastle Group applies this best practice provision.

The internal and external auditor, the CFO and the CEO attend AC meetings by invitation.

1.5.3 Audit committee report

The audit committee should report to the supervisory board on its deliberations and findings. This report must, at least, include the following information:

- i. the methods used to assess the effectiveness of the design and operation of the internal risk management and control systems referred to in best practice provisions 1.2.1 to 1.2.3, inclusive;
- ii. the methods used to assess the effectiveness of the internal and external audit processes;
- iii. material considerations regarding financial reporting;
- iv. the way material risks and uncertainties referred to in best practice provision 1.4.3 have been analysed and discussed, along with a description of the most important findings of the audit committee.

NEPI Rockcastle Group applies this best practice provision.

Besides regular information provision to the Board on key aspects, the AC minutes of meetings are sent to the entire Board for review.

1.5.4 Supervisory board

The supervisory board should discuss the items reported on by the audit committee as per of best practice provision 1.5.3.

NEPI Rockcastle Group applies this best practice provision.

The Board discusses major aspects / issues reported / based on the advise of the Audit Committee.

Principle 1.6 Appointment and assessment of the functioning of the external auditor

The supervisory board should submit the nomination for the appointment of the external auditor to the general meeting, and should supervise the external auditor's functioning.

1.6.1 Functioning and appointment

The audit committee should report annually to the supervisory board on the functioning of, and the developments in, the relationship with the external auditor. The audit committee should advise the supervisory board regarding the external auditor's nomination for appointment/reappointment or dismissal and should prepare the selection of the external auditor. The audit committee should give due consideration to the management board's observations during the aforementioned work. Also on this basis, the supervisory board should determine its nomination for the appointment of the external auditor to the general meeting.

NEPI Rockcastle Group applies this best practice provision.

In the Annual General Meeting the shareholders empower the Board to establish terms of engagement with the independent auditor. The Audit Committee advises the Board regarding the external auditor nomination.

1.6.2 Informing the external auditor about their functioning

The supervisory board should give the external auditor a general idea of the content of the reports relating to their functioning.

NEPI Rockcastle Group applies this best practice provision.

External auditors have access to the Corporate Governance Framework and selected Board and Committees packs and minutes of meetings to provide them with understanding of the company's affairs.

1.6.3 Engagement

The audit committee should submit a proposal to the supervisory board for the external auditor's engagement to audit the financial statements. The management board should play a facilitating role in this process. In formulating the terms of engagement, attention should be paid to the scope of the audit, the materiality to be used and remuneration for the audit. The supervisory board should resolve on the engagement.

NEPI Rockcastle Group applies this best practice provision.

The Audit Committee coordinates proposal on the external audit, with the Executive Directors (mainly CFO) facilitation, giving attention to the scope of the audit, materiality, remuneration. Engagement is further made following the shareholders general meeting resolution.

1.6.4 Accountability

The main conclusions of the supervisory board regarding the external auditor's nomination and the outcomes of the external auditor selection process should be communicated to the general meeting.

NEPI Rockcastle Group applies this best practice provision.

The main conclusions of the external auditor's nomination are presented in the AGM for shareholders resolution.

1.6.5 Departure of the external auditor

The company should publish a press release in the event of the early termination of the relationship with the external audit firm. The press release should explain the reasons for this early termination.

NEPI Rockcastle Group applies this best practice provision.

The change of auditor is announced on the company's website.

Principle 1.7 Performance of the external auditor's work

The audit committee and the external auditor should discuss the audit plan and the findings of the external auditor based on the work the external auditor has undertaken. The management board and the supervisory board should maintain regular contact with the external auditor.

NEPI Rockcastle Group applies this best practice provision.

The external auditor discuss their scope of work, approach, materiality, findings with the Audit Committee. The responsibilities of the Audit Committee in relation to the external auditor are regulated through the AC Charter.

1.7.1 Provision of information to the external auditor

The management board should ensure that the external auditor will receive all information that is necessary for the performance of his work in a timely fashion. The management board should give the external auditor the opportunity to respond to the information that has been provided.

NEPI Rockcastle Group applies this best practice provision.

1.7.2 Audit plan and external auditor's findings

The external auditor should discuss the draft audit plan with the management board before presenting it to the audit committee. The audit committee should annually discuss with the external auditor:

- i. the scope and materiality of the audit plan and the principal risks of the annual reporting identified by the external auditor in the audit plan; and
- ii. based also on the documents from which the audit plan was developed, the findings and outcomes of the audit work on the financial statements and the management letter.

NEPI Rockcastle Group applies this best practice provision.

The responsibilities of the Audit Committee in relation to the external auditor are regulated through the AC Charter. Pre-discussions are carried mainly with the CFO on scope, materiality, coverage, principal risks.

Findings and outcomes are discussed between the auditor and Audit Committee.

1.7.3 Publication of financial reports

The audit committee should determine whether and, if so, how the external auditor should be involved in the content and publication of financial reports other than the financial statements.

NEPI Rockcastle Group applies this best practice provision.

Any scope of work of the auditor is determined by the Audit Committee.

1.7.4 Consultations with the external auditor outside the management board's presence

The audit committee should meet with the external auditor as often as it considers necessary, but at least once per year, outside the presence of the management board.

NEPI Rockcastle Group applies this best practice provision.

The Audit Committee meets with the external auditor as often as it considers necessary, but at least once per year, outside the presence of the management.

1.7.5 Examination of discussion points arising between the external auditor and the management board

The supervisory board should be permitted to examine the most important points of discussion arising between the external auditor and the management board based on the draft management letter or the draft audit report.

NEPI Rockcastle Group applies this best practice provision.

1.7.6 External auditor's attendance of supervisory board meetings

The external auditor should in any event attend the meeting of the supervisory board at which the report of the external auditor on the audit of the financial statements is discussed.

NEPI Rockcastle Group applies this best practice provision.

Principle 2.1 Composition and size

The management board and the supervisory board should be composed such that the requisite expertise, background, competencies and – as regards the supervisory board – independence are present for them to carry out their duties properly. The size of these two bodies reflects these requirements.

2.1.1 Profile

The supervisory board should prepare a profile, taking account of the nature and the activities of the enterprise affiliated with the company. The profile should address:

- i. the desired expertise and background of the supervisory board members;
- ii. the desired diverse composition of the supervisory board, referred to in best practice provision 2.1.5;
- iii. the size of the supervisory board; and
- iv. the independence of the supervisory board members.

The profile should be posted on the company's website.

NEPI Rockcastle Group applies this best practice provision.

The Board Profile Paper and the Corporate Governance Framework were approved by the Board to regulate the profile and independence assessment criteria.

2.1.2 Personal information

The following information about each supervisory board member should be included in the report of the supervisory board:

- i. gender;
- ii. age;
- iii. nationality;
- iv. principal position;
- v. other positions, in so far as they are relevant to the performance of the duties of the supervisory board member;
- vi. date of initial appointment; and
- vii. current term of office.

NEPI Rockcastle Group applies this best practice provision.

The annual integrated report describes required information for each Director.

2.1.3 Executive committee

If the management board works with an executive committee, the management board should take account of the checks and balances that are part of the two-tier system. This means, among other things, that the management board's expertise and responsibilities are safeguarded and the supervisory board is informed adequately. The supervisory board should supervise this whilst paying specific attention to the dynamics and the relationship between the management board and the executive committee.

