

# VASTNED RETAIL N.V.

## CUSTOMER DUE DILIGENCE POLICY

Effective date: 1 November 2021

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## 1. INTRODUCTION

- 1.1 Vastned Retail N.V. (**'Vastned'**) conducts business with integrity and aims to comply to all applicable laws, regulations, and standards in each of the countries and jurisdictions in which it operates to ensure Vastned conducts business with acceptable business relations and deter from getting involved in criminal activities.
- 1.2 This Customer Due Diligence Policy (**'CDD policy'**) provides rules and procedures that must be adhered to before establishing new business relationships and for regularly reviewing existing business relationships. The need to know who our business relations are, is related to the need to control the risks involved in conducting business with our business relations. These risks include, but are not limited to money laundering, financing of terrorism, fraud, bribery, corruption, and loss of reputation. After all, Vastned's integrity and reputation are determined in part by the integrity and reputation of our business relations.
- 1.3 The purpose of this CDD Policy is to:
  - 1.3.1 Protect our Staff Members and Vastned's good reputation and business integrity.
  - 1.3.2 Ensure that Staff Members are aware what procedures must be adhered to when onboarding and reviewing Business Relations.
  - 1.3.3 Ensure that Vastned and its Staff Members comply with the applicable anti-money laundering and combating the financing of terrorism regulations.
  - 1.3.4 Protect our activities from being used for money laundering and terrorist financing purposes.
- 1.4 The Executive Board and Executive Committee of Vastned adopted this updated version of the CDD Policy on 21 October 2021 and it was approved by the Supervisory Board on 26 October 2021 and has taken effect as of 1 November 2021.
- 1.5 This CDD policy will be reviewed annually and amended when required unless amendments to laws and regulations or market developments give cause to an earlier review.

## 2. SCOPE

- 2.1 This CDD policy applies to Vastned and its group companies, except for Vastned Belgium NV and any subsidiaries thereof.
- 2.2 This CDD Policy applies all Staff Members of Vastned who are involved in the onboarding and/or reviewing of new and/or existing Business Relations.

## 3. DEFINITIONS

Capitalized terms used in this CDD Policy have the meaning as set out below:

<b>Business Relations/Relationship</b>	the parties with which Vastned has a business relationship, including, without limitation: property agents, tenants, suppliers, and maintenance companies. These are in any case all the parties with whom a relationship is entered into concerning the lease of property and the acquisition and sale of property and brokerage therefor, and furthermore all the parties with whom an agreement is concluded or exists that exceeds a financial interest of €15,000 excluding VAT or with which party several agreements are concluded which, combined, equate to the same amount. Banks are not included, unless there is a reason to suspect that there are risks of money laundering or terrorist financing.
<b>Compliance Officer</b>	the Compliance Officer of Vastned
<b>Executive Board</b>	Vastned's statutory managing board

<b>Executive Board Member</b>	the single member of the Executive Board
<b>Politically Prominent Person</b>	a person who in the past year has held a prominent public position, including direct family members and close associates), as further defined in Article 2 Implementation Decree Wwft 2018 (in Dutch: <i>Uitvoeringsbesluit Wwft 2018</i> )
<b>Staff Member(s)</b>	anyone who performs work for Vastned, irrespective of the duration or legal basis on which he or she performs this work, including Staff Members with a permanent or temporary employment agreement (including the Executive Board Member and the members of the Executive Committee), temporary workers, interns, persons on secondment and the members of the Supervisory Board.
<b>Supervisory Board</b>	the supervisory board of Vastned
<b>This CDD Policy</b>	this Customer Due Diligence Policy
<b>Ultimate Beneficial Owner</b>	a natural person who holds an interest of at least 25% in a Business Relationship (capital or voting rights), or who has effective control in a Business Relationship, as further defined in Article 3 Implementation Decree Wwft 2018 (in Dutch: <i>Uitvoeringsbesluit Wwft 2018</i> )
<b>Vastned</b>	Vastned Retail N.V.
<b>Wwft</b>	Money Laundering and Terrorist Financing (Prevention) Act (in Dutch: <i>Wet ter voorkoming van witwassen en financieren van terrorisme</i> ).

