

Decision of the Supervisory Board with respect to the remuneration of the Management Board

On March 8, 2016, the Supervisory Board (the “SB”), upon the recommendation of the Governance, Nomination & Remuneration Committee (the “GN&RC”), approved the Unibail-Rodamco MB remuneration policy for 2016 detailed below.

	2016 MB remuneration ¹				
	Fixed Income (“FI”)	Short-term Incentive (“STI”) for 2015	Supplementary Contribution Scheme	Long-term Incentive (“LTI”) ²	Other Benefits ³ (estimate)
Mr Christophe Cuvillier – Chief Executive Officer and Chairman of the Management Board	€913,988	€1,323,981	€313,797	€359,522	Approx. €21,000
Mr Olivier Bossard – Chief Development Officer	€400,000	€378,400	€122,840	€172,571	Approx. €20,000
Mr Fabrice Mouchel – Deputy Chief Financial Officer	€360,000	€340,560	€115,056	€158,190	Approx. €15,000
Mrs Astrid Panosyan – Chief Resources Officer	€360,000	€113,400 ⁴	€115,020	€158,190	Approx. €16,000
Mr Jaap Tonckens – Chief Financial Officer	€550,000	€527,450	€152,745	€215,713	Approx. €31,000
Mr Jean-Marie Tritant – Chief Operating Officer	€500,000	€430,200	€138,020	€194,142	Approx. €20,000

¹ For details on the MB remuneration policy see the Annual Report
² Economic value of Stock Options only, Performance Shares to be granted in April following the Annual Shareholder’s Meeting
³ Company Car and an unemployment contribution, GSC type (except for Mr Tonckens who only benefits from an expatriate health insurance policy and International Assignment Extra-Compensation (excl. EU))
⁴ Management Board member since September 1, 2015, STI for 2015 *pro rata temporis*

Changes in the Annual Short-term Incentive Structure as from 2016

On February 2, 2016 the Supervisory Board, upon the recommendation of the GN&RC, approved revisions to the STI formula to be applied to the 2016 Management Board remuneration onwards (for STI paid in 2017) in order to simplify the quantitative formula, to ensure direct alignment with Management Board remuneration and the Group’s performance and to allow the targets to be communicated to the market.

The CEO’s STI remains capped at 150% of the gross annual fixed income. In order to ensure a comprehensive incentive structure aligned with the best market practices, a qualitative component has been integrated for the CEO. The CEO’s STI arrangement will now include two components:

(i) a Quantitative component, to be calculated through application of a revised quantitative formula, entirely linked to the Group’s performance and capped at 120% of the CEO’s gross annual fixed income. This formula will take into account the following key performance indicators:

- a “cash flow” component which is proportional to the recurring EPS growth, potentially adjusted for the impact of significant disposals in line with the Group’s financial communication; and
- a “value creation” component proportional to the net asset value per share growth plus the dividend per share distributed over the same period.

In order for the quantitative component to reach its maximum of 120%, the company’s performance must reach the following targets:

- a growth of +8% (the current top bracket of our medium term guidance) for the cash flow component; and
- a growth of +12% for the value creation component.

(ii) a Qualitative component, capped at 30% of gross annual fixed income, will be determined according to the achievement of individual qualitative objectives, pre-defined by the GN&RC and Supervisory Board.

The STI for the non-CEO Management Board members remains capped at 100% of the gross annual fixed income. In order to ensure the full alignment of remuneration with the Group's performance, the quantitative component has been increased with the qualitative component decreased by the same amount. The non-CEO Management Board members' STI arrangement still includes two components:

(i) a Quantitative component, to be calculated through application of a revised quantitative formula, entirely linked to the Group's performance and capped at 70% of gross annual fixed income (vs. 50% previously). This formula, analogous to the formula applied to the CEO, will take into account the following key performance indicators:

- a "cash flow" component which is proportional to the recurring EPS growth, potentially adjusted for the impact of significant disposals in line with the Group's financial communication; and
- a "value creation" component proportional to the net asset value per share growth plus the dividend per share distributed over the same period.

In order for the quantitative component to reach its maximum, the company's performance must reach the following targets:

- a growth of +8% (the current top bracket of our medium term guidance) for the cash flow component; and
- a growth of +12% for the value creation component.

(ii) a Qualitative component, capped at 30% of gross annual fixed income (vs. 50% previously), determined according to the achievement of individual qualitative objectives for each non-CEO Management Board member, which are pre-defined by the CEO and approved by the GN&RC and Supervisory Board.

In order to ensure that the quantitative targets are aligned with the Group's objectives and market communications, the quantitative targets and principles will be reassessed periodically, in principle every 3 years, to align them to potential new medium term market guidance communicated by Unibail-Rodamco and/or significant changes in the economic or financial environment.