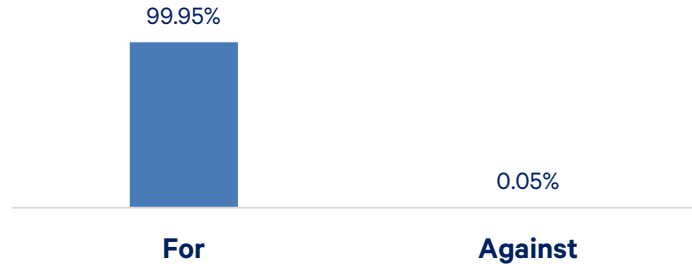


RESOLUTION 10

Approval of the compensation policy for the Chairman of the Supervisory Board and the members of the Supervisory Board

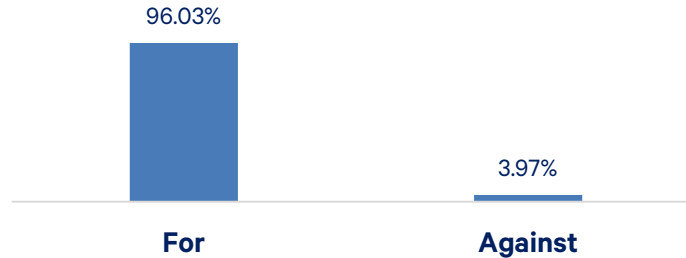
Outcome of the vote



RESOLUTION 11

Approval of the compensation policy for the Chairman of the Executive Board

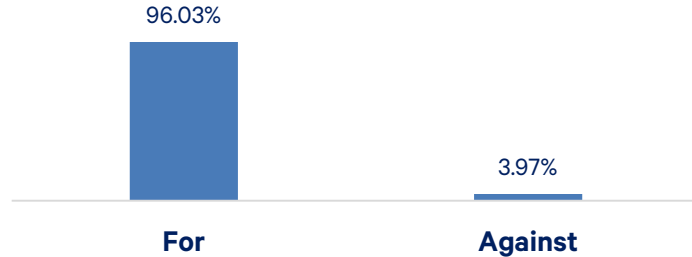
Outcome of the vote



RESOLUTION 12

Approval of the compensation policy for the Executive Board members

Outcome of the vote



5.1.3.3 Work of the Executive Board in fiscal year 2019

The Executive Board met formally 46 times in 2019. The main issues discussed at these meetings and the main tasks performed in 2019 were as follows:

Topics	Items on the agenda
Investments/divestments and implementation of strategy	<ul style="list-style-type: none"> > Review of plans for development, investments, divestments, extensions, refurbishments and restructuring > Intragroup financial structuring transactions
Group financial policy, performance and reporting	<ul style="list-style-type: none"> > Preparation and approval of the company and consolidated financial statements for the fiscal year ended December 31, 2018 and the interim financial statements for first-half 2019 > Quarterly management reports > Budget preparation > Group dividend policy and decisions related to payment of an interim dividend > Share buyback and cancellation program > Intragroup restructuring transactions > Restructuring of the Group's revolving credit facilities > Interest rate hedging policy > Issue of warranties, endorsements and guarantees
Internal control and risk management	<ul style="list-style-type: none"> > Preparation of the audit plan > Executive Board decisions systematically take risks into consideration and are regularly audited
Governance and ethics	<ul style="list-style-type: none"> > Management of the list of insiders and preparation of meetings of the Inside Information Committee
Compensation and human resources	<ul style="list-style-type: none"> > Annual talent and compensation review > Allotment of performance shares > Implementation of an employee share ownership plan > Continuation of the policy commitments on gender equality in the workplace
Shareholder relations	<ul style="list-style-type: none"> > Communication with investors and roadshows > Organization of an Investor Day > Preparation for and convening of the General Meeting of Shareholders > Preparation of the registration document

5.2 COMPENSATION OF CORPORATE OFFICERS

5.2.1 Compensation policy for corporate officers

This section is subject to the approval of the Ordinary and Extraordinary General Meeting of April 30, 2020 sought by way of resolutions 10 to 12.

The Company complies in full with the recommendations of the AFEP-MEDEF Code on compensation.

5.2.1.1 Basic principles for setting the compensation policy

The Supervisory Board sets the compensation policy, acting on the recommendation of the Nomination and Compensation Committee and taking into account the principles of the AFEP-MEDEF Code, namely comprehensiveness, balance between the compensation components, comparability, consistency, understandability of the rules, and proportionality.

In Klépierre's corporate interest and to support its long-term viability, the Supervisory Board sets a compensation policy for Executive Board members and, where applicable, Supervisory Board members with the following goals in mind:

- > Attract and retain the best talent;
- > Set a balanced compensation structure that takes into account areas of responsibility;

- > Set a performance-based compensation policy related mainly to the commercial strategy, in line with the interests of Klépierre and of its shareholders;
- > Consider the compensation and employment conditions applicable to Klépierre employees;
- > Consider Klépierre's CSR objectives to promote long-term growth.

Compensation must attract and retain the best talent

Appropriate compensation, both fixed and variable, is essential to attract, retain and motivate the best talent and ensure the Company's growth and oversight. The compensation offered should therefore be competitive and in line with market practices for comparable companies. To this end, in compliance with the principle of comparability recommended by the AFEP-MEDEF Code, the Nomination and Compensation Committee validates its approach using studies conducted by various independent specialists based on panels of companies of a similar size and/or operating in the same business sector as Klépierre, and with comparable international exposure.

Compensation must be balanced and take into account areas of responsibility

Compensation paid to Supervisory Board members includes a fixed amount and a predominantly variable amount based on actual attendance at meetings of the Supervisory Board or Committees on which they sit.