#### 4. RISK ASSESSMENT AND BUSINESS RELATIONS ACCEPTANCE PROCEDURE

- 4.1 Before establishing a new business relationship, a Staff Member should determine if the new business relationship qualifies as a Business Relationship in the meaning of this CDD Policy (see article 3 for the definition of Business Relationship):
- 4.1.1 If this is not the case, a contract with the new business relation may be entered into.
  - 4.1.2 If the business relation does qualify as a Business Relation in the meaning of this CDD Policy, no contracts can be closed before the procedures as outlined under this article 4 have been completed and a formal decision by the person authorised to do so according to article 5.1 has been taken.
- In case of doubt whether a business relation qualifies as a Business Relation within the meaning of this CDD Policy, the Staff Member should consult with the Compliance Officer.
- 4.2 Before a Business Relationship can be established, a Staff Member must complete the Business Relation acceptance procedure as described in **Annex 1** to this CDD Policy.
- 4.3 If a Business Relation acceptance procedure was already completed for a Business Relation in the past 6 months, the Staff Member in consultation with the Compliance Officer decides whether a new Business Relation acceptance procedure is required or if the outcome of the previous procedure can still be relied upon and/or the scope of a new procedure can be limited. Any decision that a new Business Relation acceptance procedure is not required and/or the scope of a new Business Relation acceptance procedure can be limited in scope must be well substantiated and documented by the Compliance Officer.
- 4.4 In the following circumstances Business Relations are classified as 'unacceptable' at all times:
- 4.4.1 if the risk classification and/or Business Relation acceptance procedure does not lead to identification, verification and determination of the purpose and the intended nature of the relationship and/or if the party is not willing to provide the necessary information;
  - 4.4.2 if the Business Relation is on a sanctions list (e.g., European list of sanctions, national terrorism list, UN Security Council sanctions list) or sanction regulations apply (Sanctions Act);

- 4.5 Staff Members may with the approval of the Compliance Officer request an external agency to perform a Business Relations acceptance procedure. The Compliance Officer will prior to involving this external agency verify if the procedure from the external agency is meeting the requirements of this CDD Policy and/or applicable laws and regulations.
- 4.6 Any information that is collected as part of any of the procedures referred to in this article 4 must be collected and retained in compliance with applicable laws and regulations.
- 4.7 In case of doubt about the right risk rating, the Compliance Officer will be asked for advice and his/her recommendation followed.

## 5. ACCEPTANCE OF NEW BUSINESS RELATIONS

- 5.1 Based on the outcome of the Business Relations acceptance procedure and all related documentation that has been collected as part of these procedures, a decision is taken whether the Business Relation is accepted or not:
  - 5.1.1 If the risk is rated 'low' or 'normal', the relevant Staff Member is authorised to accept the Business Relation after consultation with his/her manager or the Compliance Officer.
  - 5.1.2 If the risk is rated 'high' or 'unacceptable' an enhanced business relation due diligence must first be performed (see Annex 1) before a decision is taken. If this is the case, the Executive Board decides whether the Business Relation is accepted or not after the enhanced business relation due diligence has been performed.
- 5.2 As a principle, no relationship will be established with a Business Relation if the risk is qualified as 'unacceptable'.

