

KLÉPIERRE

A *société anonyme* with an Executive Board and a Supervisory Board
with capital of €401,605,640.80

Registered office: 26, boulevard des Capucines – 75009 Paris
780 152 914 R.C.S. Paris
(the “**Company**”)

SPECIAL REPORT OF THE EXECUTIVE BOARD TO THE COMBINED GENERAL MEETING ON MAY 11, 2023, RELATING TO FREE SHARES ALLOCATION OPERATIONS

Dear shareholders,

In accordance with the provisions of Article L225-197-4 of the Commercial Code, we are reporting to you on operations carried out pursuant to the provisions of Articles L22-10-59 and Articles L225-197-1 to L225-197-3 of the Commercial Code relating to allocations of free shares.

STATEMENT OF ALLOCATIONS OF SHARES MADE BY THE COMPANY DURING THE YEAR 2023

The table below shows the number and estimated value by an independent appraiser, on the date of grant, of the total number of shares granted in 2023 by decision of the Supervisory Board (dated May 10, 2023) and the Executive Board (dated May 12, 2023) to all beneficiaries concerned:

General Meeting authorizing the allocation of shares	Date of the allocation by the Executive Board	Total number of shares allocated	End of the vesting period	End of the retention period	Estimated value per share on the date of the allocation
04/26/2022	05/12/2023	549,210	05/12/2026	N/A	Shares not subject to performance conditions: €15.77 Shares subject to performance conditions: €9.50

The shares granted during 2023 are subject to the following conditions:

(1) Service condition

Subject to specific imperative derogations or unless a decision is made to the contrary by the competent bodies (Executive Board or Supervisory Board as the case may be), the definitive vesting of the shares is subject to the condition that the beneficiary has maintained the status of employee or corporate officer of an entity of the Klépierre Group, without interruption, for the duration of the vesting period, i.e. 3 years from the date of the allocation.

(2) Performance condition

The definitive vesting of the shares is subject to the achievement of a performance condition assessed in accordance with the performance table below and in relation to the following four cumulative criteria, it being specified that for a total not exceeding 0.15% of the Company's share capital, the vesting of certain shares to beneficiaries other than the members of the Group's management team (Executive Board and Group Executive Committee), will not be subject to any performance condition:

- the “**absolute stock market performance**” of the Company's shares, assessed relative to its rate of return;
- the “**relative stock market performance**” of the Company's shares compared to the stock market performance of a panel of members (panel composed of European retail property companies operating in the shopping center sector: Unibail Rodamco-Westfield, CityCon OYJ, Eurocommercial Properties, Deutsche Euroshop, Wereldhave N.V., Mercialis, Vastned Retail N.V., Immobiliare Grande Dis, Lar España Real Estate SOCIMI SA and Carmila), measured using their rate of return (including dividends), hereafter referred to as the “**Panel**”. In the event that one or more companies included in the Panel cease to exist, the Executive Board may, with the approval of the Supervisory Board and if viewed as necessary, replace them by one or more substitution companies;
- the “**internal performance**” calculated in relation to the average change in net rental income over three years as shown in the Company's last three consolidated financial statements approved and available on the vesting date; and
- the “**CSR performance**” assessed based on the GRESB rating of the Klépierre Group and the level of attainment of the carbon emissions reduction target.

The performance table applied to the above criteria is as follows:

Performance conditions	Performance		% vested shares
Absolute stock market performance (20%)	$\leq 10\%$		0%
	12%		33.3%
	14%		50%
	16%		66.7%
	18%		83.3%
	$\geq 20\%$		100%
Relative stock market performance (25%)	below the median		0%
	6 th (median)		50%
	5 th		60%
	4 th		70%
	3 rd		80%
	2 nd		90%
	1 st		100%
Internal performance (20%)	$< 1\%$		0%
	1%		30%
	$\geq 3\%$		100%
CSR Performance (35%)	GRESB rating (15% of the number of shares initially allotted or 15% of the adjusted number of shares after applying the time factor in the event of a change in control)	Klépierre must rank in the top five companies in its category and have a "5-star" rating in the latest ranking published prior to the vesting date	100%
	Carbon emissions for 2025 (CARB₂₀₂₅) (20% of the number of shares initially allotted or 20% of the adjusted number of shares after applying the time factor in the event of a change in control)	CARB ₂₀₂₅ > 3.68 kgCO ₂ e/sq.m.	0%
		CARB ₂₀₂₅ = 3.68 kgCO ₂ e/sq.m.	50%
		CARB ₂₀₂₅ < 3.68 kgCO ₂ e/sq.m.	100%

**SHARES ALLOCATED BY THE COMPANY TO CORPORATE OFFICERS
DURING THE YEAR 2023**

Executive Board members	Allocation date ⁽¹⁾	Number of shares allocated ⁽²⁾	End of the vesting period	End of the retention period	Estimated value per share on the allocation date
Jean-Marc Jestin Chairman of the Executive Board	05/12/2023	86,842	05/12/2026	N/A	€9.50
Stéphane Tortajada Member of the Executive Board	05/12/2023	47,368	05/12/2026	N/A	€9.50

⁽¹⁾ With respect to the general meeting of April 26, 2022

⁽²⁾ The shares allocated are, until the end of the term of office, subject to an obligation to retain in registered form 50% of the acquisition gain net of taxes and charges, calculated upon delivery of the shares

**SHARES ALLOCATED BY THE COMPANY TO THE TEN EMPLOYEES OF THE COMPANY
(OTHER THAN CORPORATE OFFICERS) WITH THE HIGHEST NUMBER OF SHARES
DURING THE YEAR 2023**

Beneficiaries	Number of share allocated
3 employees	13,000 shares each (total of 39,000 shares)
2 employees	11,500 shares each (total of 23,000 shares)
1 employee	11,000 shares
1 employee	10,500 shares
1 employee	10,000 shares
2 employees	8,500 shares each (total of 17,000 shares)
TOTAL	110,500 shares , representing a total estimated value of €1,049,750 on the date of the allocation, by decision of the Executive Board of May 12, 2023

SHARES ALLOCATED BY THE COMPANY TO ALL EMPLOYEES (OTHER THAN CORPORATE OFFICERS) BENEFICIARIES OF PERFORMANCE SHARES DURING THE YEAR 2023

By decision of the Executive Board of May 12, 2023, a total number of 415,000 shares had been allocated to all employees other than corporate officers (i.e. a total estimated valuation of €4,258,508) as follows: (i) 50,400 shares not subject to performance conditions and allocated to 126 beneficiaries (i.e. a total estimated valuation of €794,808 on the date of the allocation) and (ii) 364,600 shares subject to performance conditions and allocated to 137 beneficiaries (i.e. a total estimated valuation of €3,463,700 on the date of the allocation).

The portion of allocated shares not subject to performance conditions in the total number of shares allocated to employees other than corporate officers represent a mere 12%.