Regarding Executive Board members, the Supervisory Board ensures that compensation is balanced (fixed, short-term variable and long-term variable components), with each component representing about one-third of total compensation for the year.

In accordance with section 25.1.2 of the AFEP-MEDEF Code, the compensation of corporate officers is based on work performed, responsibility assumed and the duties entrusted to the executive corporate officers.

Compensation must be performance-based and related mainly to the commercial strategy, in line with the interests of Klépierre and of its shareholders

In its compensation policy and in accordance with section 25.3.3 of the AFEP-MEDEF Code, the Company ensures that executive corporate officer compensation is aligned with the interests of Klépierre and its shareholders.

The compensation policy is primarily designed to reward the performance of executive corporate officers, which allows the interests of executive corporate officers to be aligned with those of Klépierre and its shareholders. Accordingly, the vast majority of the executive corporate officer compensation package is subject to performance conditions, concerning both the short-term variable portion and the allotment of performance shares. This makes it possible to evaluate how executive corporate officers create value over a number of time frames.

The performance criteria used to determine the compensation of corporate officers are financial, operating and non-financial. In particular, they are based on the achievement of targets related to Klépierre's commercial strategy. Certain criteria are applied to multiple Executive Board members because they reflect the Company's performance under the leadership of those executives. Other criteria are specific to individual Executive Board members, and are determined based on their areas of responsibility.

The criteria are reviewed regularly by the Nomination and Compensation Committee, as well as by the Supervisory Board, to ensure that they continue to reflect the Company's strategy and current position, with the aim of eliminating obsolete or ineffective criteria while simultaneously achieving the stability essential to long-term performance assessment.

Compensation must take into account the compensation and employment conditions applicable to Klépierre employees

The compensation policy for corporate officers is determined taking into account the compensation and employment conditions applicable to Klépierre employees. Useful information on the Group's compensation policy is regularly provided to the Nomination and Compensation Committee.

For Executive Board members for example, the Supervisory Board ensures that their compensation structure is consistent with that of the Group's senior managers, i.e., that it comprises both fixed components and short- and long-term variable components. The performance conditions applicable to long-term incentives are the same for all beneficiaries.

Besides compensation conditions, the Supervisory Board also includes criteria related to employment conditions for the Group's employees in the objectives underpinning the variable compensation payable to Executive Board members. The short-term variable compensation objectives assessed include initiatives promoting diversity and talent development, while the long-term variable compensation objectives assessed include Group employees' access to training.

Compensation must take into account Klépierre's CSR objectives to promote long-term growth

Both short- and long-term variable components are subject to non-financial criteria regarding CSR issues. These criteria are determined in line with the Group's targets in order to promote sustainable, environmentally-friendly development over the long term.

5.2.1.2 Decision-making process for setting, revising and implementing the compensation policy

At the beginning of each year, the Nomination and Compensation Committee conducts a general review of the different components of compensation. Based on the Nomination and Compensation Committee's work, the Supervisory Board then sets the compensation policy to be put to the vote at Klépierre's General Meeting.

The same process applies if the compensation policy is revised.

Supervisory Board

In accordance with Article 17, paragraph 1 of the Company's bylaws, the General Meeting sets the total amount allotted to the Supervisory Board members for their work during the fiscal year. The total approved by the Ordinary and Extraordinary General Meeting of April 19, 2016 was €700,000. This amount is maintained for subsequent fiscal years unless modified by the General Meeting.

At the beginning of each year, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board allots the previous year's compensation among its members, taking into account the offices held by each member within the Board and its various Committees as well as their actual presence at Board and Committee meetings during the year.

Executive Board

The table below presents the steps and timeline for setting the compensation of Executive Board members.

Post-General Meeting of prior year to February of current year	
Nomination and Compensation Committee	<p>1. The Nomination and Compensation Committee analyzes the applicable governance rules and any changes. It receives relevant information from the Group's Legal Department and minutes of meetings between the Legal Department, Communications Department and investors during annual governance roadshows.</p> <p>2. In accordance with the comparability principle set out in the AFEP-MEDEF Code, the Committee is committed to regularly studying the practices of companies comparable in size and activities to Klépierre to verify (i) the appropriateness corporate officers' compensation with regard to the Group's size and their experience, as well as (ii) the competitiveness of the compensation offered by Klépierre versus the benchmark.</p> <p>On that basis, the Committee then reviews the following information before issuing recommendations about the compensation policy to the Supervisory Board:</p> <ul style="list-style-type: none"> > Overall structure of corporate officers' compensation: the Committee reviews and assesses its appropriateness each year, taking into account all components of compensation, including any severance pay. > Annual fixed compensation: the Committee evaluates its amount each year, taking into account events affecting the Company and other compensation components. > Short-term variable compensation: <ul style="list-style-type: none"> - The Committee sets the amount of short-term variable compensation due in respect of the prior year on the basis of performance criteria established at the beginning of the prior year. The Committee holds a specific meeting to assess the achievement of qualitative targets during the previous year. - It then makes proposals for the performance criteria applicable to the short-term variable compensation in respect of the current year. > Long-term incentive plans: <ul style="list-style-type: none"> - The Committee discusses the general policy for the allotment of performance shares each year and ensures that there is a sufficiently large group of beneficiaries within the Group. For information, in 2019 these allotments covered 9% of employees. - The Committee then proposes performance criteria applicable to all performance shares allotted within the Group for the current year, based on ambitious targets assessed over a three-year period. There are currently four types of criteria which are used to (i) assess shareholder returns based on stock market performance and dividends received, (ii) compare this return with that of Klépierre's competitors, (iii) evaluate the Company's operating performance in terms of the change in net rental income, and (iv) measure the achievement of the Group's CSR commitments. - Lastly, the Committee determines the number of performance shares to be allotted to the Chairman and members of the Executive Board for the current year. > Benefits in kind: the Committee reviews and values the various benefits in kind granted and includes them in its assessment of Executive Board compensation.
From February of current year	
Supervisory Board	<p>On the basis of the Nomination and Compensation Committee's work and recommendations:</p> <ul style="list-style-type: none"> > The Supervisory Board sets the current year's compensation policy. > The amount of short-term variable compensation payable to the Chairman and members of the Executive Board in respect of the prior year is set by the Supervisory Board based on its assessment of their performance. The quantitative criteria are assessed on the basis of the consolidated financial statements as approved by the Supervisory Board. The qualitative criteria are assessed on the basis of the Nomination and Compensation Committee's report. > As regards long-term incentive plans that have matured, the Board takes due note of the performance levels achieved. As the criteria are quantitative, the assessment is based on the achievement scale applicable to the relevant plans.
April of current year	
General Meeting of Shareholders	<p>The compensation policy for the current year is submitted to the vote of the General Meeting (<i>ex ante</i> say on pay). The compensation and benefits paid during or allotted for the previous year (i) to all corporate officers as a whole and (ii) to each executive corporate officer are also submitted to the vote (<i>ex-post</i> say on pay).</p>
Post-General Meeting of Shareholders of current year	
Nomination and Compensation Committee then Supervisory Board	<p>The Nomination and Compensation Committee, and then the Supervisory Board based on the Committee's work, prepare a report for the General Meeting (including analysis of results of the vote on the resolutions and analysis of comments from investors and proxy advisors).</p>
Executive Board	<p>The Executive Board allots the performance shares to all beneficiaries in respect of the current year, within the limits agreed by the Supervisory Board and in accordance with the compensation policy approved by the General Meeting.</p>