## 6. REASSESSMENT AND MONITORING OF EXISTING BUSINESS RELATIONS

- 6.1 All Business Relations are periodically reassessed:
  - 6.1.1 Business Relations with a 'low' or 'normal' risk rating are reassessed at least once every three years or sooner when information that has been obtained in the meantime gives cause to do so.
  - 6.1.2 Business Relations with a 'high' risk rating are reassessed at least annually or sooner when information that has been obtained in the meantime gives cause to do so.
- 6.2 The Compliance Manager will inform a Staff Member when a periodic review is required based on this CDD Policy
- 6.3 The Staff Member who is responsible for managing the Business Relation ensures that the reassessment takes place in accordance with the procedures as outlined under article 4.2.
- 6.4 If the outcome of reassessment is that the risk rating should be adjusted, a formal decision from the person authorised to do so according to article 5.1 is required.
- 6.5 If a Staff Member, based on a reassessment and/or information received in the meantime determines that the risk rating of a Business Relation must be adjusted to 'unacceptable', he/she immediately informs the Compliance Officer thereof. Based on advice from the Compliance Officer and/or Director Legal, the Executive Board determines whether and/or how Vastned can end the relationship with this Business Relation in a diligent manner, considering the financial interests of the relevant Business Relation and any possible legal consequences.
- 6.6 If a Staff Member receives knowledge of a performed or intended unusual transaction concerning a Business Relation within the meaning of Article 15 of the Wwft, he/she will report this to the Compliance Officer and the Executive Board Member without delay. If the Compliance Officer agrees that it concerns an unusual transaction, he/she will report this unusual transaction to the FIU Netherlands without delay (in Dutch: *Financiële Inlichtingen Eenheid Nederland*) and inform the Executive Board thereof. The Staff Member responsible for the Business Relation will perform a reassessment in accordance with article 6.2.

## **7. PUBLICATION**

- 7.1 This CDD Policy is made available to all Staff Members and provided to new Staff Members before they start to work for Vastned.
- 7.2 This CDD Policy is published on Vastned's website.

## **8. DUTIES AND MANDATE OF THE COMPLIANCE OFFICER**

- 8.1 The Compliance Officer is responsible for maintaining and, if necessary, updating this CDD Policy.
- 8.2 The Compliance Officer is responsible for creating awareness and training Staff Members on customer due diligence and for monitoring compliance with this CDD Policy.
- 8.3 The Compliance Officer is responsible for providing advice to Staff Members on (the application of) this CDD Policy and related rules and regulations.

## **9. RECORD KEEPING**

- 9.1 Every Staff Member retains the documentation that has been collected in the context of any Business Relations acceptance procedure and/or reassessment of a Business Relation in accordance with regulations.
- 9.2 The information retained must be available for at least five years and filed in such a way that remains accessible for the required period in accordance with applicable regulations.

## **10. VIOLATIONS AND SANCTIONS**

- 10.1 In the event of a violation of any provision of this CDD Policy, Vastned shall reserve the right to impose any sanctions which it is entitled to impose in accordance with applicable laws and regulations, and/or the (employment) agreement with the Staff Member in question. Such possible sanctions include termination of the (employment) agreement with the Staff Member involved, by way of summary dismissal or otherwise.
- 10.2 In the event applicable laws and regulations are violated Staff Members involved may also be subject to regulatory sanctions, and civil and criminal penalties. In exceptional circumstances such information can be shared with third parties, such as regulatory authorities.

## **11. GOVERNING LAW, INTERPRETATION AND DISPUTES**

- 11.1 If there is any lack of clarity regarding the interpretation or application of this CDD Policy, and in cases not provided for by this CDD Policy, the Compliance Officer, in consultation with the Executive Board, will decide.
- 11.2 This CDD Policy is governed by Dutch law.
- 11.3 Any disputes arising out of or in connection with this CDD Policy, including disputes concerning its applicability, will be resolved by the courts in Amsterdam, the Netherlands.

**ANNEX 1: BUSINESS RELATION ACCEPTANCE PROCEDURE**

<b>Introduction Business Relation Acceptance Procedure</b>	
<p>Completing this Business Relations acceptance procedure is important because it enables Vastned to conduct business with integrity and to comply to applicable laws and regulations to ensure Vastned conducts business with acceptable business relations and deter from getting involved in criminal activities.</p> <p>You are requested to complete all steps of this Business Relation acceptance procedure, and by doing so:</p> <ul style="list-style-type: none"> <li>✓ you identify and verify the Business Relation;</li> <li>✓ you identify and verify the Ultimate Beneficial Owner, including the nature and size of his interest in the Business Relation;</li> <li>✓ you establish the purpose and intended nature of the Business Relation;</li> <li>✓ you establish whether the natural person representing the Business Relation is authorised to do so and identify and verify the identity of this person;</li> <li>✓ you determine and assess if there are any other facts or circumstances based on which risks of money laundering or terrorism financing exist;</li> <li>✓ you classify the risks of money laundering or terrorism financing connected to the Business Relation as 'low', 'normal', 'high' or 'unacceptable'; and</li> <li>✓ after consultation with your manager you decide, and in some cases the Executive Board decides, whether the Business Relationship can be established based on this Business Relation acceptance procedure.</li> </ul>	