Not applicable

In the management report, account should be rendered of:

- i. the choice to work with an executive committee;
- ii. the role, duty and composition of the executive committee; and how the contacts between the supervisory board and the executive committee have been given shape.

2.1.4 Expertise

Each supervisory board member and each management board member should have the specific expertise required for the fulfilment of his duties. Each supervisory board member should be capable of assessing the broad outline of the overall management.

NEPI Rockcastle Group applies this best practice provision.

2.1.5 Diversity policy

The supervisory board should draw up a diversity policy for the composition of the management board, the supervisory board and, if applicable, the executive committee. The policy should address the concrete targets relating to diversity and the diversity aspects relevant to the company, such as nationality, age, gender, and education and work background.

NEPI Rockcastle Group applies this best practice provision.

A Diversity Policy has been defined, covering the Board and all staff levels.

2.1.6 Accountability about diversity

The corporate governance statement should explain the diversity policy and the way that it is implemented in practice, addressing:

- i. the policy objectives;
- ii. how the policy has been implemented; and
- iii. the results of the policy in the past financial year.

NEPI Rockcastle Group applies this best practice provision.

The Integrate Annual Report explains the diversity policy, the achievements and results.

If the composition of the management board and the supervisory board diverges from the targets stipulated in the company's diversity policy and/or the statutory target for the male/female ratio, if and to the extent that this is provided under or pursuant to the law, the current state of affairs should be outlined in the corporate governance statement, along with an explanation as to which measures are being taken to attain the intended target, and by when this is likely to be achieved.

2.1.7 Independence of the supervisory board

The composition of the supervisory board is such that the members are able to operate independently and critically vis-à-vis one another, the management board, and any particular interests involved.

In order to safeguard its independence, the supervisory board is composed in accordance with the following criteria:

- i. any one of the criteria referred to in best practice provision 2.1.8, sections i. to v. inclusive should be applicable to at most one supervisory board member;
- ii. the total number of supervisory board members to whom the criteria referred to in best practice provision 2.1.8 are applicable should account for less than half of the total number of supervisory board members; and
- iii. for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the company, there is at most one supervisory board member who can be considered to be affiliated with or representing them as stipulated in best practice provision 2.1.8, sections vi. and vii.

NEPI Rockcastle Group applies this best practice provision.

Independence assessment criteria are defined in the Corporate Governance Framework. Independence is assessed annually, reviewed in the Nomination Committee and results are presented in the Board.

The Annual Integrated Report discloses the results of the process.

2.1.8 Independence of supervisory board members

A supervisory board member is not independent if they or their spouse, registered partner or life companion, foster child or relative by blood or marriage up to the second degree:

- i. has been an employee or member of the management board of the company (including associated companies as referred to in Section 5:48 of the Financial Supervision Act (Wet op het financieel toezicht/Wft)) in the five years prior to the appointment;
- ii. receives personal financial compensation from the company, or a company associated with it, other than the compensation received for the work performed as a supervisory board member and in so far as this is not in keeping with the normal course of business;
- iii. has had an important business relationship with the company or a company associated with it in the year prior to the appointment. This includes in any event the case where the supervisory board member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external auditor, civil notary or lawyer) and the case where the supervisory board member is a management board member or an employee of a bank with which the company has a lasting and significant relationship;
- iv. is a member of the management board of a company in which a member of the management board of the company which he supervises is a supervisory board member;
- v. has temporarily performed management duties during the previous twelve months in the absence or incapacity of management board members;
- vi. has a shareholding in the company of at least ten percent, taking into account the shareholding of natural persons or legal entities cooperating with him or her on the basis of an express or tacit, verbal or written agreement;
- vii. is a member of the management board or supervisory board – or is a representative in some other way – of a legal entity which holds at least ten percent of the shares in the company, unless the entity is a group company.

NEPI Rockcastle Group applies this best practice provision.

Independence assessment criteria are defined in the Corporate Governance Framework. Independence is assessed annually, reviewed in the Nomination Committee and results are presented in the Board.

The Annual Integrated Report discloses the results of the process.

2.1.9 Independence of the chairman of the supervisory board

The chairman of the supervisory board should not be a former member of the management board of the company and should be independent within the meaning of best practice provision 2.1.8.

NEPI Rockcastle Group applies this best practice provision.

Independence assessment criteria are defined in the Corporate Governance Framework. Independence is assessed annually, reviewed in the Nomination Committee and results are presented in the Board.

The Annual Integrated Report discloses the results of the process.

The Corporate Governance Framework defines the specific requirements to ensure the Chairman's independence.

2.1.10 Accountability regarding supervisory board member independence

The report of the supervisory board should state that, in the opinion of the supervisory board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive have been fulfilled and, if applicable, should also state which supervisory board member(s), if any, it does not consider to be independent.

NEPI Rockcastle Group applies this best practice provision.

The Annual Integrated Report discloses the results of the process together with the process followed by the Board to assess independence of its members.

Principle 2.2 Appointment, succession and evaluation

The supervisory board should ensure that a formal and transparent procedure is in place for the appointment and reappointment of management board and supervisory board members, as well as a sound plan for the succession of management board and supervisory board members, with due regard to the diversity policy. The functioning of the management board and the supervisory board as a collective and the functioning of individual members should be evaluated on a regular basis.

2.2.1 Appointment and reappointment periods – management board members

A management board member is appointed for a maximum period of four years. A member may be reappointed for a term of not more than four years at a time, which reappointment should be prepared in a timely fashion. The diversity objectives from best practice provision 2.1.5 should be considered in the preparation of the appointment or reappointment.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the appointment and re-appointment periods for Executive and for Non-Executive Directors.

2.2.2 Appointment and reappointment periods – supervisory board members

A supervisory board member is appointed for a period of four years and may then be reappointed once for another four-year period. The supervisory board member may then subsequently be reappointed again for a period of two years, which appointment may be extended by at most two years. In the event of a reappointment after an eight-year period, reasons should be given in the report of the supervisory board. In any appointment or reappointment, the profile referred to in best practice provision 2.1.1 should be observed.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the appointment and re-appointment periods for Executive and for Non-Executive Directors.

2.2.3 Early retirement

A member of the supervisory board or the management board should retire early in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by the supervisory board. In the event of the early retirement of a member of the management board or the supervisory board, the company should issue a press release mentioning the reasons for the departure.

NEPI Rockcastle Group applies this best practice provision.

According to the Corporate Governance Framework, a member of Board should retire early in the event of inadequate functioning, structural incompatibility of interests, and in other instances in which this is deemed necessary by Board. In the event of early retirement of a member of the Board, the company will issue in due time a market communication mentioning the reasons for the departure.

2.2.4 Succession

The supervisory board should ensure that the company has a sound plan in place for the succession of management board and supervisory board members that is aimed at retaining the balance in the requisite expertise, experience and diversity. Due regard should be given to the profile referred to in best practice provision 2.1.1 in drawing up the plan for supervisory board members. The supervisory board should also draw up a retirement schedule in order to avoid, as much as possible, supervisory board members retiring simultaneously. The retirement schedule should be published on the company's website.

NEPI Rockcastle Group applies this best practice provision.

The succession planning process is described in the Corporate Governance Framework. The responsibilities are also described in the Nomination Committee Charter.

2.2.5 Duties of the selection and appointment committee

The selection and appointment committee should prepare the supervisory board's decision-making and report to the supervisory board on its deliberations and findings.