The Nomination and Compensation Committee relies on the following resources when setting the compensation policy:

- > **Use of reputed independent specialized consultants**, in particular to perform benchmark studies (which are regularly reviewed by the Nomination and Compensation Committee to ensure that they are appropriate);
- > **Meetings with the Group's Legal and Human Resources Departments**, for example to obtain information about the compensation and employment terms of the Group's employees;
- > **Meetings with investors and proxy advisors.**

To avoid conflicts of interest and in accordance with AFEP-MEDEF Code recommendations:

- > Executive Board members do not attend Nomination and Compensation Committee meetings;
- > Executive Board members are not present during the Supervisory Board's deliberations on their compensation.

In addition, as required by the Supervisory Board's rules of procedure, Executive Board members must consult the Supervisory Board before accepting any new appointments in a listed company, it being specified that no individual member of the Executive Board may hold more than two offices in listed companies, including non-French companies, outside the Group.

5.2.1.3 Components of corporate officers' compensation

5.2.1.3.1 Components of Supervisory Board compensation

Taking into account the fact that the number of Supervisory Board members was reduced to nine following the General Meeting of April 18, 2017, the utilization in fiscal year 2020 of the fixed annual budget of €700,000 is not expected to exceed €688,000:

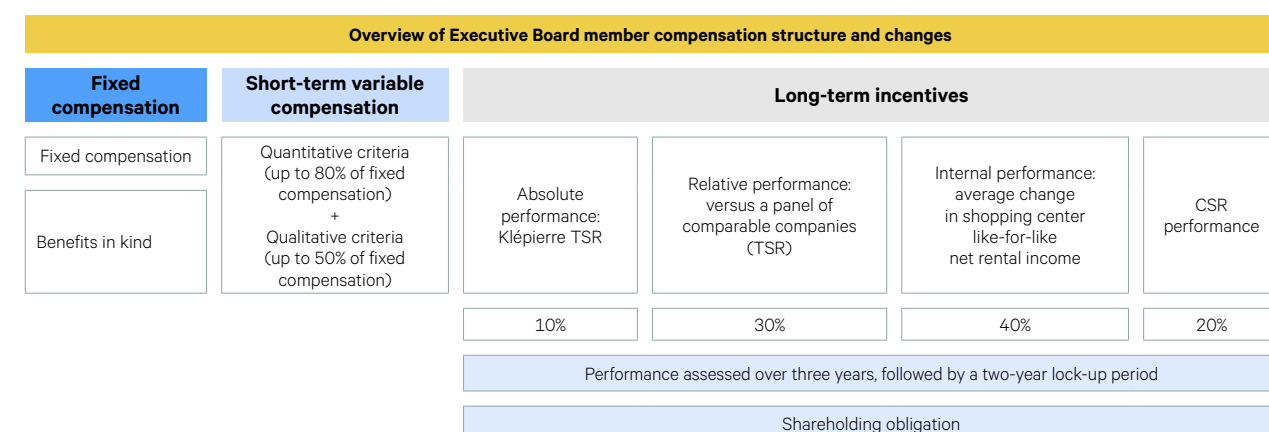
The annual amount is allotted based on the offices held by each member within the Board and its various Committees, as well as their actual presence at Board and Committee meetings during the year, as follows:

Office	Compensation	Total
Chair (Board and Committees) or Vice Chair	€22,000 per office, to be allotted among the relevant Board members for service as Chairman of the Supervisory Board, Vice Chair of the Supervisory Board, Chairman of the Audit Committee, Chairman of the Investment Committee, Chair of the Nomination and Compensation Committee and Chairman of the Sustainable Development Committee	€132,000
Supervisory Board member	Fixed portion: €12,000 per Board member Variable portion: Amount based on actual attendance at Board meetings	€108,000 €224,000
Committee members	Fixed portion: N/A Variable portion: Amount based on actual attendance at the relevant Committee meetings	€224,000
TOTAL		€688,000

Supervisory Board members may also be reimbursed for all reasonable costs and expenses arising from the exercise of their duties, subject to providing the necessary supporting documentation.

