

Extraordinary General Meeting of Shareholders 20 December 2023



Notes to the Agenda

for the Extraordinary General Meeting of Shareholders of
Arcona Property Fund N.V.

To be held on:

Wednesday 20 December 2023 at 15:00

De Entree 55, 1101 BH AMSTERDAM

3. Proposal to implement a Monetisation Process including an Incentive Plan for the Management Board

The Supervisory Board proposes to implement a Monetisation Process including an Incentive Plan for Arcona Capital Fund Management B.V. (**'the Management Board'**) regarding the structured sale of assets (**'the Programme'**) as described below.

The two main objectives of the Programme are:

- The Programme seeks to sell (part of) the assets of Arcona Property Fund N.V. (**'the Fund'**) in order to return substantial funds to shareholders and provide an exit for the shareholders who wish to exit;
- The Programme aims to monetise as of today at least 50% of its assets within a period of 18 months.

Pursuant to art. 10.5 of the Registration Document dated 19 October 2016, the Management Board is entitled to I) a management fee based on the value of the Fund's assets and II) a performance-related fee.

In addition to the regular management fee over the total assets (I), the Incentive Plan for the Management Board will consist of an Incentive that will replace the original performance-related remuneration (II) according to the mentioned Registration Document during the 18 months period.

The Incentive Plan consists of two tiers:

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Arcona Property Fund N.V.

www.arconapropertyfund.com

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1. A sales fee:

Fee	Basis	Timespan
2.0%	Gross sales price agreed	Sales realised within the 12 month period
1.5%	Gross sales price agreed	Sales realised within the 13 to 18 month period

2. A performance-related fee (PF):

Fee	Basis	Timespan
20%	Excess gross sales price over valuation	Sales realised within the 12 month period
15%	Excess gross sales price over valuation	Sales realised within the 13 to 18 month period

Starting points for the calculation of the Incentive for the Management Board:

1. Gross sales price is the sales price before costs.
2. Valuation: the assessed value in local currency as reported as at 30-06-2023.
3. A sale is realised on the date of the contractual signing of the sales agreement (SPA).
4. The 12-months period runs from 21 December 2023 up to and including 20 December 2024
5. The 13 to 18-months period runs from 21 December 2024 up to and including 20 June 2025.
6. The sales fee is payable upon receipt of the sale proceeds (sales closed).
7. The 20% PF is payable as of 21 December 2024 for sales closed prior to this date or (if closed on or later than 21 December 2024) at the moment of closing.
8. The 15% PF is payable as of 21 June 2025 for sales closed prior to this date or (if closed on or later than 21 June 2025) at the moment of closing.
9. The PF is calculated separately for each period on the entire positive or negative deviation compared to the assessed value per 30-6-2023 during the 12 and 6 months period.

Amsterdam, 7 November 2023

The Management Board, **Arcona Capital Fund Management B.V.**