The selection and appointment committee should in any event focus on:

- i. drawing up selection criteria and appointment procedures for management board members and supervisory board members;
- ii. periodically assessing the size and composition of the management board and the supervisory board, and making a proposal for a composition profile of the supervisory board;
- iii. periodically assessing the functioning of individual management board members and supervisory board members, and reporting on this to the supervisory board;
- iv. drawing up a plan for the succession of management board members and supervisory board members;
- v. making proposals for appointments and reappointments; and
- vi. supervising the policy of the management board regarding the selection criteria and appointment procedures for senior management.

NEPI Rockcastle Group applies this best practice provision.

The Nomination Committee's Charter describe the role and process followed by Nomination Committee.

2.2.6 Evaluation by the supervisory board

At least once per year, outside the presence of the management board, the supervisory board should evaluate its own functioning, the functioning of the various committees of the supervisory board and that of the individual supervisory board members, and should discuss the conclusions that are attached to the evaluation. In doing so, attention should be paid to:

- i. substantive aspects, the mutual interaction and the interaction with the management board;
- ii. events that occurred in practice from which lessons may be learned; and the desired profile, composition, competencies and expertise of the supervisory board.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the Board evaluation process (followed with the context of one tier Board structure). The followed process is disclosed in the Annual Integrated Report.

2.2.7 Evaluation of the management board

At least once per year, outside the presence of the management board, the supervisory board should evaluate both the functioning of the management board as a whole and that of the individual management board members, and should discuss the conclusions that must be attached to the evaluation, also in light of the succession of management board members. At least once annually, the management board, too, should evaluate its own functioning as a whole and that of the individual management board members.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the Board evaluation process (followed with the context of one tier Board structure).

The Executive Directors are evaluated separately by the Board, without them taking part in the discussions.

The followed process is disclosed in the Annual Integrated Report.

2.2.8 Evaluation accountability

The supervisory board's report should state:

- i. how the evaluation of the supervisory board, the various committees and the individual supervisory board members has been carried out;
- ii. how the evaluation of the management board and the individual management board members has been carried out; and what has been or will be done with the conclusions from the evaluations.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the Board evaluation process (followed with the context of one tier Board structure). The followed process is disclosed in the Annual Integrated Report

Principle 2.3 Organisation of the supervisory board and reports

The supervisory board should ensure that it functions effectively. The supervisory board should establish committees to prepare the supervisory board's decision-making. The foregoing does not affect the responsibility of the supervisory board as an organ and of the individual members of the supervisory board for obtaining information and forming an independent opinion.

2.3.1 Supervisory board's terms of reference

The division of duties within the supervisory board and the procedure of the supervisory board should be laid down in terms of reference. The supervisory board's terms of reference should include a paragraph dealing with its relations with the management board, the general meeting, the employee participation body (if any) and the executive committee (if any). The terms of reference should be posted on the company's website.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the role of the Board, of the Chairman, of the Executive Directors, the general meeting and other organizational notes.

2.3.2 Establishment of committees

If the supervisory board consists of more than four members, it should appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee. Without prejudice to the collegiate responsibility of the supervisory board, the duty of these committees is to prepare the decision-making of the supervisory board. If the supervisory board decides not to establish an audit committee, a remuneration committee or a selection and appointment committee, the best practice provisions applicable to such committee(s) should apply to the entire supervisory board.

NEPI Rockcastle Group applies this best practice provision.

The Board appointed Audit, Risk, Sustainability, Nomination, Remuneration and Investment Committee. The Board approved the Committees Charters, where rules are defined for the composition, role, minimum number of meetings and other organisational notes.

2.3.3 Committees' terms of reference

The supervisory board should draw up terms of reference for the audit committee, the remuneration committee and the selection and appointment committee. The terms of reference should indicate the role and responsibility of the committee concerned, its composition and the manner in which it discharges its duties. The terms of reference should be posted on the company's website.

NEPI Rockcastle Group applies this best practice provision.

The Board appointed Audit, Risk, Sustainability, Nomination, Remuneration and Investment Committee. The Board approved the Committees Charters, where rules are defined for the composition, role, minimum number of meetings and other organisational notes.

2.3.4 Composition of the committees

The audit committee or the remuneration committee should not be chaired by the chairman of the supervisory board or by a former member of the management board of the company. More than half of the members of the committees should be independent within the meaning of best practice provision 2.1.8.

NEPI Rockcastle Group applies this best practice provision.

The Board approved the Committees Charters, where rules are defined for the composition and independence requirements. All members of Remuneration Committee and Audit Committee are independent non-Executive Directors.

2.3.5 Committee reports

The supervisory board should receive from each of the committees a report of their deliberations and findings. In the report of the supervisory board it should comment on how the duties of the committees were carried out in the financial year. In this report, the composition of the committees, the number of committee meetings and the main items discussed at the meetings should be mentioned.

NEPI Rockcastle Group applies this best practice provision.

The Board receives regularly the agenda and minutes of meetings for all Committees. The Annual Integrated Report describes the composition of the committees, the number of committee meetings and the main items discussed at the meetings should be mentioned.

2.3.6 Chairman of the supervisory board

The chairman of the supervisory board should in any case ensure that:

- i. the supervisory board has proper contact with the management board, the employee participation body (if any) and the general meeting;
- ii. the supervisory board elects a vice-chairman;
- iii. there is sufficient time for deliberation and decision-making by the supervisory board;
- iv. the supervisory board members receive all information that is necessary for the proper performance of their duties in a timely fashion;
- v. the supervisory board and its committees function properly;
- vi. the functioning of individual management board members and supervisory board members is assessed at least annually;
- vii. the supervisory board members and management board members follow their induction programme;
- viii. the supervisory board members and management board members follow their education or training programme;
- ix. the management board performs activities in respect of culture;
- x. the supervisory board recognises signs from the enterprise affiliated with the company and ensures that any (suspicion of) material misconduct and irregularities are reported to the supervisory board without delay;
- xi. the general meeting proceeds in an orderly and efficient manner;
- xii. effective communication with shareholders is assured; and
- xiii. the supervisory board is involved closely, and at an early stage, in any merger or takeover processes.

The chairman of the supervisory board should consult regularly with the chairman of the management board.

NEPI Rockcastle Group applies this best practice provision.

The role and responsibilities of the Chairman are described in the Corporate Governance Framework.

2.3.7 Vice-chairman of the supervisory board

The vice-chairman of the supervisory board should deputise for the chairman when the occasion arises.

NEPI Rockcastle Group applies this best practice provision.

A Lead Independent Director has been nominated of the non-Executive Independent Directors. The role and responsibilities of the Lead Independent Directors are described in the Corporate Governance Framework.

2.3.8 Delegated supervisory board member

A delegated supervisory board member is a supervisory board member who has a special task. The delegation may not extend beyond the responsibilities of the supervisory board itself and may not include the management of the company. Its purpose is more intensive supervision and advice and more regular consultation with the management board. The delegation should be of a temporary nature only. The delegation may not detract from the duties and powers of the supervisory board. The delegated supervisory board member continues to be a member of the supervisory board and should report regularly on the execution of his special duty to the plenary supervisory board.

Not applicable

2.3.9 Temporary management board function of a supervisory board member

A supervisory board member who temporarily takes on the management of the company, where the management board members are absent or unable to fulfil their duties, should resign from the supervisory board.

