



UNIBAIL-RODAMCO-WESTFIELD

UNIBAIL-RODAMCO-WESTFIELD N.V.

REMUNERATION POLICY

Applicable as from January 1, 2022

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Introduction

This document sets out the remuneration policies for the Management Board (“MB”) Members of Unibail-Rodamco-Westfield N.V. (the “Company”) and for the Supervisory Board (“SB”) Members of the Company. The Remuneration Policy for the MB members is subject to adoption by the Company’s general meeting (“GM”) and to apply as from 1 January 2022 onwards. The Remuneration Policy for the SB Members remains unchanged and is included in this document as a reminder only¹.

The remuneration policy for the MB and the remuneration policy for the SB (collectively, the “Remuneration Policy”) will be submitted for adoption by the GM at least once every four years. Changes to the Remuneration Policy will be submitted for adoption by the GM as appropriate.

The SB and the Company’s Governance, Nomination and Remuneration Committee (“GNRC”) are committed to extensive and proactive consultation with shareholders on the Remuneration Policy. Shareholder engagement has been a long-standing practice for the Group (formed by Unibail-Rodamco-Westfield SE (“URW SE”), the Company and the controlled undertakings whose financial information is included in the consolidated accounts of the Company and/or of URW SE). The SB and the GNRC have considered, among others, the interest of all stakeholders, the identity, mission and values of the Group, the experience with and evaluation of the existing Remuneration Policy, the high level of support received from the GM in 2021 for both the existing Remuneration Policy (>96%) and the Company’s remuneration report (>95%), and input on the Remuneration Policy and its implementation received from the Company’s shareholders. The Remuneration Policy has been designed to align the interests of corporate officers with shareholders, but also to remain consistent with the remuneration of all Company employees and consider the perspectives of the Group’s ecosystem of tenants, suppliers, and the public. In that respect, the SB and the GNRC monitor the evolution of the MB Members’ pay ratio, which is disclosed annually in the Company’s remuneration report and take account of the employees’ perspectives through the dialogue between management and the Works Councils in the various countries where the Group operates. In finding the balance between these diverse perspectives, the SB and the GNRC aim for the effectiveness of the Remuneration Policy, bearing in mind their fiduciary duties.

The significant changes compared to the existing Remuneration Policy for the MB members, as adopted by the GM in 2021, are the following:

- Clarification of the Short-Term Incentive Target for all MB members and update of the maximum opportunity for the Chief Financial Officer;
- Revision of the Long-Term Incentive policy.

No changes are introduced in 2022 for the Remuneration Policy applicable to the SB Members.

¹ The applicable Remuneration Policy for SB Members was approved by the shareholders on June 29, 2021.

I. Remuneration Policy for the MB Members

The Remuneration Policy for the MB Members relies on the following objectives, which contribute to the strategy, long-term interests, sustainability, identity, mission and values of the Company and its business, considering the interests of the Group, as well as relevant aspects of Corporate Social Responsibility (CSR).

FIVE OBJECTIVES

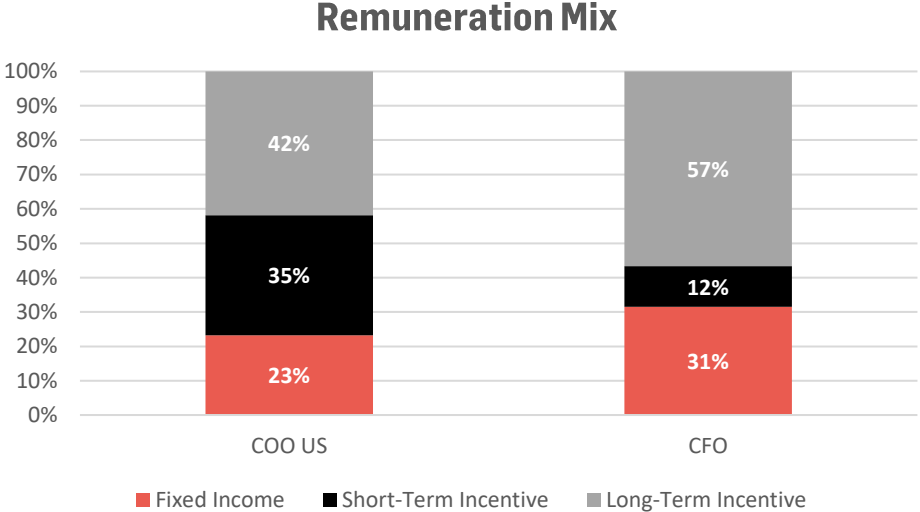
ATTRACT	MOTIVATE	RETAIN	REWARD	ALIGN
Attract high-potential candidates to boost the management team	Motivate to deliver on challenging short- and long-term objectives	Retain to maintain a highly experienced and collaborative MB	Reward to achieve individual and collective objectives, and to make decisions that contribute to the Group's value creation and long-term success	Align the MB Members' interests with those of shareholders and other stakeholders