No other components of compensation are awarded to Supervisory Board members, and no agreements (employment or service agreements) have been entered into by Supervisory Board members with Klépierre.

5.2.1.3.2 Components of Executive Board members' compensation



Component	Comments	Change in 2020 versus 2019 ^(b)
Fixed compensation	The fixed compensation of Executive Board members must remain unchanged until the end of their term of office. For information, over the past few years, the Supervisory Board has been gradually raising the fixed compensation of Executive Board members to ensure that it remains competitive and appropriate.	No change
Variable compensation	The criteria used to set variable compensation remain appropriate. Variable compensation is mainly determined using (i) a criterion based on the Group's performance, measured through a target net current cash flow per share, one of the key indicators used by the Group in its communications with the markets, and (ii) a qualitative component that measures individual performance based on the specific objectives set for each member, it being specified that management objectives have been introduced (diversity and talent management).	No change
Long-term incentives	Vesting of performance shares is subject to service and performance conditions assessed over a three-year period: <ul style="list-style-type: none"> > Financial performance: TSR of the Klépierre share; > Financial performance: performance of the Klépierre share relative to a panel of comparable companies^(a); > Operating performance: average change in shopping center like-for-like net rental income; > CSR performance: achievement of objectives relating to social and environmental matters. 	No change

(a) URW, CityCon OYS, Eurocommercial Properties, Deutsche Euroshop, Wereldhave NV, Mercialis, Vatned Retail NV, Immobiliare Grande Dis, Atrium European Real Estate, Carmila.

(b) The General Meeting of April 16, 2019 approved the components of compensation paid or allotted for fiscal year 2018 to Jean-Marc Jestin (by 95.50% of votes cast) and to Jean-Michel Gault (by 96.96% of votes cast).

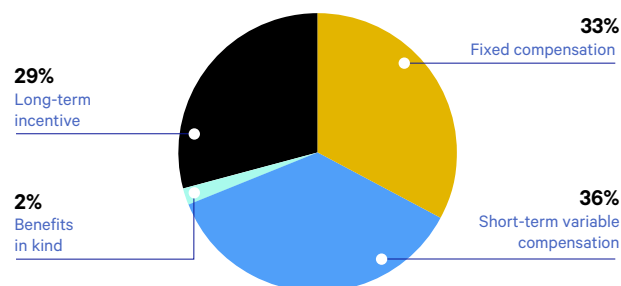
Components of the Chairman of the Executive Board's compensation

Jean-Marc Jestin is currently Chairman of the Executive Board. He was appointed on April 16, 2019 for a term of three years effective from June 22, 2019.

Should a new Chairman of the Executive Board be appointed, the principles and criteria provided for in the last compensation policy approved by the General Meeting would also apply to him. In such cases, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board will, in light of existing practices and based on the situation of the executive concerned, determine the different components of compensation, which shall not exceed those set out in said policy. The Supervisory Board may decide exceptionally to award an on-boarding package as a recruitment incentive for a new executive joining from another group. The payment of this package, which may take different forms, is designed to offset the loss of benefits to which executives may have been entitled in their previous position. In compliance with section 25.4 of the AFEP-MEDEF Code, in the event that such a package is granted, it must be explained and the amount made public at the time it is set, even where payment is made in installments or deferred.

The compensation of Jean-Marc Jestin breaks down as follows⁽¹⁾:

▶ JEAN-MARC JESTIN



The Chairman of the Executive Board's compensation includes the following components:

a) Fixed annual compensation

The Chairman of the Executive Board's fixed annual compensation remains unchanged in 2020 at €750,000.

b) Short-term variable compensation

Short-term variable compensation rewards executive performance for the prior year and aims to establish a link between the interests of executives and the Group's operational strategy over the period in question pursuant to section 25.3.2 of the AFEP-MEDEF Code.

This compensation is subject to achievement of clear and ambitious targets, which are decided at the beginning of the year in question by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee (details and weighting of the qualitative targets are communicated to the Chairman of the Executive Board at the beginning of the year but are not made public at this stage for confidentiality reasons – they are, however, published at a later stage).

The results are assessed after the end of the fiscal year based on the consolidated financial statements for that year and the evaluation of the performance of the Chairman of the Executive Board by the Supervisory Board.

(1) Calculation for fiscal year 2019.

Short-term variable compensation of the Chairman of the Executive Board is determined based on the following two types of components:

Quantitative component		
Weighting	Description	Comments
The quantitative portion of variable compensation is capped at 80% of fixed annual compensation. In addition, a performance floor has been set at more than 97% of the target. Achieving the target net current cash flow per share announced by Klépierre as guidance to the market grants entitlement to 55% of the fixed annual compensation.	The quantitative component measures Klépierre's performance in relation to a target net current cash flow per share. The net current cash flow per share target for fiscal year 2020 is €2.90.	This financial indicator is particularly relevant for a real estate company such as Klépierre as it enables the following to be measured: <ul style="list-style-type: none"> > Changes in income based on organic and external growth; > Cost management efficiency (operating and financial costs); > Tax exposure of recurring operations. It is one of the key indicators that Klépierre discloses to the market every six months. Net current cash flow per share growth and its regularity are fundamental inputs in the valuation of the Klépierre share price. The quantitative component is applied identically to all Executive Board members because it measures their performance as an executive team with collective responsibility.
Qualitative component		
Weighting	Description	Comments
The qualitative portion of variable compensation is capped at 50% of fixed annual compensation.	The qualitative portion of variable compensation is measured by applying several criteria and for 2020 is based around the following topics: <ul style="list-style-type: none"> > Strategy implemented to enhance the quality of the portfolio (developments/investments/disposals); > Corporate social responsibility^(a); > Promotion of Klépierre's image; > Management (actions to increase diversity in the workforce, with a particular emphasis on achieving gender balance; promoting talent development and; preparing succession plans for the key positions within the Group). 	The qualitative component measures the individual performance of the Chairman of the Executive Board based on specific targets for the relevant year. These specific targets are decided by the Supervisory Board for the year concerned according to the priorities set by the Board, acting on the recommendation of the Nomination and Compensation Committee, and are communicated to the Chairman of the Executive Board.