Not applicable

2.3.10 Company secretary

The supervisory board should be supported by the company secretary. The secretary:

- i. should ensure that the proper procedures are followed and that the statutory obligations and obligations under the articles of association are complied with;
- ii. should facilitate the provision of information of the management board and the supervisory board; and
- iii. should support the chairman of the supervisory board in the organisation of the affairs of the supervisory board, including the provision of information, meeting agendas, evaluations and training programmes.

The company secretary should, either on the motion of the supervisory board or otherwise, be appointed and dismissed by the management board, after the approval of the supervisory board has been obtained.

If the secretary also undertakes work for the management board and notes that the interests of the management board and the supervisory board diverge, as a result of which it is unclear which interests the secretary should represent, the secretary should report this to the chairman of the supervisory board.

NEPI Rockcastle Group applies this best practice provision.

The Company Secretary is appointed by the Board. The role and responsibilities of the Company Secretary are described in the Corporate Governance Framework.

2.3.11 Report of the supervisory board

The annual statements of the company include a report by the supervisory board. In this report, the supervisory board should render account of the supervision conducted in the past financial year, reporting in any event on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2.

NEPI Rockcastle Group applies this best practice provision.

The Company issues an Integrated Annual Report covering all required disclosures, which is being reviewed and approved by the Board before publication.

Principle 2.4 Decision-making and functioning

The management board and the supervisory board should ensure that decisions are made in a balanced and effective manner whilst taking account of the interests of stakeholders. The management board should ensure that information is provided in a timely and sound manner. The management board and the supervisory board should keep their knowledge and skills up to date and spend sufficient time on their duties and responsibilities. They should ensure that, in performing their duties, they have the information that is required for effective decision-making.

2.4.1 Stimulating openness and accountability

The management board and the supervisory board are each responsible for stimulating openness and accountability within the organ of which they form part, and between the different organs within the company.

NEPI Rockcastle Group applies this best practice provision.

The core principles driving our approach, including openness & transparency and accountability are described in the Corporate Governance Framework.

2.4.2 Other positions

Management board members and supervisory board members should report any other positions they may have to the supervisory board in advance and, at least annually, the other positions should be discussed at the supervisory board meeting. The acceptance of membership of a supervisory board by a management board member requires the approval of the supervisory board.

NEPI Rockcastle Group applies this best practice provision.

The responsibility to report other engagements to the whole Board and the annual listing of all engagements for the Board review are described in the Corporate Governance Framework. The Executive Directors cannot accept other positions outside the Group, without the approval of the whole Board.

2.4.3 Point of contact for the functioning of supervisory board and management board members

The chairman of the supervisory board should act on behalf of the supervisory board as the main contact for the management board, supervisory board members and shareholders regarding the functioning of management board members and supervisory board members. The vice-chairman should act as contact for individual supervisory board members and management board members regarding the functioning of the chairman.

NEPI Rockcastle Group applies this best practice provision.

Chairman's and Lead Independent Director's point of contact roles described in the Corporate Governance Framework.

2.4.4 Attendance at supervisory board meetings

Supervisory board members should attend supervisory board meetings and the meetings of the committees of which they are a part. If supervisory board members are frequently absent from these meetings, they should be held to account on this. The report of the supervisory board should state the absenteeism rate from supervisory board and committee meetings of each supervisory board member.

NEPI Rockcastle Group partially applies this best practice provision.

The Group has been disclosing the Board and Committees annual calendar, the participation rate per meeting and the blended participation rate for each Committee and for the Board. Same disclosure approach had been kept for 2022 to enable comparison year on year.

2.4.5 Induction programme for supervisory board members

All supervisory board members should follow an induction programme geared to their role. The induction programme should in any event cover general financial, social and legal affairs, financial reporting by the company, any specific aspects that are unique to the relevant company and its business activities, the company culture and the relationship with the employee participation body (if any), and the responsibilities of a supervisory board member.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the approach and responsibilities to organize the induction of new directors joining the Group.

2.4.6 Development

The management board and the supervisory board should each conduct an annual review for their own organ to identify any aspects with regard to which the supervisory board members and management board members require training or education.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the approach for the induction of new directors joining the Group.

2.4.7 Information safeguards

The management board should ensure that internal procedures are established and maintained which safeguard that all relevant information is known to the management board and the supervisory board in a timely fashion. The supervisory board should supervise the establishment and implementation of these procedures.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework and the Operational Mandate given by the Board to the executive management describe the Board's and management's responsibilities in establishing the policies and procedures framework.

2.4.8 Supervisory board members' responsibility for obtaining information

The supervisory board and each individual supervisory board member have their own responsibility for obtaining the information from the management board, the internal audit function, the external auditor and the employee participation body (if any) that the supervisory board needs in order to be able to carry out its duties as a supervisory organ properly.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework, the Committees Charters and the Operational Mandate describe the roles and responsibilities of the members of the Board, Committees, of the Board Chairman, Lead Independent Director and Executive Directors.

2.4.9 Obtaining information from officers and external parties

If the supervisory board considers it necessary, it may obtain information from officers and external advisers of the company. The company should provide the necessary means to this end. The supervisory board may require that certain officers and external advisers attend its meetings.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the manner in which the Board may engage external advisers as well as the responsibilities and flow between non-Executive and Executive Directors.

Principle 2.5 Culture

The management board is responsible for creating a culture aimed at long-term value creation for the company and its affiliated enterprise. The supervisory board should supervise the activities of the management board in this regard.

2.5.1 Management board's responsibility for culture

The management board should adopt values for the company and its affiliated enterprise that contribute to a culture focused on long-term value creation, and discuss these with the supervisory board. The management board is responsible for the incorporation and maintenance of the values within the company and its affiliated enterprise.

Attention must be paid to the following, among other things:

- i. the strategy and the business model;
- ii. the environment in which the enterprise operates; and
- iii. the existing culture within the enterprise, and whether it is desirable to implement any changes in this.

The management board encourages behaviour that is in keeping with the values, and propagates these values through leading by example.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework describes the Board responsibility to promote an ethical culture and the tone from the top which needs to be given by the Executive Directors. The board is ultimately responsible for the Group culture and to monitor that Group values are cascaded in all processes.

2.5.2 Code of Conduct

The management board should draw up a code of conduct and monitor its effectiveness and compliance with this code, both on the part of itself and of the employees of the company. The management board should inform the supervisory board of its findings and observations relating to the effectiveness of, and compliance with, the code. The code of conduct will be published on the company's website.

NEPI Rockcastle Group applies this best practice provision.

The Board approved and the Group implemented a Group-wide Code of Ethics, made known to all employees and published on the corporate website. The compliance function is responsible with ensuring proper awareness and training and with informing the Risk and Compliance Committee on how the Code is effectively cascaded and implemented.

2.5.3 Employee participation

If the company has established an employee participation body, the conduct and culture in the company and its affiliated enterprise should also be discussed in the consultations between the management board, the supervisory board and such employee participation body.

Not applicable

2.5.4 Accountability regarding culture

In the management report, the management board should explain:

- i. the values and the way in which they are incorporated in the company and its affiliate enterprise; and the effectiveness of, and compliance with, the code of conduct.

NEPI Rockcastle Group applies this best practice provision.

The Integrated Annual Report explains the Group core values, how these are embedded in the culture and the organisation performance management and how the Code of Ethics is effectively implemented, including the prevention, detection and deterrence mechanisms implemented.

Principle 2.6 Misconduct and irregularities

The management board and the supervisory board should be alert to indications of actual or suspected misconduct or irregularities. The management board should establish a procedure for reporting actual or suspicion of misconduct or irregularities, and take appropriate follow-up action on the basis of these reports. The supervisory board monitors the management board in this.