FIVE GUIDING PRINCIPLES

BEST REMUNERATION GOVERNANCE STANDARDS	COMPREHENSIVE REMUNERATION ASSESSMENT	PAY FOR PERFORMANCE	TRANSPARENCY	INDEPENDENT EXTERNAL BENCHMARKING
The SB and GNRC commit to the highest standards of remuneration governance, and constantly strive to take account of the latest recommendations from national and international authorities as well as voting policies of shareholders and proxy advisors	MB Members have each component of their remuneration reviewed individually and collectively	Individual and Company performance-related remuneration is the cornerstone of the Remuneration Policy. It ensures the alignment of MB Members' interests with the long-term value creation objectives of the Group and its shareholders	The SB conducts significant outreach and engagement with shareholders and proxy advisors with respect to the Remuneration Policy. Continued efforts are made to explain and get feedback	A comparative analysis is conducted at the start of every mandate (or whenever a specific review is needed) with the support of an external independent advisor, taking into account remuneration practices in companies relevant to the size and geographical scope of the Group
In particular, the rules below are strictly enforced by the SB:				
Included <ul style="list-style-type: none"> ✓ Reasonable and balanced remuneration based on benchmarks provided by an external independent advisor ✓ Cap on Short-Term Incentives ("STI") ✓ Cap on overall Long-Term Incentives ("LTI") allocation ✓ 3-year vesting for Performance Shares ✓ 3-year vesting for Performance Stock Options ✓ Stringent performance conditions over a 3-year performance period ✓ CSR related performance measures in STI and LTI ✓ Obligation to retain shares ✓ Clawback & Malus provisions 		Excluded <ul style="list-style-type: none"> × No welcome bonus × No exceptional remuneration × No additional defined benefit pension × No intra-Group Board fees × No contractual non-compete indemnity × No discount on Performance Stock Options subscription price × No reward for underperformance 		

The remuneration of the MB Members² comprises a Fixed Income (“FI”), a Short-Term Incentive (“STI”) and a Long-Term Incentive (“LTI”) and may furthermore include pension arrangements, severance pay and other benefits, as described below. The remuneration package of a MB Member shall not include any welcome bonus, contractual non-compete indemnity, additional defined benefits pension scheme or intra-Group board fees.

To support the Remuneration Policy’s objectives, the mix of remuneration includes pay-for-performance (STI and LTI). The chart below illustrates the mix of Fixed Income vs pay-for-performance, assuming maximum STI pay-out and the theoretical maximum LTI grant size (IFRS).



² References in this Remuneration Policy to the COO US are generally to the MB Member(s) other than the MB Member having the title of CFO of URW NV (presently, only the COO US).

SUMMARY OF MAIN REMUNERATION FEATURES

The table below summarises the main features of the MB Remuneration Policy. Changes introduced in 2022 are highlighted.