**Step 1: Data Collection**

The first step of this customer due diligence is to obtain information from a Business Relation. The following form includes the general information that must be collected for an individual (form A) or company (form B) and a check on the source of wealth that must be done. For information around official registries around the world: check <https://aml-cft.net/library/company-registers/>. In the Netherlands this is the Chamber of Commerce: check <https://www.kvk.nl/>

Source of funds refers to where the funds of the Business Relation are received from, e.g., a Dutch bank account, and source of wealth refers to how the Business Relation came to have the funds, e.g., via investment, inheritance.

<b>Step 1: Data Collection</b>	
<b>Form A</b>	<b>Business Relation Profile for an individual</b>
Full name, including any aliases	
Residential address, mailing address	
Contact numbers, email addresses	
Place of birth, date of birth	
Marital status	
Nationality	
Government-issued tax identification number, if any.	
Government-issued identification number (in Dutch: <i>burgerservicenummer</i> )	
Occupation	

Specimen signature	
Parental consent form (where the individual is a minor)	
Source of wealth	
Source of funds	
Annual income	

<b>Step 1: Data Collection</b>	
<b>Form B</b>	<b>Business Relation Profile for a company</b>
Name of corporation	
Type of corporation	
Date of incorporation	
Place of incorporation	
Board resolution on authorised signatories ( <i>if this is not clear from the extract of the Chamber of Commerce</i> )	
Extract Chamber of Commerce	
Articles of Association	
Certificate of Incorporation	
Most recent annual report	
Directors	
Shareholders	
Senior Management	
Ultimate Beneficial Owners including size of interest in the corporation	
Establish whether the natural person representing the Business Relation is authorised to do so and identify this person	
Source of wealth	
Source of funds	
Annual revenue	

**You are requested to check and to immediately consult with the Compliance Officer if:**

- a. You do not (fully) understand the objective and nature of the intended transaction.
- b. The value of the transaction is unusually big or complex for this type of transaction.
- c. The type of transaction or its objective is unusual.
- d. The Business Relation is foreign, or the transaction (partly) takes place abroad.
- e. The source of wealth and source of funds are not clear.
- f. You are unable to collect the required information.

**Step 2: Independent verification of information collected**

As a second step you must verify the information collected from the Business Relation to ensure accuracy and legitimacy. Most of the information can be verified by documents that are issued by a government body or an independent reputable agency. You must verify the information of the Business Relation and the Ultimate Beneficial Owner. If you cannot verify the identity of the Business Relation, please consult with the Compliance Officer. If the Business Relation is a company, you must also verify the identity of the natural person representing the Business Relation.

Examples for an individual include:

- Government-issued photo identification card
- Government-issued passport
- Tax bill phone/power/water bill to prove residential address

Examples for a company include:

- Business profile issued by a government regulator for business entities
- Certificate of incorporation from a country's official company register
- Articles of association, or memorandum of association

Step 2: Independent verification of collected information		
Include name(s) of company and/or individual(s) for whom the identity must be verified (including individuals within a company such as the UBO and business representative)	Were you able to verify the identification?	What document did you collect to verify the identification?
[...]	Yes/no	[...]
[...]	Yes/no	[...]
[...]	Yes/no	[...]

