



Press release

FINANCIAL TERMS IN CONNECTION WITH THE CHANGE IN CHAIRMAN OF THE EXECUTIVE BOARD

Paris – November 16, 2016

Financial terms of Laurent Morel's departure

The Supervisory Board met on November 15, 2016 and approved the execution of agreements relating to the termination of Laurent Morel's employment contract with Klépierre Management – a subsidiary of the Group – and of his functions as Chairman of the Executive Board (the "Termination Agreements").

Following the recommendation of the Nomination and Compensation Committee, the Supervisory Board decided the following:

- Fixed compensation for 2016

The Supervisory Board had set Laurent Morel's annual fixed compensation for 2016 at EUR 472,000. This amount shall be paid on a pro rata basis until November 6, 2016.

For the resumption of his employment contract with Klépierre Management, Laurent Morel shall receive a gross monthly compensation of EUR 39,333, which shall be paid on a pro rata basis (it being specified that the termination of his employment contract will only become effective toward the end of 2016, after approval of the consensual termination agreement).

- Short-term variable compensation for 2016

The Supervisory Board had set a quantitative component, based on achieving a Net Current Cash Flow (NCCF) per share objective and capped at 80% of the fixed compensation, and a qualitative component, capped at 50% of the fixed compensation.

Upon recommendation of the Nomination and Compensation Committee, during its meeting on November 15, 2016, the Supervisory Board decided to set Laurent Morel's variable compensation for 2016 as follows:

- EUR 306,800 for the quantitative part, representing 65% of his fixed compensation (this amount was determined on the basis of an estimated NCCF per share, to date, for 2016; Laurent Morel will be required to reimburse Klépierre for an amount equal to the difference between the variable compensation paid and the variable compensation that he should

have received if the NCCF per share actually achieved turns out to be lower than this estimate);

- EUR 212,400 for the qualitative part, representing 45% of his fixed compensation¹.

- Termination indemnity

Laurent Morel having held various functions within the Group over 29 years, notably pursuant to his initial employment contract, he could have claimed a significant departure indemnity as a result of applicable statutory and collective provisions.

In the context of the Termination Agreements, however, Laurent Morel has accepted, in accordance with the AFEP-MEDEF Code recommendations, to limit the amount of total indemnity received as a result of the termination of his functions to EUR 1,982,400, which represents two years of his fixed and variable compensation for 2016.

This termination indemnity, which will only be paid after approval of the consensual termination agreement by the French labor administration, will be subject to a claw back mechanism in case the variable compensation 2016 is adjusted downwards.

- Performance shares

In the context of the Termination Agreements, following the recommendation of the Nomination and Compensation Committee and in accordance with the possibility provided in the different plans, the Supervisory Board decided to waive the presence condition for the 102,353 performance shares subject to vesting period, granted to Laurent Morel². All of these performance shares remain subject to conditions relating to the absolute performance of the Klépierre share price, the relative performance of Klépierre's shares compared to the FTSE EPRA Eurozone index and, starting from the 2016 plan, Klépierre's internal performance based on the evolution of net rental income. From a practical standpoint, these performance conditions are particularly challenging³. More details regarding the performance share plan conditions are provided in Section 4.4 of Klépierre's 2015 Registration Document.

The Supervisory Board further recognized that the waiver of the presence condition is justified by Laurent Morel's long tenure within the Group and the fact that, by his action, he has contributed to the development of Klépierre and set solid bases for the implementation of the Group's future strategy⁴.

All of these elements (including the termination indemnity to be paid to Laurent Morel pursuant to the Termination Agreements, whether the indemnity is related to the termination of his functions as employee or of a transactional nature), will be submitted to the consultative vote of the shareholders at the 2017 Annual General Meeting.

¹ This qualitative part is based on criteria whose description and relative weight will be provided in the 2016 registration document.

² It being specified that the value of these performance shares, calculated in accordance with applicable accounting rules, is respectively: EUR 15.67 per share for the 30,000 performance shares granted in 2014, EUR 17.00 per share for the 37,353 shares granted in 2015, and EUR 17.52 per share for the 35,000 performance shares granted in 2016.

³ For example, regarding the 2013 performance share plan for which the vesting period expired in February 2016, only 44.22% of the performance shares initially allotted were effectively granted.

⁴ It is also specified that Laurent Morel will continue to hold 49,000 stock-options, granted in 2010 and 2011, and which have been fully vested since May 2015. The average weighted acquisition price of the shares for Laurent Morel, should he decide to exercise them, is EUR 27.22 per share. The stock-option plans are described in detail in the Klépierre 2015 registration document.

Jean-Marc Jestin's compensation

The fixed annual compensation of Jean-Marc Jestin has been aligned with the compensation previously paid to Laurent Morel (i.e., a fixed compensation equal to EUR 472,000), and will be paid on a pro rata basis from the beginning of his tenure as Chairman of the Executive Board.

The criteria used to determine his variable compensation (as described in the press release dated May 13, 2016) remain unchanged.

ABOUT KLÉPIERRE

The leading pure play shopping center property company in Europe, Klépierre combines development, property and asset management skills.

The company's portfolio is valued at EUR 22.6 billion at June 30, 2016 and comprises large shopping centers in 16 countries in Continental Europe which altogether welcome 1.2 billion visitors per year. Klépierre holds a controlling stake in Steen & Strøm (56.1%), Scandinavia's number one shopping center owner and manager.

Klépierre is a French REIT (SIIC) listed on Euronext Paris and included in the CAC 40, EPRA Euro Zone and GPR 250 indexes. It is also included in ethical indexes, such as DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and World 120, and Euronext Low Carbon 100 Europe, and is ranked as a Green Star by GRESB (Global Real Estate Sustainability Benchmark). These distinctions underscore the Group's commitment to a proactive sustainable development policy.

For more information: www.klepierre.com

AGENDA

February 6, 2017 **2016 Full-Year Earnings** (press release after market close)

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This press release is available on Klépierre's website: www.klepierre.com