(a) The criteria applied are different from those used to assess the condition related to Klépierre's CSR performance for the purpose of the long-term variable compensation.

The overall short-term variable compensation paid to the Chairman of the Executive Board is capped at 130% of his fixed annual compensation.

In accordance with Article L. 225-100-III, paragraph 2 of the French Commercial Code, the annual variable compensation due in respect of fiscal year 2020 will be paid after the Ordinary General Meeting to be called in 2021 to approve the 2020 financial statements is contingent on its approval by that Meeting.

c) Long-term variable compensation

The General Meeting of April 16, 2019 renewed the authorization for Klépierre to allot performance shares to the corporate officers and senior managers for a further three years.

The rules of the plan to be implemented in 2020 will include a three-year vesting period (save for specific cases of early vesting)⁽¹⁾, subject to a service condition and four performance conditions, followed by a two-year holding period.

The performance conditions are based on financial, non-financial and operating targets that contribute to the goals of the compensation policy:

- > Conditions that encourage the achievement of the Group's operating and financial targets and thus drive greater value creation for shareholders. They therefore promote the alignment of the beneficiaries' interests with those of the Company and of its shareholders.
- > Varied and demanding conditions, which differ from those applicable to short-term variable compensation and which are for the most part assessed based on financial and quantitative criteria along with criteria linked to the environmental or social issues facing the Group.
- > Conditions based on Klépierre's performance, improvements in which depend on the work put in by the teams and their results, based on an approach designed to create value over the long term.

(1) Including in the event of the death or disability of the beneficiary, transactions resulting in a change in control, and delisting.

The conditions underlying the performance shares are detailed in the table below:

Service condition				
<p>The beneficiary must remain within the Group until the end of the vesting period. Should the beneficiary leave before expiration of the term for assessing the performance share performance criteria, the decision to maintain performance share entitlements is subject to the decision of the Board and must be justified. With respect to the Chairman of the Executive Board, the Supervisory Board may only authorize a partial waiver of the service condition, such that performance shares vest pro rata to members' service to the Group, and performance conditions will continue to apply until the end of the vesting period.</p>				
Four performance conditions				
Performance assessed	Indicator	Calculation method	Weighting	Justification of choice
Absolute performance	Total Shareholder Return (TSR, change in share price plus dividend) of the Klépierre share.	Calculated based on the average share price over the 40 trading days preceding the anniversary date (as compared with the average share price over the 40 trading days preceding the allotment date). The achievement scale is presented on page 247.	10% of the total allotment	This condition measures the returns for shareholders based on stock market performance and dividends received. Its weighting must nevertheless be limited insofar as it is mainly depends on Klépierre's share price performance, which is not solely influenced by the Company's intrinsic operating performance, but is also impacted by macroeconomic trends that may be unrelated to the Company's business.
Relative performance	TSR of the FTSE EPRA/NAREIT Eurozone index composed of companies in the same sector as Klépierre, i.e., retail real estate. The equally weighted index comprises the following securities: URW, CityCon OYJ, Eurocommercial Properties, Deutsche Euroshop, Wereldhave N.V., Mercialis, Vastned Retail N.V., Immobiliare Grande Dis, Atrium European Real Estate and Carmila.	Comparison of Klépierre's TSR with that of the index. The achievement scale is presented on page 247.	30% of the total allotment	This criteria compares Klépierre's TSR with that of companies whose primary business activity is operating shopping centers and are therefore faced with comparable issues and economic cycles.
Internal performance	Change over three years in net rental income.	Calculation of the average annual change in shopping center like-for-like net rental income, as reported by the Group in its annual consolidated financial statements over the last three fiscal years preceding the reference date. The achievement scale is presented on page 247.	40% of the total allotment	This is an operating criterion directly linked to the business of the Company. It is effective for assessing the Company's business growth and the teams' efforts to drive like-for-like rental income and therefore maximize returns from the Group's real estate portfolio. Growth in like-for-like net rental income includes: <ul style="list-style-type: none"> > Increases in minimum guaranteed rents when the lease is renewed, which reflect the Group's capacity to host the most attractive retailers in its centers and to optimize the rental value of available space; > Reductions in the vacancy rate; and > Optimal management of shopping center costs.
CSR performance	(i) GRESB rating: Klépierre must rank in the top five in its category and have a "5-star" rating, which is awarded only to the top performers. (ii) Level of achievement of certain targets in the five-year CSR road map.	The achievement of objectives is assessed annually by an independent third party (Ernst & Young). The achievement scale is presented on page 247.	20% of the total allotment	This criterion reflects Klépierre's desire to unite its employees and executives around corporate social responsibility issues in line with Klépierre's five-year CSR road map.