### Step 3: Name screening

As a third step you must perform a check via a name-screening to determine if a Business Relation or Ultimate Beneficial Owner is known to be of heightened risk and thereby posing a risk to Vastned. The objective is to ascertain if the Business Relation is known to have any of the following profiles:

- Politically Prominent Persons
- Criminals
- Terrorists
- Sanctioned individual/entity
- Reported in media or online to be involved in any activity that is adverse in nature

#### You are requested to:

- Consult public sources in order to investigate whether a Politically Prominent Person is involved and ask the Business Relation whether they, one or more shareholders, directors and/or employees, or the Ultimate Beneficial Owner of the Business Relation is a Politically Prominent Person.
- Check if the Business Relation, or the group to which it belongs, the Ultimate Beneficial Owner or funds originate in a country that has been identified by the Financial Action Task Force (FATF) as a country with a high risk of money laundering and/or terrorism financing. The most recent list of countries can be checked at: <https://www.fatf-gafi.org/countries/#high-risk>
- Check if the Business Relation or the group to which it belongs, or the Ultimate Beneficial Owner is on a sanctions list. You must consult public records and sanctions lists to investigate whether any sanctions are in place with respect to the Business Relation, one or more shareholders and/or directors, or the Ultimate Beneficial Owner of the Business Relation. You must also get the Business Relation to confirm that none of the persons mentioned in the preceding sentence are on any sanctions list. You can check: [https://namescan.io/FreeSanctionsCheck.aspx?gclid=EAlaIQobChMI-7jlrLC18wIVFqp3Ch2aMAXPEAAAYAiAAEgIBQvD\\_BwE](https://namescan.io/FreeSanctionsCheck.aspx?gclid=EAlaIQobChMI-7jlrLC18wIVFqp3Ch2aMAXPEAAAYAiAAEgIBQvD_BwE)
- Check whether any information on the Business Relation and/or Ultimate Beneficial owner is reported on in the media that is adverse in nature.
- Use public and independent sources to find information on the Business Relation and/or Ultimate Beneficial Owner.

**Important Note:** if a Business Relation or the Ultimate Beneficial Owner, one or more shareholders and/or directors is on a sanctions list, the Business Relation must immediately be classified in the 'unacceptable' risk category. Please consult with the Compliance Officer if this is the case.

Step 3: Name screening			
Is the Business Relation known to have one of the following profiles?	Answer	Include the sources that you have used	Comments
Politically Prominent Persons	Yes/no		
Criminal	Yes/no		
Terrorists	Yes/no		
Sanctioned individual/entity	Yes/no		
Reported in media or online to be involved in any activity that is adverse in nature	Yes/No		

#### Step 4: Decision

- Based on the analyses performed and the information collected you must evaluate and determine the Business Relation's risk level: low, medium, high, or unacceptable. Your evaluation process may involve understanding the circumstances and profile of the Business Relation, such as:
  - the source of their funds and source of wealth.
  - the nature of their circumstances.
  - the reasons why they have chosen Vastned to establish a relationship; and
  - the anticipated and expected level of activity.

Examples of higher risk business relations/transactions include but not limited to:

- If one or more shareholders, directors and/or employees, or the Ultimate Beneficial owner of the Business Relation is a Politically Prominent Person
- Business Relations who are positively identified to have adverse profiles on watchlists
- Terrorists
- Non-face to face transactions: if all conversations/meetings with the representative of the Business Relation have taken place remotely (not face-to-face, e.g., by telephone or email).
- Business Relations located in high-risk locations
- If the funds that relate to the transactions do not come through banks in the EEA<sup>1</sup> and/or if the bank account is not in the name of the Business Relation. Please verify with the notary if this is the case.
- If there is any lack of clarity about the origin of the funds of the Business Relation. For example, is there any doubt whether there is what is known as a 'loan back construction', whereby the Business Relation (or the counterparty) finances its own investment, while this is being presented otherwise.
- If there are grounds to assume that the property in question has recently been subject to major price rises or price decreases.
- In case of doubt about the unusual nature of the transactions, you can consult the 'red flags' that have been identified by the Financieel Expertise Centrum<sup>2</sup> about misuse of property in the context of money laundering. These red flags can be found on [https://www.fec-partners.nl/media/23/70/811531/29/red\\_flags\\_misbruik\\_vastgoed\\_actualisering\\_2010.pdf](https://www.fec-partners.nl/media/23/70/811531/29/red_flags_misbruik_vastgoed_actualisering_2010.pdf). If you come across a red flag, you must consult the Compliance Officer.
- If decisions have been taken to dissolve or wind up the Business Relation or group entities of the Business Relation.
- If the legal structure of the group to which the Business Relation belongs is not transparent.