2.6.1 Procedure for reporting actual or suspicion of misconduct or irregularities

The management board should establish a procedure for reporting actual or suspected irregularities within the company and its affiliated enterprise. The procedure will be published on the company's homepage. The management board should ensure that employees have the opportunity to file a report without jeopardising their legal position.

NEPI Rockcastle Group applies this best practice provision.

The Board approved and the Group implemented the Whistleblowing policy, published on the website. The policy includes also the non-retaliation commitment. NEPI Rockcastle Group applies this best practice provision.

2.6.2 Informing the chairman of the supervisory board

The management board should inform the chairman of the supervisory board without delay of any signs of actual or suspected material misconduct or irregularities within the company and its affiliated enterprise. If the actual or suspected misconduct or irregularity pertains to the functioning of a management board member, employees can report this directly to the chairman of the supervisory board.

NEPI Rockcastle Group applies this best practice provision.

All complaints filed through the Whistleblowing portal reach the Board Chairman and the Audit Committee. Employees may also address directly the AC Chair. Non-Executive Directors may address directly the Audit Committee or use the regular reporting channels.

2.6.3 Notification by the external auditor

The external auditor should inform the chairman of the audit committee without delay if, during the performance of his duties, he discovers or suspects an instance of misconduct or irregularity. If the actual or suspected misconduct or irregularity pertains to the functioning of a management board member, the external auditor should report this directly to the chairman of the supervisory board.

NEPI Rockcastle Group applies this best practice provision.

Covered by the Audit Committee Charter. The external auditors have unrestricted access to the Audit Committee and to the Board Chairman, if they require to. Board Chairman attends Audit Committee meetings based on invitation.

2.6.4 Oversight by the supervisory board

The supervisory board monitors the operation of the procedure for reporting actual or suspected misconduct or irregularities, appropriate and independent investigations into signs of misconduct or irregularities, and, if an instance of misconduct or irregularity has been discovered, an adequate follow-up of any recommendations for remedial actions.

In order to safeguard the independence of the investigation in cases where the management board itself is involved, the supervisory board should have the option of initiating its own investigation into any irregularities that have been discovered and to coordinate this investigation.

NEPI Rockcastle Group applies this best practice provision.

The Audit Committee monitors closely the whistleblowing channel, reports, investigation results, measures, based on the reports provided by Internal Audit.

According to the Internal Audit Charter, to safeguard the independence of Internal Audit when an investigation needs to be carried in cases where Executive Directors' activity may be concerned, the non-Executive Directors have the option of initiating such investigation and providing instructions to Internal Audit, in alignment with the Chair of the Audit Committee. In such cases, Internal Audit will report the results of the investigation also to the Chairman of the Board, in addition to the regular reporting to the Audit Committee. In line with the Corporate Governance Framework, the Board may also use external advisers.

Principle 2.7 Preventing conflicts of interest

Any form of conflict of interest between the company and the members of its management board or supervisory board should be prevented. To avoid conflicts of interest, adequate measures should be taken. The supervisory board is responsible for the decision-making on dealing with conflicts of interest regarding management board members, supervisory board members and majority shareholders in relation to the company.

NEPI Rockcastle Group applies this best practice provision.

The Company implemented, besides the Code of Ethics, a policy on Declaration of Interests. Directors' potential conflicts are reported annually, ad hoc when they occur and also for each meeting agenda. Potential conflicts (directors and major shareholders in line with the Related Party Transactions policy) are cleared and decided upon by the Board.

2.7.1 Preventing conflicts of interest

Management board members and supervisory board members are alert to conflicts of interest and should in any case refrain from the following:

- i. competing with the company;
 - ii. demanding or accepting substantial gifts from the company for themselves or their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree;
 - iii. providing unjustified advantages to third parties at the company's expense;
- taking advantage of business opportunities to which the company is entitled for themselves or for their spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree.

NEPI Rockcastle Group applies this best practice provision.

The Code of Ethics and the Declaration of Interests Policy describe the areas which could be categorised as conflicts and Board's responsibility in this regard.

2.7.2 Terms of reference

The terms of reference of the supervisory board should contain rules on dealing with conflicts of interest, including conflicting interests between management board members and supervisory board members on the one hand and the company on the other. The terms of reference should also stipulate which transactions require the approval of the supervisory board. The company should draw up regulations governing ownership of, and transactions in, securities by management or supervisory board members, other than securities issued, by the company.

NEPI Rockcastle Group applies this best practice provision.

Conflicts categorization and rules on dealing with them are covered by the Corporate Governance Framework, Code of Ethics, Declaration of Interests Policy. The Board has also approved the Dealing Policy with safeguards to comply with market abuse regulation.

2.7.3 Reporting

A conflict of interest may exist if the company intends to enter into a transaction with a legal entity:

- i. in which a member of the management board or the supervisory board personally has a material financial interest; or
- ii. which has a member of the management board or the supervisory board who is related under family law to a member of the management board or the supervisory board of the company.

A management board member should report any potential conflict of interest in a transaction that is of material significance to the company and/or to such management board member to the chairman of the supervisory board and to the other members of the management board without delay. The management board member should provide all relevant information in that regard, including the information relevant to the situation concerning his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree.

A supervisory board member should report any conflict of interest or potential conflict of interest in a transaction that is of material significance to the company and/or to such supervisory board member to the chairman of the supervisory board without delay and provide all relevant information in that regard, including the relevant information pertaining to his spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. If the chairman of the supervisory board has a conflict of interest or potential conflict of interest, he should report this to the vice-chairman of the supervisory board without delay.

The supervisory board should decide, outside the presence of the management board member or supervisory board member concerned, whether there is a conflict of interest.

NEPI Rockcastle Group applies this best practice provision.

Conflicts categorization and rules on dealing with them are covered by the Corporate Governance Framework, Code of Ethics, Declaration of Interests Policy. Related Party transactions are regulated through the Related Party Transactions Policy. All situations are discussed and decided upon in the Board. Market – sensitive related party transactions, as described by the JSE listing requirements need to be approved by the shareholders in advance and communicated to the market.

The Lead Independent Director chairs discussions and decision-making by the Board on matters where the Chairman may have a conflict of interest.

2.7.4 Accountability regarding transactions: management board and supervisory board members

All transactions in which there are conflicts of interest with management board members or supervisory board members should be agreed on terms that are customary in the market. Decisions to enter into transactions in which there are conflicts of interest with management board members or supervisory board members that are of material significance to the company and/or to the relevant management board members or supervisory board members should require the approval of the supervisory board. Such transactions should be published in the management report, together with a statement of the conflict of interest and a declaration that best practice provisions 2.7.3 and 2.7.4 have been complied with.

NEPI Rockcastle Group applies this best practice provision.

The Board approved the Related Party Transactions policy, regulating the principles that need to govern such transactions, the approval by the Board and in some cases shareholders, and the market announcement required.

Such transactions are disclosed also in the Annual Integrated Report if they occur during the year.

2.7.5 Accountability regarding transactions: majority shareholders

All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company should be agreed on terms that are customary in the market. Decisions to enter into transactions with such persons that are of material significance to the company and/or to such persons should require the approval of the supervisory board. Such transactions should be published in the management report, together with a declaration that best practice provision 2.7.5 has been complied with.

NEPI Rockcastle Group applies this best practice provision.