The number of performance shares that may fully vest to the beneficiaries concerned is calculated using the following achievement scale:

Performance assessed	Performance	% of shares delivered ^(a)	Assessment of the requirements for the chosen performance conditions
Absolute performance	≤16.5%	0%	The percentage of shares allotted is zero where the increase in TSR is less than or equal to 16.5%. Achievement of the maximum target implies TSR growth of 30% or more. Exceeding the 30% threshold does not result in the allotment of additional shares, which is capped at 10% of the initial number of shares allotted.
	20%	33.3%	
	22.5%	50%	
	25%	66.7%	
	27.5%	83.3%	
	≥30%	100%	
Relative performance	Index -1%	0%	If the Klépierre share's performance is equal to the index, only 33.33% of the shares will be allotted. To achieve the maximum target, the share must outperform the index by 3%. Exceeding the 3% threshold does not result in the allotment of additional shares, which is capped at 30% of the initial number of shares allotted.
	Index	33.3%	
	Index +1%	50%	
	Index +2%	66.7%	
	Index +3%	100%	
Internal performance	<1%	0%	If the growth in net rental income over three years is equal to 1%, only 30% of the shares will be allotted. To achieve the maximum target, the increase must be greater than or equal to 3%. Exceeding the 3% threshold does not result in the allotment of additional shares, which is capped at 40% of the initial number of shares allotted. This is a very ambitious growth target considering that the Group renews an average of only 8% of its leases each year. The level of ambition of this target can be measured in light of the historical performance of Klépierre and of its main competitors. Based on Klépierre's results since 2010 ^(d) , the performance criterion has been met in only five fiscal years, i.e., in every other year over the 2010 to 2019 period (2010 being the first year the three-year average was calculated). As regards the results of Klépierre's main competitors since 2012, only around 20% reported average growth in like-for-like net rental income ^(e) in excess of 3% for the 2012-2019 period.
	1%	30%	
	≥3%	100%	
CSR performance	GRESB rating: Klépierre must rank in the top five and have a "5-star" rating;	8%	GRESB (Global Real Estate Sustainable Benchmark) is an organization that assesses the ESG performance of real estate companies. The objective is to rank among the top five companies in its category ^(f) and to obtain the highest "5-star" rating. Klépierre has defined an ambitious CSR strategy and set a number of priorities to achieve as part of a five-year road map, described in more detail in chapter 4 of this document. The shares vest only if the conditions are fulfilled. No shares are allotted if performance is below the target.
	Reduction in the Group's energy consumption Target ^(c) : 40% reduction	3%	
	Shopping centers obtaining sustainable development certification Target ^(c) : 100% of shopping centers	3%	
	Shopping centers contributing to local employment Target ^(c) : 100% of shopping centers having implemented at least one initiative during the year to promote local employment ^(b)	3%	
	Employees receiving training Target ^(c) : 100% of employees	3%	

(a) If the result obtained is between two thresholds, the number of performance shares vested is calculated on a linear basis.

(b) Including the organization of an employment forum, partnerships with a local employment organization, partnership with an association supporting employment/integration, publication of jobs available at the center on the center's website and/or through posting, etc.

(c) The targets will be adjusted in future performance share plans based on those set in the CSR road map.

(d) For the years prior to 2013, the Company calculated growth in like-for-like rental income on the basis of its gross rental income only. In addition, for purposes of comparability, the calculations were made over the entire period by retaining just the shopping center portfolio which represents, since 2013, more than 95% of the value of the property portfolio.

(e) Based on reported like-for-like net rental income, using shopping center portfolios for which data are available.

(f) The category (European Listed Real Estate Company) had 13 members in 2019.

Specific rules applicable to corporate officers

Caps on allotments

The General Meeting of April 16, 2019 capped the number of shares that may be allotted at 0.5% of the share capital for a period of 38 months and, within this limit, capped the number of shares that may be allotted to the Chairman and members of the Executive Board at 0.2% of the share capital.

In accordance with the compensation policy approved by the Supervisory Board, annual allotments made to the Chairman and members of the Executive Board may not represent more than 125% of the previous year's short-term compensation⁽¹⁾ for Executive Board members.

Holding obligation

Pursuant to Article L. 225-197-1 of the French Commercial Code as set out in the AFEP-MEDEF Code, the Supervisory Board set the holding obligation for the Chairman and members of the Executive Board as follows: they are required to hold in registered form a number of shares equivalent to 50% of the gain on vested shares net of tax and expenses as calculated on delivery of the shares, until the end of their term of office. The Chairman and Executive Board members are encouraged to hold a large and increasing number of shares.

(1) Calculated as follows: annual fixed compensation + target quantitative portion of short-term variable compensation + maximum qualitative portion of short-term variable compensation

In accordance with the AFEP-MEDEF Code, this amount will be reviewed and set by the Supervisory Board in light of the situation of each executive corporate officer periodically, and at least each time they are re-appointed. Because of the stringent holding obligations, the Supervisory Board does not require the Chairman or members of the Executive Board to buy shares using their own capital on delivery of the performance shares.

Other restrictions

In accordance with the AFEP-MEDEF Code, the Chairman and members of the Executive Board undertake not to enter into hedging transactions until the end of the lock-up period imposed by the performance share plans.

d) Other components of compensation

Employment contract and severance package

The Chairman of the Executive Board does not have an employment contract.

On April 16, 2019, the Supervisory Board authorized the implementation of a severance package in the event of Jean-Marc Jestin's forced departure from Klépierre. It will be subject to the ratification of Klépierre's General Meeting of April 30, 2020 (5th resolution).

The severance package will be paid in all cases of forced departure regardless of the method (removal, request for resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as Executive Board member at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination.

In the event of Jean-Marc Jestin's forced departure, he may be entitled to receive under the package a severance payment in an initial amount of one year's annual compensation, calculated by reference to the most recent (gross) fixed and short-term variable compensation paid as at the date of termination, it being specified that this initial amount may increase on a linear basis according to Jean-Marc Jestin's length of service as a corporate officer (on a basis of one month for each additional year of service with effect from January 1, 2017) and up to a maximum of two years' compensation, in accordance with the AFEP-MEDEF Code. Thus, at January 1, 2020, the severance payment would be equal to 15 months based on the latest (gross) fixed and short-term variable compensation.

