

KLEPIERRE

AUDIT COMMITTEE

**- Internal Rules of Procedure -
(approved by the Supervisory Board on December 15, 2016)**

ARTICLE 1 - PURPOSE

An Audit Committee was created by a decision adopted by the Supervisory Board at its meeting on July 21, 1998.

The Committee is tasked by the Supervisory Board with:

1. reviewing and assessing the financial documents issued by the Company and with monitoring the process of preparing financial information and, where appropriate, issuing recommendations to safeguard its integrity.
2. monitoring the effectiveness of:

2.1 the Company's external audit

- by issuing a recommendation to the Supervisory Board on the statutory auditors proposed for appointment at Klépierre's Annual General Meeting in accordance with the applicable regulations.
- by issuing a recommendation to the Supervisory Board when the statutory auditor(s) is/(are) set to be re-appointed for another term, in accordance with the applicable regulations.
- by monitoring the performance by the statutory auditors of their duties, in the light of any observations and conclusions stated by the *Haut Conseil du Commissariat aux Comptes* (French regulatory body for statutory auditors) following the controls conducted in accordance with the law, and by reviewing with the statutory auditors every year:
 - their work programs
 - the conclusions they drew on the basis of their assignments
 - their recommendations and the follow-up work carried out
- by making sure that the statutory auditors satisfy the independence requirements applicable to them
- by taking the requisite measures pursuant to paragraph 3 of Article 4 of Regulation (EU) no. 537/2014 and by ensuring that the requirements of Article 6 of said Regulation are met. To this end, the Audit Committee shall discuss with the statutory auditors the evidence supporting their compliance with the requirements in terms of the length of appointments, prohibited services and caps on fees.
- by approving the provision to the Group, either in France or elsewhere, by the statutory auditors or members of their network, of non-statutory audit services

as provided for in the applicable internal procedure, and in particular after analyzing the threats to the independence of the statutory auditors and the safeguards applied by them.

- by taking receipt of the additional report to the statutory auditors' audit report and by discussing with them the issues raised in this report

2.2 Klépierre's internal control and risk management systems, and internal audit function concerning procedures for the preparation and processing of accounting and financial information:

- by evaluating internal control, risk management and internal audit systems with Klépierre's internal control managers
 - by reviewing with them:
 - the work and action programs in relation to internal controls
 - the conclusions drawn on the basis of their assignments and actions taken
 - their recommendations and the follow-up work carried out
 - by reviewing how the regulatory internal control obligations apply
3. reporting to the Supervisory Board on (i) the conduct of its duties (ii) the results of the statutory audit assignment, how this assignment contributed to the integrity of the financial information and its role in the process
 4. immediately informing the Supervisory Board of any difficulties encountered.

ARTICLE 2 - HEARINGS - INFORMATION

To help it fulfil its tasks, the Committee may ask the Executive Board to conduct any hearings and provide it with any information it requires.

ARTICLE 3 - COMPOSITION

This Committee shall have at least three and no more than five members chosen by the Supervisory Board from among its members.

Committee members' term in office shall exactly replicate their appointment as a member of the Supervisory Board. They may be reappointed as Committee members at the same time as they are reappointed as Supervisory Board members.

The Committee shall choose its own Chairman.

The Committee shall appoint a Secretary to the Committee, who need not be one of its members.

ARTICLE 4 - MEETINGS

The Committee shall meet at least twice per year based on a schedule of meetings determined by the Supervisory Board. Even so, the Committee may meet at the request of at least two of its members.

For it to be able to deliberate validly, at least half the Committee's members must be present. One Committee member may not be represented by another.

Committee meetings shall be attended by:

- the Chairman of the Executive Board, Executive Board members, representatives of the statutory auditors.
- any person from whom the Committee wishes to hear.

ARTICLE 5 - MINUTES

Minutes of the Committee meetings shall be prepared, and signed by the Chairman of the Committee. They shall be sent to Supervisory Board members and participants.

The Committee Chairman or a specially designated Committee member shall report to the Supervisory Board on the work undertaken by the Committee.