Elements	Purpose and link to strategy	Operation	COO US	CFO
Fixed Income ("FI")	Attract high-calibre experienced individuals with a competitive remuneration level that reflects the scope, complexity and dynamics of the business.	Set at the start of a term as MB member ³ , taking into consideration: <ul style="list-style-type: none"> level and complexity of role; profile, experience and career; comparative remuneration analyses for similar functions and responsibilities based on external benchmarks deemed relevant by the SB; pay ratio(s), salaries and other employment conditions within the Company and its subsidiaries. 	\$750,000 (in 2022)	€177,896 (in 2022)
Short-Term Incentive ("STI")	Drive short-term strategy and reward achievement of annual financial and operational objectives.	<p>Financial (70%): selected annually from among:</p> <ul style="list-style-type: none"> Group Financial Performance (currently: Adjusted Recurring Earnings Per Share ("AREPS")); Regional Financial Performance (currently: Net Operating Result (US COO only); and Key Strategic Goals (such as, but not limited to: commercial partnerships net income, new revenues, net debt reduction, capex control / asset disposals, administrative costs reduction and/or rent collection). <p>CSR / Diversity & Inclusion (10%): selection of metrics related to our Better Places 2030 goals.</p> <p>Individual performance (20%): established around Business Objectives, Development, Digital, People and Personal Development and other objectives.</p>	<p>Target: 100% of FI</p> <p>Maximum: 150% of FI</p>	<p>Target: 25%</p> <p>Maximum: 37.5% of FI</p>
Long-Term Incentive ("LTI")	Retain and align with the medium/ long-term value creation objectives of the Group and its shareholders.	<p>KPIs</p> <p>80% Financial</p> <ul style="list-style-type: none"> 35% Relative TSR 10% Absolute TSR 35% AREPS <p>20% CSR</p> <ul style="list-style-type: none"> 10% Gender Parity 10% GHG reduction 	<ul style="list-style-type: none"> Target range: COO US: 70% to 120% of FI CFO: 45% to 70% of FI Maximum grant value: 180% of FI (exceptional circumstances) 3-year performance period 3-year vesting period 	
Pension	Provide pension benefits.	If applicable: participation in pension plans under same conditions as local employees, or equivalent cash payment for private pension arrangement.	approx. \$20,000 (2022)	approx. €30,000 (2022)
Other benefits	Provide customary other benefits.	E.g., health and life insurance, company car.	approx. €20,000 each (2022)	
Shareholding requirement	Further align the MB with shareholder interests.	Retain 30% of gains (net of tax) of SO exercised and 30% of PS vested until target % of FI is held.	Target: 200% of FI	
Service Agreement/ Severance pay	Company and the MB Members enter into a service agreement.	Severance pay cannot exceed 100% of FI. No severance pay in the event of termination for urgent cause ⁴ or at the initiative of the MB Member.		
Clawback/ Malus	Enforce the URW Code of Ethics.	To the extent permitted by applicable law, in the event of gross misconduct or fraud causing a material adverse impact to the Company, Unibail-Rodamco-Westfield SE or the Group as a whole, in particular resulting in a financial restatement, the SB reserves the right to reduce or cancel unvested LTI or STI amounts (malus), seek reimbursement of paid STI or vested LTI, or obtain damages (clawback).		

³ During mandate, for the CFO, salary is subject to indexation in line with the minimum collective increase applied for the Dutch entities of the Group if any or, in the absence of such increase, the average salary increase applied on the same scope.

⁴ Urgent cause (*dringende reden*) as defined in article 7:678 of the Dutch Civil Code.

FIXED INCOME (“FI”)

The FI for a MB Member is determined at the start of the term as MB Member and shall remain unchanged (or limited to minimum indexation) until the end of the term. By exception, increases during a term may occur in the event of an increase in the scope of responsibilities or in case of significant changes in the Company, as determined by the SB upon the recommendation of the GNRC.

The FI is determined taking into consideration:

- the level and complexity of the role;
- the profile, experience and career within the Group or elsewhere;
- the comparative remuneration analyses for similar functions and responsibilities based on external benchmarks deemed relevant by the SB;
- the internal pay ratio(s), salaries and other employment conditions within the Company (including its subsidiaries) and its business.

To set the remuneration at the appropriate level, the SB and the GNRC may seek guidance from an external independent advisor. The Company's ability to attract, motivate and retain world-class talent through competitive remuneration levels is key to ensure strong performance of the Company.

For 2022, the FI of the CFO is updated following the salary indexation in the Netherlands and the FI of the COO US remains unchanged as follows:

Function	MB Member	Fixed Income (2022)
COO US	Mr Dominic Lowe	\$750,000
CFO ⁵	Mr Gerard Sieben	€177,896

SHORT-TERM INCENTIVES (“STI”)

The structure of the STI is capped at 150% of FI for the COO US and at 37.5% of FI for the CFO with quantitative and qualitative components detailed below. Starting 2022, it is clarified with the introduction of a target STI set at 100% of FI for the COO US and 25% of FI for the CFO. For the CFO, this target and maximum STI is now aligned with jobs of comparable scope within the overall URW group.