In the following circumstances Business Relations are classified as 'unacceptable' at all times:

- if the risk classification and/or Business Relation acceptance procedure does not lead to identification, verification and determination of the purpose and the intended nature of the relationship and/or if the party is not willing to provide the necessary information.
- if the Business Relation is on a sanctions list (e.g., European list of sanctions, national terrorism list, UN Security Council sanctions list) or sanction regulations apply (Sanctions Act).

If you have doubts, which risk rating is appropriate considering the circumstances, please consult with the Compliance Officer.

2. Based on the analysis performed and the risk rating, the following steps can be taken:
  - a. If the risk is rated 'low' or 'normal', you are authorised to accept the Business Relation after consultation with your manager or the Compliance Officer.
  - b. If the risk is rated 'high' or 'unacceptable' an enhanced business relation due diligence must first be performed (see step 5) before a decision is taken. If this is the case, the Executive Board decides whether the Business Relation is accepted or not after the enhanced business relation due diligence has been performed.
  - c. As a principle, no relationship will be established with a Business Relation if the risk is qualified as "unacceptable".
  - d. Should the case be necessary, the Executive Board may decide to decline to establish business relations. However, you must take note not to tip-off the Business Relation.

All decisions and the considerations for the decisions must be well documented, and the relevant documents must be retained in compliance with this CDD Policy.

<b>Step 4: Decision</b>	
<b>Risk rating</b>	[low, medium, high, unacceptable]
<b>Business Relation accepted</b>	[yes/no]
<b>Business Relation accepted/rejected by</b>	[include name staff member and manager or Executive Board]
<b>Date of decision</b>	
<b>Explanation:</b> [include a brief explanation why this risk rating is deemed appropriate]	

### Step 5: Enhanced Business Relation Due Diligence (when required)

An Enhanced Business Relation Due Diligence (“**EBRDD**”) is where the Business Relation has been evaluated to be at a heightened risk to Vastned. The main process of conducting an EBRDD is to obtain Executive Board approval before establishing a relationship and to take reasonable measures to establish the source of wealth and the source of funds.

An EBRDD means that you must obtain more information on the Business Relation. The precise nature of the information required depends on the specific circumstances; you will establish this jointly with the Compliance Officer.

This process may include the following steps:

- Try to collect information on the Business Relation from multiple sources and try to consult supplementary sources, among which public records and Internet searches.
- If the risk of money laundering or terrorism financing is high, you can ask the Business Relation to have documents certified by relevant independent third parties, so that you can ascertain the authenticity of the documents.
- You ask the Business Relation for the origin of the capital and funds and keep asking until you have established it. You also check relevant other sources (e.g., annual reports). You must document the findings of your investigation. If you cannot establish the origin, you must document this too, and discuss it with the Compliance Officer.
- If possible, face-to-face meetings must be scheduled with high-risk Business Relations before a decision is taken to establish a relationship. Minutes must be taken of these meetings. You will take account of this meeting or these meetings in the risk classification of the Business Relation.
- If available, you record the details of the underlying business of the Business Relation in order to support the documentation (e.g., you describe whether the office of the Business Relation has been visited, with which representative of the Business Relation a face-to-face meeting was held, etc.).
- If available, you record details of reports/information obtained about the management and/or the shareholders of the Business Relation. You also determine whether information has been received that requires (further) investigation.

<b>Step 5: Decision after Enhanced Business Relation Due Diligence (when required)</b>	
<b>Risk rating after Enhanced Business Relation due Diligence</b>	[low, medium, high, unacceptable]
<b>Business Relation accepted</b>	[yes/no]
<b>Business Relation accepted/rejected by</b>	[include name staff member and manager or Executive Board]
<b>Date of decision</b>	
<b>Explanation:</b> [include a brief explanation why this risk rating is deemed appropriate and what additional steps were taken as part of the enhanced Business Relation due diligence.]	

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<sup>1</sup> European Union member states, Norway, Iceland, and Liechtenstein.

<sup>2</sup> This is a body that consists of AFM, DNB, OM, Tax Administration, Police, and the Financiële Inlichtingen Eenheid.