



November 20, 2019

Dear Shareholder,

Unibail-Rodamco-Westfield SE - Remuneration Policy

The Supervisory Board (“SB”) of Unibail-Rodamco-Westfield SE (“URW SE”) is committed to active shareholder engagement. Extensive and proactive consultation with shareholders on the Remuneration Policy has been a long-standing practice, and we greatly appreciate the time you invest in engaging with us.

In 2018, in light of the Westfield acquisition, the SB conducted a comprehensive review of the structure of the Management Board’s (“MB”) and the SB’s Remuneration Policy. The MB Remuneration Policy, as approved at the 2018 Annual General Meeting (“AGM”), remains unchanged for the whole duration of the 4-year mandate pursuant to the French Corporate Governance Code. As a reminder, a discussion of the Remuneration Policy and key features can be found in Section 3.2 of the 2018 Registration Document. While this policy remains stable, we continue to engage with our shareholders on a variety of topics.

Based on the direct feedback and consultation during the 2019 AGM period, the SB committed to a review of one element of our Performance Stock Options (“SO”) plans applicable to grants made as from January 1, 2020. This review, conducted under the supervision of the Remuneration Committee (“RC”), focused on the exercise conditions at the end of the vesting period for the portion of the SO subject to the TSR (Total Shareholder Return) performance condition, in order to review any mechanism that could be considered by some as a “re-testing” mechanism.

The RC conducted a comprehensive study with the assistance of an external independent advisor over four meetings between July and November to review and analyse potential adjustments, and the SB held one additional ad hoc meeting to consider the RC’s final recommendations. In conducting this review, the RC and SB considered alignment with shareholders, cost to URW SE, neutrality to the beneficiary, potential dilutive impact and URW SE compensation philosophy and strategy.

Following the recommendation of the RC, the SB agreed to change the TSR performance condition check for SO: instead of being tested upon exercise, the condition would be tested once and for all on the day of vesting of the SO, i.e., three years after the grant, thus removing what could be considered by some as “re-testing.” As this has a small negative effect on the value of each SO, and in order to ensure neutrality for the beneficiaries, the SB agreed to compensate each beneficiary for this marginal loss of value, based on the valuation performed by an external independent expert. This ensures that the beneficiaries are compensated only for the removal of “re-testing,” no more, no less.

Unibail-Rodamco-Westfield SE



UNIBAIL-RODAMCO-WESTFIELD

We trust that you find this advance disclosure of the adjustments to our Remuneration Policy helpful and that you are supportive of the approach outlined, through which the SB has upheld its commitment to address this matter and shareholder expectations. We will continue to listen attentively and consider feedback from our shareholders as part of our commitment to strong corporate governance practices. URW SE would be pleased to discuss the above or any other governance topics, including corporate social responsibility matters, either by phone or in person. Please contact Christina Abood, Supervisory Board Secretary, to clarify any points or arrange a call or meeting. She is reachable via e-mail at christina.abood@urw.com.

Finally, this is my last year serving as SB member for URW SE, as I will be stepping down at the AGM on May 15, 2020. It has been a huge honour to serve URW SE's shareholders and see the significant transformation from the early days of the Unibail-Rodamco merger when I joined in 2008. My successor as RC Chair will be Roderick Munsters, who joined the SB in 2017, and has an institutional investor background.

Sincerely,

Mary Harris
Vice-Chair of the Supervisory Board
Chair of the Remuneration Committee
Unibail-Rodamco-Westfield SE