The table below summarises the approach which will be taken by the GNRC and the SB, to assess the performance of MB Members, based on one or more of the quantitative and qualitative performance indicators listed below. In assessing performance, the GNRC and SB will take account of results delivered versus budgets and plans according to agreed pay-out formulae. The SB, upon recommendation of the GNRC, may use its discretion in determining or adjusting the STI payout if unforeseeable circumstances had significant effects on the level of achievement of one or more performance criteria, outside management control, or if the payout formula of a KPI is no longer applicable.

This provision will allow the SB, upon recommendation of the GNRC, to ensure the alignment between the implementation of the remuneration policy and the performance of the MB member and the Group. Any exercise of discretion by the SB shall be disclosed in the Universal Registration Document and on the Group website, explained and justified with regards, amongst other considerations, to alignment with shareholders' interests, and would remain subject to a binding shareholder vote at the following General Meeting.

Performance Indicators	Description
70% Financial	<p>Selected at the start of each year, among the following possible ones:</p> <ul style="list-style-type: none">• Group Financial Performance (currently measured as AREPS)• Regional Financial Performance (currently measured as Net Operating Result, applicable to the COO US only)• Key Strategic Goals, among which, for example:<ul style="list-style-type: none">◦ Commercial Partnerships Net Income / New revenues;◦ Net debt reduction;◦ Capex control / Asset disposals;◦ Administrative costs reduction;◦ Rent collection and other leasing-related metrics.
10% Corporate Social Responsibility / Diversity & Inclusion	<p>A selection of metrics related to our Better Places 2030 goals. For example, Reduction in greenhouse gas emission or proportion of women among employees hired or promoted to executive positions.</p>
20% Individual	<p>Determined according to the attainment of several individual key objectives, set by the SB upon the recommendation of the GNRC. These performance indicators are generally established around the following themes:</p> <ul style="list-style-type: none">• Business Objectives (including strategic milestones);• Development;• Digital;• People and Personal Development;• Other objectives. <p>Objectives considered met are paid out at 80% of maximum.</p>

The performance indicators, their weightings and their achievement will be disclosed *ex-post* in the remuneration report.

⁵ The FI of the CFO is subject to indexation in line with the minimum collective increase applied for the Dutch entities of the Group if any or, in the absence of such increase, the average salary increase applied on the same scope.

LONG-TERM INCENTIVES (“LTI”)

The SB considers that LTI in the form of a mix of Performance Shares (“PS”) and Performance Stock Options (“SO”) is particularly appropriate as these instruments align the MB Members’ interests with that of the Company’s shareholders. The LTI plan is a key component of the Group remuneration policy and an effective incentive and retention tool. The general LTI plan rules (including in respect of potential, non-automatic accelerated performance-testing, presence-testing and/or vesting upon the occurrence of significant events) are the same for MB Members as for all other Group participants (around 488 participants in 2021, approx. 17% of total Group staff).

The vesting is calculated according to the plan rules applicable to PS and SO. However, the SB, upon the recommendation of the GNRC, may make use of its discretion in adjusting downwards the LTI grants, determining or adjusting LTI targets or vesting if unforeseeable circumstances had significant effects on the level of achievement of one or more performance criteria, outside management’s control. This provision will allow the SB to ensure the adequacy between the implementation of the Remuneration Policy and the performance of the MB Member and of the Group. Any exercise of discretion by the SB shall be disclosed in the Universal Registration Document and on the Group website, explained and justified in regard, amongst other considerations, of alignment with shareholders’ interests.

Each year, the SB, upon the recommendation of the GNRC, determines the grant of PS and SO and their respective weightings taking numerous factors into account, including (i) the Group’s general financial performance, (ii) the overall performance of MB Members, (iii) the other remuneration components of the MB Members, (iv) the amount of LTI granted the previous year. PS and SO are both subject to presence and performance conditions with a 3-year vesting period. In addition, MB Members have a retention obligation in Stapled Shares.

Main features of the LTI structure (applicable to both SO and PS unless specified)