In terms of performance conditions, the severance package may only be paid in the event that:

- > In the two fiscal years preceding the year of termination of his term of office, Jean-Marc Jestin received or is entitled to receive overall annual variable compensation (quantitative plus qualitative) representing an amount equal to at least 100% of his fixed compensation (the maximum being 130%); and
- > The quantitative portion of the short-term annual variable compensation must, as a minimum, have been paid in an amount equal to the target in said two fiscal years. For information, the net current cash flow per share target for fiscal year 2020 (giving rise to quantitative variable compensation of 55%) is €2.90.

These conditions are directly related to the achievement of the short-term compensation objectives applicable to the Chairman of the Executive Board and are therefore among the basic principles of the compensation policy applicable to the Chairman, taking into account performance related to the Group's commercial strategy.

Extraordinary compensation

Extraordinary compensation does not form part of the general compensation policy and may only be awarded in very specific circumstances, in accordance with section 25.34 of the AFEP-MEDEF Code. In accordance with Article L. 225-82-2 of the French Commercial Code, if the decision were made to award this type of compensation, payment would in any event be subject to prior approval by the General Meeting.

For 2020, no extraordinary compensation will be paid to the Chairman of the Executive Board.

Other benefits

The Chairman of the Executive Board has:

- > A company car;
- > The same occupational insurance and healthcare benefits plan as other Group employees in France. The amount of annual contributions paid by the Company for this purpose is not material, amounting to €3,337;
- > Unemployment insurance subscribed with GSC.

No loans or guarantees have been granted to him by Klépierre.

Compensation in respect of Board memberships

The Chairman of the Executive Board does not receive any compensation for his offices in the various Group companies.

Deferred variable compensation or multi-annual variable compensation

Klépierre's compensation policy does not include the payment of any deferred variable compensation or multi-annual variable compensation. Consequently, there are no arrangements for such payments.

Defined benefit or defined contribution pension plan

There are no defined benefit or defined contribution pension plans. The Chairman of the Executive Board qualifies for the same compulsory private sector supplementary pension plan as other Group managers.

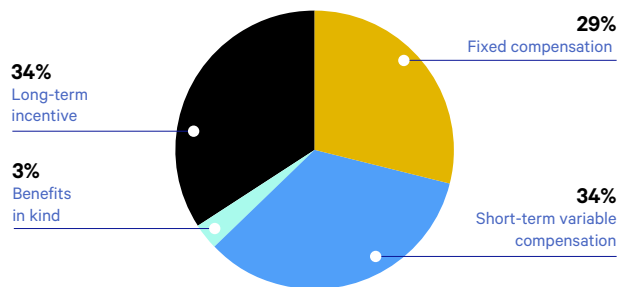
Components of Executive Board members' compensation

Apart from the Chairman, Jean-Michel Gault, Deputy Chief Executive Officer is currently the only member of the Executive Board. He was appointed on April 16, 2019 for a term of three years effective from June 22, 2019.

Should a new Executive Board member be appointed, the principles and criteria provided for in the last compensation policy approved by the General Meeting would also apply to him. In such cases, acting on the recommendation of the Nomination and Compensation Committee, the Supervisory Board will, in light of existing practices and based on the situation of the executive concerned, determine the different components of compensation, which shall not exceed those set out in said policy. The Supervisory Board may decide exceptionally to award a new corporate officer with an on-boarding package as a recruitment incentive for a new executive joining from another group. The payment of this package, which may take different forms, is designed to offset the loss of benefits to which executives may have been entitled in their previous position. In compliance with section 25.4 of the AFEP-MEDEF Code, in the event that such a package is granted, it must be explained and the amount made public at the time it is set, even where payment is made in installments or deferred.

The compensation of Jean-Michel Gault breaks down as follows⁽¹⁾:

► JEAN-MICHEL GAULT



The compensation of the Executive Board members includes the following components:

a) Fixed annual compensation

The Executive Board member's fixed annual compensation remains unchanged in 2020 at €480,000.

b) Short-term variable compensation

The principles described in section 5.2.1.3.2 ("Components of the Chairman of the Executive Board's compensation", "Short-term variable compensation") also apply to the Executive Board member.

Short-term variable compensation for the Executive Board member is determined based on the following two types of components:

Quantitative component

Weighting	Description	Comments
The quantitative portion of variable compensation is capped at 80% of fixed annual compensation. In addition, a performance floor has been set at more than 97% of the target. Achieving the target net current cash flow per share announced by Klépierre as guidance to the market grants entitlement to 55% of the fixed annual compensation.	The quantitative component measures Klépierre's performance in relation to a target net current cash flow per share. The net current cash flow per share target for fiscal year 2020 is €2.90.	This financial indicator is particularly relevant for a real estate company such as Klépierre as it enables the following to be measured: <ul style="list-style-type: none"> > Changes in income based on organic and external growth; > Cost management efficiency (operating and financial costs); > Tax exposure of recurring operations. It is one of the key indicators that Klépierre discloses to the market every six months. Net current cash flow per share growth and its regularity are fundamental inputs in the valuation of the Klépierre share price. The quantitative component is applied identically to all Executive Board members because it measures their performance as an executive team with collective responsibility.

Qualitative component

Weighting	Description	Comments
The qualitative portion of variable compensation is capped at 50% of fixed annual compensation.	The qualitative portion of variable compensation is measured by applying several criteria and for 2020 is based around the following topics: <ul style="list-style-type: none"> > Management of financial transactions and improvement in the Group's profitability; > Risk management; > Promotion of Klépierre's image. 	The qualitative component measures the individual performance of each Executive Board member based on specific targets, attributed to each of the Executive Board members on the basis of their particular scope of responsibility for the relevant year. These specific targets are decided by the Supervisory Board for the year concerned according to the priorities set by the Board, acting on the recommendation of the Nomination and Compensation Committee, and are communicated to Executive Board members.

The overall short-term variable compensation paid to the Executive Board member is capped at 130% of his fixed annual compensation.