The Board approved the Related Party Transactions policy, regulating the principles that need to govern such transactions, the approval by the Board and in some cases shareholders, and the market announcement required.

Such transactions are disclosed also in the Annual Integrated Report if they occur during the year.

2.7.6 Personal loans

The company should not grant its management board members and supervisory board members any personal loans, guarantees or the like unless in the normal course of business and on terms applicable to the personnel as a whole, and after approval of the supervisory board. No remission of loans should be granted.

NEPI Rockcastle Group applies this best practice provision.

The company shall not grant its board members any personal loans, guarantees or the like, unless in the normal course of business, on terms applicable to the personnel as a whole, after approval of the Board and in line / if permitted by the approved Group Remuneration Policy.

Principle 2.8 Takeover situations

In the event of a takeover bid for the company's shares or for the depositary receipts for the company's shares, or in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, both the management board and the supervisory board should ensure that the stakeholder interests concerned are carefully weighed and any conflict of interest for supervisory board members or management board members is avoided. The management board and the supervisory board should be guided in their actions by the interests of the company and its affiliated enterprise.

2.8.1 Supervisory board involvement When a takeover bid for the company's shares or for the depositary receipts for the company's shares is being prepared, in the event of a private bid for a business unit or a participating interest, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, and/or in the event of other substantial changes in the structure of the organisation, the management board should ensure that the supervisory board is involved in the takeover process and/or the change in the structure closely and in a timely fashion.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework defines provisions to be applied by the Board and the company in case of takeover situations.

In case of any offer by one or more bidders to the shareholders of the Company aiming to acquire those securities in exchange for cash, securities in the bidder, or a combination of the two, the Board will take into consideration such offer and take actions as deem fit in the Company's interest in accordance with applicable provisions. Such discussions will be led by the Chairman with the help of the Lead Independent Director and a special committee that will include only independent directors that are not subject to any conflict of interest regarding the bidder or the offer made. If the offer is deemed to materially conflict with the Company's interest and needs more time for policy making on strategy, the Board has the right to invoke up to 250 days reflection period, in accordance with applicable legislation.

2.8.2 Informing the supervisory board about request for inspection by competing bidder

If a takeover bid has been announced for the shares, or depositary receipts for shares, in the company, and the management board receives a request from a competing bidder to inspect the company's records, the management board should discuss this request with the supervisory board without delay.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework defines provisions to be applied by the Board and the company in case of takeover situations.

In case of any offer by one or more bidders to the shareholders of the Company aiming to acquire those securities in exchange for cash, securities in the bidder, or a combination of the two, the Board will take into consideration such offer and take actions as deem fit in the Company's interest in accordance with applicable provisions. Such discussions will be led by the Chairman with the help of the Lead Independent Director and a special committee that will include only independent directors that are not subject to any conflict of interest regarding the bidder or the offer made. If the offer is deemed to materially conflict with the Company's interest and needs more time for policy making on strategy, the Board has the right to invoke up to 250 days reflection period, in accordance with applicable legislation.

2.8.3 Management board's position on a private bid

If a private bid for a business unit or a participating interest has been made public, where the value of the bid exceeds the threshold referred to in Section 2:107a(1)(c) of the Dutch Civil Code, the management board of the company should as soon as possible make public its position on the bid and the reasons for this position.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework defines provisions to be applied by the Board and the company in case of takeover situations.

In case of any offer by one or more bidders to the shareholders of the Company aiming to acquire those securities in exchange for cash, securities in the bidder, or a combination of the two, the Board will take into consideration such offer and take actions as deem fit in the Company's interest in accordance with applicable provisions. Such discussions will be led by the Chairman with the help of the Lead Independent Director and a special committee that will include only independent directors that are not subject to any conflict of interest regarding the bidder or the offer made. If the offer is deemed to materially conflict with the Company's interest and needs more time for policy making on strategy, the Board has the right to invoke up to 250 days reflection period, in accordance with applicable legislation.

Principle 3.1 Remuneration policy – management board

The remuneration policy applicable to management board members should be clear and understandable, should focus on long-term value creation for the company and its affiliated enterprise, and take into account the internal pay ratios within the enterprise. The remuneration policy should not encourage management board members to act in their own interest, nor to take risks that are not in keeping with the strategy formulated and the risk appetite that has been established. The supervisory board is responsible for formulating the remuneration policy and its implementation.

3.1.1 Remuneration policy proposal

The remuneration committee should submit a clear and understandable proposal to the supervisory board concerning the remuneration policy to be pursued with regard to the management board. The supervisory board should present the policy to the general meeting for adoption.

NEPI Rockcastle Group applies this best practice provision.

The Remuneration Committee, according to its Charter proposes the Board the Remuneration Policy. The policy is presented to the shareholders for adoption.

3.1.2 Remuneration policy

The following aspects should in any event be taken into consideration when formulating the remuneration policy:

- i. the objectives for the strategy for the implementation of long-term value creation within the meaning of best practice provision 1.1.1;
- ii. the scenario analyses carried out in advance;
- iii. the pay ratios within the company and its affiliated enterprise;
- iv. the development of the market price of the shares;
- v. an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
- vi. if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and
- vii. if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised. Share options cannot be exercised during the first three years after they are awarded.

NEPI Rockcastle Group applies this best practice provision.

The Remuneration Policy, adopted by shareholders is published in the Annual Integrated Report as part of the Remuneration section.

3.1.3 Remuneration – executive committee

If the management board works with an executive committee, the management board should inform the supervisory board about the remuneration of the members of the executive committee who are not management board members. The management board should discuss this remuneration with the supervisory board annually.

Not applicable

Principle 3.2 Determination of management board remuneration

The supervisory board should determine the remuneration of the individual members of the management board, within the limits of the remuneration policy adopted by the general meeting. The remuneration committee should prepare the supervisory board's decision-making regarding the determination of remuneration. The inadequate performance of duties should not be rewarded.

3.2.1 Remuneration committee's proposal

The remuneration committee should submit a proposal to the supervisory board concerning the remuneration of individual members of the management board. The proposal is drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the company and its affiliated enterprise.

NEPI Rockcastle Group applies this best practice provision.

Executive Directors remuneration is proposed by the Remuneration Committee, in line with performance drivers and the Remuneration Policy.

3.2.2 Management board members' views on their own remuneration

When drafting the proposal for the remuneration of management board members, the remuneration committee should take note of individual management board members' views with regard to the amount and structure of their own remuneration. The remuneration committee should ask the members of the management board to pay attention to the aspects referred to in best practice provision 3.1.2.

NEPI Rockcastle Group applies this best practice provision.

3.2.3 Severance payments

The remuneration in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). Severance pay will not be awarded if the agreement is terminated early at the initiative of the management board member, or in the event of seriously culpable or negligent behaviour on the part of the management board member.

NEPI Rockcastle Group applies this best practice provision.

In case severance payments are paid, the circumstances and the amounts would be described in the Remuneration Report, based on the guideline set in the Corporate Governance Framework.

Principle 3.3 Remuneration – supervisory board

The supervisory board should submit a clear and understandable proposal for its own appropriate remuneration to the general meeting. The remuneration of supervisory board members should promote an adequate performance of their role and should not be dependent on the results of the company.

3.3.1 Time spent and responsibility

The remuneration of the supervisory board members should reflect the time spent and the responsibilities of their role.

NEPI Rockcastle Group applies this best practice provision.

Non-Executive Directors remuneration is fixed, determined based on their involvement besides the Board in the board Committees and disclosed in the Annual Integrated Report.