Element	Description	Comments		
Value	Target range (IFRS Value): <ul style="list-style-type: none"> COO US: 70% to 120% of FI CFO: 45% to 70% of FI Maximum: 180% of FI	The 180% maximum has never been used so far and would only be used, or approached, in genuinely exceptional circumstances. No minimum LTI grant is guaranteed.		
Performance period	3 years	Performance-vesting is assessed once at the end of the 3-year performance period, both for SO and PS.		
Vesting period	3 years	PS and SO vest after 3 years, subject to achievement of performance and presence conditions.		
Exercise period (SO only)	5 years	Options are exercisable between the 3 rd and the 8 th anniversary of the grant, subject to performance conditions.		
Performance conditions	Financial	35% TSR vs. peer group 10% TSR vs. growth targets 35% AREPS vs. guidance	All performance conditions achievements calculated with a progressive vesting formula	Performance conditions redesigned in line with best practices observed to include absolute TSR performance (vs. growth target) in the mix, decrease weight of AREPS, up-weight CSR component (10% to 20%) with two key internal, quantitative metrics, externally audited. See further details in the table below.
	CSR	10% Executive gender parity 10% Greenhouse gas reduction		
Share retention obligation	30% of vested PS 30% of net SO gain at exercise	Retention obligation applies up to a Stapled Share ownership equivalent to 200% of FI. See further details below.		
Additional notes	No discount on SO exercise price			

Performance conditions applicable to PS and SO

Thresholds and stretch target for each Key Performance Indicators is determined by the SB on grant date each year. As an example, the thresholds and stretch target applicable for the 2022 plan are described below.

Key Performance Indicators		Weight	Threshold (30% vesting, 0% vesting below)	Between Threshold and Stretch (30%-100% vesting ⁶)	Stretch (100% vesting)
TSR vs. Peer group	URW stapled share Total Shareholder Return (share price growth, dividends reinvested) outperformance vs. TSR of an international real estate peer group (see details in Glossary)	35%	At index	Between index and index+300bps	Index +300bps or above
TSR vs. 3-year objectives	URW stapled share 3-year TSR vs. pre-determined growth objectives	10%	20%	Between 20% and 30%	30% or above
AREPS	3-year compounded Adjusted Recurring Earnings per Share vs. 3-year compounded guidance range	35%	Bottom of compounded guidance	Between bottom and top of compounded guidance	Top of compounded guidance or above
Executive Gender Parity improvement	Proportion of females in the executive population (Country/Regional Management Teams, plus any other role with an executive URW job level)	10%	34%	Between 34% and 38%	38% or above
Greenhouse gas emissions reduction	Greenhouse gas emissions measured in tonnes of CO ₂ equivalent (scope 1 and 2). Targets set in line with our Better Places 2030 program	10%	68,127 tCO ₂ e	Between 68,127 tCO ₂ e and 66,505 tCO ₂ e	66,505 tCO ₂ e or less

⁶ Vesting calculated on a straight-line basis between Threshold and Stretch.

Change in control conditions

In the event of a change in control, or of a significant sale of assets controlled directly or indirectly by the Company, the MB Members are subject to the same plan rules as all LTI plan participants. In particular:

- the performance conditions would be assessed in the context, and at the date, of the event;
- the presence condition would be assessed at the date of the event;
- these events do not automatically trigger accelerated vesting of SO and PS.

SHAREHOLDING OBLIGATIONS

To align the interests of MB Members with the Group's shareholders, MB Members are expected to develop ownership of Stapled Shares. The ownership level is at least 200% of FI for each MB Member. Until that ownership level is met, MB Members must retain at least 30% of the Stapled Shares acquired upon vesting of PS and Stapled Shares equivalent to 30% of their net gain on SO at exercise.

PENSION ARRANGEMENTS

The SB, upon recommendation of the GNRC, may determine that a MB Member is eligible for participation in pension plans under same conditions as local employees (e.g., contributions to a defined contribution pension scheme or a 401(k) plan). Where the terms of pension plans for local employees do not allow participation of a MB Member, the SB, upon recommendation of the GNRC, may determine that the MB Member will instead receive a cash payment equivalent to the amount that the Group would otherwise have paid under the pension plans (if applicable, topped-up to compensate for lack of entitlement to tax-free pension accrual).

OTHER BENEFITS

The MB Members are eligible for benefits applicable to all employees in their respective work countries, such as the use of a company car, social security contributions, contributions to healthcare costs or employee share purchase plan.

The MB Members may also be eligible to receive an International Assignment Extra-Compensation (IAEC) and relocation support if they are asked to relocate to a different country. The IAEC will be determined by the SB upon recommendation of the GNRC on a case-by-case basis depending on the destination of the assignment and the family size of the MB Member, with the support of an external independent advisor. IAEC typically includes: cost of living adjustment, tax and foreign exchange rate equalization, expatriate health insurance, housing, schooling and home country social security costs. In addition, the Company may also cover one-off relocation costs.