In accordance with Article L. 225-100-III, paragraph 2 of the French Commercial Code, the annual variable compensation due in respect of fiscal year 2020 will be paid after the Ordinary General Meeting to be called in 2021 to approve the 2020 financial statements is contingent on its approval by that Meeting.

c) Long-term variable compensation

The principles and methods described in section 5.2.1.3.2 ("Components of the Chairman of the Executive Board's compensation", "Long-term variable compensation") also apply to the Executive Board member.

d) Other components of compensation

Employment contract and severance package

Should a Group employee be appointed as an Executive Board member, the Supervisory Board may, based on the situation of the executive concerned, either request the termination of the employment contract without compensation or maintain but suspend the employment contract.

In the latter case, and in order to limit the financial risk arising from the termination of an employment contract, said contract would be amended to include the employee's agreement to forgo any severance pay exceeding the total amount of their last two years' fixed and variable compensation.

Furthermore, the Supervisory Board may, in the event of forced-departure, authorize a severance package along the same lines as those applicable to the Chairman of the Executive Board and Executive Board members.

(1) Calculation for fiscal year 2019.

Jean-Michel Gault's situation

Jean-Michel Gault has had an indefinite employment contract with the Klépierre Group since August 1, 1998. Pursuant to the national collective bargaining agreement for the real estate industry, the applicable notice period is three months. This employment contract, which has been suspended since July 1, 2016, was amended on November 21, 2017 in order to (i) insert therein Jean-Michel Gault's agreement to waive any severance pay exceeding two years of the last fixed and variable compensation received as a member of the Executive Board (including in respect of the termination of his employment contract) and (ii) to implement a non-statutory package in the event of his forced departure. These amendments were approved by Klépierre's General Meeting of Shareholders of April 24, 2018 (5th resolution).

The waiver referred to above allows the Company to contain the financial risk linked to any termination of the latter's employment contract, by limiting the severance to two years under all circumstances. Signing this amendment did not lead to any payment in favor of Jean-Michel Gault.

On April 16, 2019, the Supervisory Board authorized the implementation of a severance package in the event of Jean-Michel Gault's forced departure from Klépierre. It will be subject to the ratification of Klépierre's General Meeting of April 30, 2020 (6th resolution).

The severance package will be paid in all cases of forced departure regardless of the method (removal, request for resignation, etc.), except in the event of serious or gross misconduct and in the event of non-re-appointment as Executive Board member at the end of his term of office. In accordance with the AFEP-MEDEF Code, no severance will be owed if the beneficiary is entitled to claim full retirement benefits within six months of termination.

In the event of Jean-Michel Gault's forced departure, the amount of the severance payment under this package will be limited to two years of the (gross) fixed and short-term variable compensation received for his corporate office over the 12 months preceding his departure, less any amount paid for any statutory severance or due under a collective bargaining agreement that Jean-Michel Gault may otherwise receive under his employment contract. For information, at January 1, 2020, the severance payment would be equal to 24 months based on the latest (gross) fixed and short-term variable compensation, including the payment to which Jean-Michel Gault may be entitled under the collective bargaining agreement in the event of the termination of his employment contract, which amounts to €709,892, i.e., 7.7 months of his fixed and variable compensation for fiscal year 2019.

The payment of the non-statutory severance is also subject to the achievement of the same performance conditions as applicable to the Chairman of the Executive Board.

These conditions are directly related to the achievement of the short-term compensation objectives applicable to the Deputy Chief Executive Officer and Executive Board member, and are therefore among the basic principles of the compensation policy applicable to the Deputy Chief Executive Officer, taking into account performance related to the Group's commercial strategy.

Extraordinary compensation

Extraordinary compensation does not form part of the general compensation policy and may only be awarded in very specific circumstances, in accordance with section 25.3.4 of the AFEP-MEDEF Code. In accordance with Article L. 225-82-2 of the French Commercial

Code, if the decision were made to award this type of compensation, payment would in any event be subject to prior approval by the General Meeting.

For 2020, no extraordinary compensation will be paid to the Executive Board member.

Other benefits

The Executive Board member has:

- > A company car;
- > The same occupational insurance and healthcare benefits plan as other Group employees in France. The amount of annual contributions paid by the Company for this purpose is not material, amounting to €3,317;
- > Unemployment insurance subscribed with GSC.

No loans or guarantees have been granted to him by Klépierre.

Compensation in respect of Board memberships

The Executive Board member does not receive any compensation for his directorships in the various Group companies.

Deferred variable compensation or multi-annual variable compensation

Klépierre's compensation policy does not include the payment of any deferred variable compensation or multi-annual variable compensation. Consequently, there are no arrangements for such payments.

Special defined benefit or defined contribution pension plan

There are no defined benefit or defined contribution pension plans. The Executive Board member qualifies for the same compulsory private sector supplementary pension plan as other Group managers. In addition, Jean-Michel Gault is eligible for a supplementary pension plan for senior executives of Compagnie Bancaire. This plan has been capped and closed to new beneficiaries since December 31, 2000. As indicated on page 261, this amount is capped at €7,122.

5.2.2 Compensation of the Chairman and members of the Supervisory Board and the Chairman and members of the Executive Board for fiscal year 2019

5.2.2.1 Compensation of the Chairman of the Supervisory Board and members of the Supervisory Board

The compensation of the Chairman and members of the Supervisory Board presented below was set by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee pursuant to the compensation policy approved by the General Meeting of April 16, 2019 (9th resolution) by 99.97% of the votes cast.

This policy complies with the basic principles described in section 5.2.1.1, as it helps to promote long-term growth.

In accordance with the rules for allotting compensation to Supervisory Board members described in section 5.2.3.1, the total amount of annual compensation paid or awarded in fiscal year 2019 in respect of their corporate office was €684,555.