3.3.2 Remuneration of supervisory board members

Supervisory board members may not be awarded remuneration in the form of shares and/or rights to shares.

NEPI Rockcastle Group applies this best practice provision.

Non-Executive Directors remuneration is fixed, determined based on their involvement besides the Board in the board Committees and disclosed in the Annual Integrated Report.

3.3.3 Share ownership

Shares held by a supervisory board member in the company on whose supervisory board they serve should be long-term investments.

Not applicable

Shares held by non-Executive Directors are immaterial to their overall wealth, a key criteria to ensure their independence.

Principle 3.4 Accountability for implementation of remuneration policy

In the remuneration report, the supervisory board should render account of the implementation of the remuneration policy in a transparent manner. The report should be posted on the company's website.

3.4.1 Remuneration report

The remuneration committee should prepare the remuneration report. This report should in any event describe, in a transparent manner, in addition to the matters required by law:

- i. how the remuneration policy has been implemented in the past financial year;
- ii. how the implementation of the remuneration policy contributes to long-term value creation;
- iii. that scenario analyses have been taken into consideration;
- iv. the pay ratios within the company and its affiliated enterprise and, if applicable, any changes in these ratios in comparison with the previous financial year;
- v. in the event that a management board member receives variable remuneration, how this remuneration contributes to long-term value creation, the measurable performance criteria determined in advance upon which the variable remuneration depends, and the relationship between the remuneration and performance; and
- vi. in the event that a current or former management board member receives a severance payment, the reason for this payment.

NEPI Rockcastle Group applies this best practice provision.

The Remuneration Committee acts in accordance with the pre-set terms of its Charter and the approved Remuneration Policy. Individual Director's remuneration is disclosed in the Integrated Annual Report. The Corporate Governance Framework defines the Remuneration report content and transparency requirements.

3.4.2 Agreement of management board member

The main elements of the agreement of a management board member with the company should be published on the company's website in a transparent overview after the agreement has been concluded, and in any event no later than the date of the notice calling the general meeting where the appointment of the management board member will be proposed.

Not applicable, no new Board members appointed.

Principle 4.1 The general meeting

The general meeting should be able to exert such influence on the policies of the management board and the supervisory board of the company that it plays a fully-fledged role in the system of checks and balances in the company. Good corporate governance requires the fully-fledged participation of shareholders in the decision-making in the general meeting.

4.1.1 Supervisory board supervision

The supervisory board's supervision of the management board should include the supervision of relations with shareholders.

NEPI Rockcastle Group applies this best practice provision.

Board, Chairman and Executive Directors responsibilities on shareholders relationship management are described in the Corporate Governance Framework.

4.1.2 Proper conduct of business at meetings

The chairman of the general meeting is responsible for ensuring the proper conduct of business at meetings in order to promote a meaningful discussion at the meeting.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association (available on the website). The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.1.3 Agenda

The agenda of the general meeting should list which items are up for discussion and which items are to be voted on. The following items should be dealt with as separate agenda items:

- i. material changes to the articles of association;
- ii. proposals relating to the appointment of management board and supervisory board members;
- iii. the policy of the company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend);
- iv. any proposal to pay out dividend;
- v. resolutions to approve the management conducted by the management board (discharge of management board members from liability);
- vi. resolutions to approve the supervision exercised by the supervisory board (discharge of supervisory board members from liability);
- vii. each substantial change in the corporate governance structure of the company and in the compliance with this Code; and the appointment of the external auditor.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.1.4 Proposal for approval or authorisation

A proposal for approval or authorisation by the general meeting should be explained in writing. In its explanation the management board should deal with all facts and circumstances relevant to the approval or authorisation to be granted. The notes to the agenda should be posted on the company's website.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.1.5 Shareholder's explanation when exercising the right to put items on the agenda

If a shareholder has arranged for an item to be put on the agenda, he should explain this at the meeting and, if necessary, answer questions about it.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.1.6 Placing of items on the agenda by shareholders

A shareholder should only exercise the right to put items on the agenda after they have consulted with the management board on this. If one or more shareholders intend to request that an item be put on the agenda that may result in a change in the company's strategy, for example as a result of the dismissal of one or several management board or supervisory board members, the management board should be given the opportunity to stipulate a reasonable period in which to respond (the response time). The opportunity to stipulate the response time should also apply to an intention as referred to above for judicial leave to call a general meeting pursuant to Section 2:110 of the Dutch Civil Code. The relevant shareholder should respect the response time stipulated by the management board, within the meaning of best practice provision 4.1.7.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.1.7 Stipulation of the response time

If the management board stipulates a response time, this should be a reasonable period that does not exceed 180 days from the moment the management board is informed by one or more shareholders of their intention to put an item on the agenda to the day of the general meeting at which the item is to be dealt with. The management board should use the response time for further deliberation and constructive consultation, in any event with the relevant shareholder(s), and should explore the alternatives. At the end of the response time, the management board should report on this consultation and the exploration to the general meeting. This should be monitored by the supervisory board.

The response time may be stipulated only once for any given general meeting and should not apply to an item in respect of which the response time had been previously stipulated, or to meetings where a shareholder holds at least three-quarters of the issued capital as a consequence of a successful public bid.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.1.8 Attendance of members nominated for the management board or supervisory board

Management board and supervisory board members nominated for appointment should attend the general meeting at which votes will be cast on their nomination.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.1.9 External auditor's attendance

The external auditor may be questioned by the general meeting in relation to his report on the fairness of the financial statements. The external auditor should for this purpose attend and be entitled to address this meeting.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.1.10 General meeting's report

The report of the general meeting should be made available, on request, to the shareholders no later than three months after the end of the meeting, after which shareholders should have the opportunity to react to the report in the following three months. The report should then be adopted in the manner provided for in the articles of association.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

Principle 4.2 Provision of information

The management board and the supervisory board should ensure that the general meeting is adequately provided with information.

4.2.1 Substantiation of invocation of overriding interest

If the management board and the supervisory board decide not to provide the general meeting with all information desired with the invocation of an overriding interest on the part of the company, they must give reasons for this.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.2.2 Policy on bilateral contacts with shareholders

The company should formulate an outline policy on bilateral contacts with the shareholders and should post this policy on its website.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association. The organization of the shareholders general meeting is described in the Integrated Annual Report.

4.2.3 Meetings and presentations

Analyst meetings, analyst presentations, presentations to institutional or other investors and press conferences should be announced in advance on the company's website and by means of press releases. Analysts' meetings and presentations to investors should not take place shortly before the publication of the regular financial information. All shareholders should be able to follow these meetings and presentations in real time, by means of webcasting, telephone or otherwise. After the meetings, the presentations should be posted on the company's website.

NEPI Rockcastle Group applies this best practice provision.

Principles for management of company information and for making public non-public information are included in the Corporate Governance Framework and disclosed in the Integrated Annual Report.

4.2.4 Posting information in a separate section of the website

The company should post and update information which is relevant to the shareholders and which it is required to publish or submit pursuant to the provisions of company law and securities law applicable to it in a separate section of the company's website.

NEPI Rockcastle Group applies this best practice provision.

Principles for management of company information and for making public non-public information are included in the Corporate Governance Framework and disclosed in the Integrated Annual Report. The company has a dedicated news section on its website where all announcements are being published.

4.2.5 Management board contacts with press and analysts

The contacts between the management board on the one hand and the press and financial analysts on the other should be handled and structured carefully and with due observance of the applicable laws and regulations. The company should not do anything that might compromise the independence of analysts in relation to the company and vice versa.