SERVICE AGREEMENT

In accordance with Dutch law, service agreements (*overeenkomst van opdracht*) are entered into between the Company and each MB Member. These service agreements can be terminated with a three-month notice period. No notice period applies in case of termination by the Company for urgent cause (*dringende reden*) as defined in article 7:678 of the Dutch Civil Code. The service agreement terminates automatically upon the person ceasing to be an MB Member.

SEVERANCE PAY

The severance pay shall not exceed one year of Fixed Income. No severance pay is due for early termination at the initiative of the MB Member or in case of termination at the initiative of the Company for urgent cause (*dringende reden*) as defined in article 7:678 of the Dutch Civil Code.

CLAWBACK/MALUS

In the event of gross misconduct or fraud causing a material adverse impact to the Company, Unibail-Rodamco-Westfield SE or the Group as a whole (in particular resulting in a financial restatement):

- the Company reserves its right of action (including reimbursement or damages) with respect to current or former MB Members to the extent permitted by applicable law (clawback); and
- the SB, upon the recommendation of the GNRC, shall assess the relevant MB Member's misconduct or fraud and take appropriate action in respect of their annual STI and LTI, including cancelling rights to any unvested stock options and performance shares (malus).

II. Remuneration Policy for the SB Members

The Remuneration Policy for the SB Members remains unchanged in 2022. The policy approved by the shareholders on June 29, 2021 remains applicable and is indicated below as a reminder.

The Remuneration Policy for the SB Members is intended to attract, motivate and retain high calibre individuals with an appropriate degree of expertise and experience, which contributes to the strategy, long-term interests, sustainability, identity, mission and values of the Company and its business, considering the interests of the Group.

The remuneration for the SB Members only comprises fixed annual and attendance fees and an out-of-country indemnity for European and inter-continental travel, in each case as determined by the GM at the proposal of the SB upon the recommendation of the GNRC. The SB Members do not receive remuneration in their capacity of SB Members related to the Company's or the Group's performance.

		Fixed annual fee	Attendance-related annual fees	Total fee ⁽¹⁾
Supervisory Board	Member	€25,000	up to €50,000	up to €75,000
Additional fees				
Audit Committee	Chairperson	€18,000		€18,000
	Member	€6,000	up to €12,000	up to €18,000
Governance, Nomination and Remuneration Committee	Chairperson	€9,000		€9,000
	Member	€3,000	up to €6,000	up to €9,000
SB Member acting as Senior Independent Director		€18,000		€18,000
Out of Country indemnity	Intracontinental			€1,500 per event
	Intercontinental			€6,000 per event
Ad-hoc meetings of the SB or any of its committees or other meetings and calls that one or more SB Members are requested to attend.	In-person meeting			€1,500 per meeting
	Call / Video conference			€1,000 per call

⁽¹⁾ Amounts will not be awarded if the SB Member is also a managing or executive director, supervisory or non-executive director or employee of URW SE or of a controlled undertaking whose financial information is included in the consolidated financial reporting of URW SE and/or the Company.

APPENDIX A: REFERENCE INDEX COMPOSITION FOR LONG TERM INCENTIVE PLAN

The TSR Reference Index includes companies with more than 50% of their activity focused on Retail or Office and operating in the same countries as the Group. The Reference Index is composed of 25 companies (10 Eurozone Retail, 3 France Offices, 4 UK Retail and 8 US Retail). Each sub-index is weighted to reflect the weight of each business line in the Group:

- Sub-Index Eurozone Retail (63% weight) - Klépierre, Carmila, Deutsche EuroShop, Citycon, Eurocommercial Properties, Mercialis, Wereldhave, Vastned Retail, Retail Estates, Lar España Real Estate;
- Sub-Index France Offices (7% weight) - Covivio, Icade, Gecina;
- Sub-Index UK Retail (8% weight) - British Land Co, Land Securities Group, Hammerson, NewRiver REIT;
- Sub-Index US Retail (22% weight) - Simon Property Group, Macerich, CBL & Associates prop., Pennsylvania Centers, Regency Centers, Federal Realty Investment, Kimco Realty, Brixmor Property Group.

During the time of this Remuneration Policy, changes to the peer group above can be made by the SB if one of the peers ceases to exist (e.g. due to acquisition, delisting, merger, split, bankruptcy). In addition, up to six peers can be changed for reasons of loss of relevance to the Group's activities or geographical footprint. Any changes to the peer group would be disclosed in the next remuneration report.