NEPI Rockcastle Group applies this best practice provision.

The management of press, analysts contacts is governed by the Corporate Governance Framework and Operational Mandate.

4.2.6 Outline of anti-takeover measures

The management board should outline all existing or potential anti-takeover measures in the management report and should also indicate in what circumstances and by whom these measures may likely be used.

NEPI Rockcastle Group applies this best practice provision.

The Corporate Governance Framework defines provisions to be applied by the Board and the company in case of takeover situations.

The share capital structure, voting rights, types of share are included in the Articles of Association and an overview is disclosed in the Corporate governance section of the Integrated Annual Report.

Principle 4.3 Casting votes

Participation of as many shareholders as possible in the general meeting's decision-making is in the interest of the company's checks and balances. The company should, in so far as possible, give shareholders the opportunity to vote by proxy and to communicate with all other shareholders.

4.3.1 Voting as deemed fit

A shareholder should vote as he sees fit. A shareholder who makes use of the voting advice of a third party is expected to form his own judgment on the voting policy or the voting advice provided by this adviser.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association

4.3.2 Providing voting proxies or voting instructions

The company should give shareholders and other persons entitled to vote the possibility of issuing voting proxies or voting instructions, respectively, to an independent third party prior to the general meeting.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association.

4.3.3 Cancelling the binding nature of a nomination or dismissal

The general meeting of shareholders of a company not having statutory two-tier status (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.

NEPI Rockcastle Group applies this best practice provision.

Organisation of the general meeting is covered by the Articles of Association.

4.3.4 Voting right on financing preference shares

The voting right attaching to financing preference shares should be based on the fair value of the capital contribution.

Not applicable

4.3.5 Publication of institutional investors' voting policy

Institutional investors (pension funds, insurers, investment institutions and asset managers) should post annually, in any event on their website, their policy on the exercise of the voting rights for shares they hold in listed companies.

Not applicable

4.3.6 Report on the implementation of institutional investors' voting policy

Institutional investors should report annually, on their website and/or in their management report, on how they implemented their policy on the exercise of the voting rights in the relevant financial year. In addition, they should report on their website at least once per quarter on whether and, if so, how they have voted as shareholders at general meetings. This report will be posted on the website of the institutional investor.

Not applicable

Principle 4.4 Issuing depositary receipts for shares

Depositary receipts for shares can be a means of preventing a majority (including a chance majority) of shareholders from controlling the decision-making process as a result of absenteeism at a general meeting. Depositary receipts for shares should not be issued as an anti-takeover protective measure. The board of the trust office should issue voting proxies under all circumstances and without limitations to all depositary receipt holders who request this. The holders of depositary receipts so authorised can exercise the voting right at their discretion. The board of the trust office should have the confidence of the holders of depositary receipts. Depositary receipt holders should have the possibility of recommending candidates for the board of the trust office. The company should not disclose to the trust office information which has not been made public.

4.4.1 Trust office board

The board of the trust office should have the confidence of the holders of depositary receipts and operate independently of the company that has issued the depositary receipts. The trust conditions should specify in what cases and subject to what conditions holders of depositary receipts may request the trust office to call a meeting of holders of depositary receipts.

Not applicable

4.4.2 Appointment of board members

The board members of the trust office should be appointed by the board of the trust office, after the job opening has been announced on the website of the trust office. The meeting of holders of depositary receipts may make recommendations to the board of the trust office for the appointment of persons to the position of board member. No management board members or former management board members, supervisory board members or former supervisory board members, employees or permanent advisers of the company should be a member of the board of the trust office.

Not applicable

4.4.3 Board appointment period

A person may be appointed to the board of the trust office for a maximum of two four-year terms, followed by a maximum of two two-year terms. In the event of a reappointment after an eight-year period, reasons should be given in the report of the board of the trust office.

Not applicable

4.4.4 Attendance of the general meeting

The board of the trust office should attend the general meeting and should, if desired, make a statement about how it proposes to vote at the meeting.

Not applicable

4.4.5 Exercise of voting rights

In exercising its voting rights, the trust office should be guided primarily by the interests of the depositary receipt holders, taking the interests of the company and the enterprise affiliated with it into account.

Not applicable

4.4.6 Periodic reports

The trust office should report periodically, but at least once per year, on its activities. The report should be posted on the company's website.

Not applicable

4.4.7 Contents of the reports

The report referred to in best practice provision 4.4.6 should, in any event, set out:

- i. the number of shares for which depositary receipts have been issued and an explanation of changes to this number;
- ii. the work carried out in the financial year;
- iii. the voting behaviour in the general meetings held in the financial year;
- iv. the percentage of votes represented by the trust office during the meetings referred to under iii.;
- v. the remuneration of the members of the board of the trust office;
- vi. the number of meetings held by the management and the main items dealt with in them;
- vii. the costs of the activities of the trust office;
- viii. any external advice obtained by the trust office;
- ix. the (other) positions held by the board members of the trust office; and the contact details of the trust office.

Not applicable

4.4.8 Voting proxies

The board of the trust office should issue voting proxies under all circumstances and without limitations to all depositary receipt holders who request this. Each depositary receipt holder may also issue binding voting instructions to the trust office in respect of the shares which the trust office holds on his behalf.

Not applicable

Principle 5.1 One-tier governance structure

The composition and functioning of a management board comprised of both executive and non-executive directors must be such that the supervision by non-executive directors is properly carried out, and independent supervision can be assured.

5.1.1 Composition of the management board

The majority of the management board is made up of non-executive directors. The requirements for independence stipulated in best practice provisions 2.1.7 and 2.1.8 apply to the non-executive directors.

NEPI Rockcastle Group applies this best practice provision.

The majority of the Board is made of Non-Executive Directors and the requirements for independence, in line with this Code have been defined in the Corporate Governance Framework for the non-Executive Directors.

5.1.2 Chairman of the management board

The chairman of the management board chairs the meetings of the management board. The chairman of the management board should ensure that the management board as a collective, as well as the management board's committees, have a balanced composition and function properly.

NEPI Rockcastle Group applies this best practice provision.

Chairman role and responsibilities are defined in the Corporate Governance Framework.

5.1.3 Independence of the chairman of the management board

The chairman of the management board should not be an executive director or former executive director of the company, and should be independent within the meaning of best practice provision 2.1.8.

NEPI Rockcastle Group applies this best practice provision.

Chairman independence requirements defined in the Corporate Governance Framework.

5.1.4 Composition of committees

The committees referred to in best practice 2.3.2 should be comprised exclusively of non-executive directors. Neither the audit committee nor the remuneration committee can be chaired by the chairman of the management board or by a former executive director of the company.

NEPI Rockcastle Group applies this best practice provision.

Independence requirements are defined in the Corporate Governance Framework and in the Committees Charters, for both Audit Committee and Remuneration Committee .

5.1.5 Accountability for supervision by non-executive directors

The non-executive directors render account of the supervision exercised in the past financial year. They should, as a minimum, report on the items referred to in best practice provisions 1.1.3, 2.1.2, 2.1.10, 2.2.8, 2.3.5 and 2.4.4 and, if applicable, the items referred to in best practice provisions 1.3.6 and 2.2.2.

NEPI Rockcastle Group applies this best practice provision.

The Integrated Annual Report disclosing all key items of the company, its governance structure, its committees, risk management and internal controls system is approved by the whole Board.

