

6.1. Supervisory Board

6.1.1. Functioning of the Supervisory Board

6.1.1.1. Purpose and powers

The Supervisory Board exerts permanent oversight and control over the Management Board and the general affairs of the Company. To that end, the Supervisory Board conducts appropriate inspections and reviews and may obtain copies of any document to fulfil its duties. The Supervisory Board functions under the Company's Articles of Association and a Supervisory Board specific Charter⁽¹⁾. It makes recommendations to the Management Board on matters including:

- company strategy and financial performance;
- business risks;
- structure and administration of internal risk management and control systems;
- financial reporting procedures and compliance with relevant laws and regulations.

In addition, the Supervisory Board makes decisions concerning the Company's corporate governance and its implementation. It assesses the functioning of the Management Board, the Supervisory Board (including its committees) and their individual members. It handles and settles any conflicts of interest and any discrepancies with respect to the functioning of the Supervisory Board and/or Management Board.

6.1.1.2. Limitations on the powers of the Management Board and the purview of the Supervisory Board

Pursuant to Article 11(5) of the Company's Articles of Association and the thresholds set out in the Supervisory Board Charter, the Supervisory Board's prior approval must be obtained for certain Management Board decisions and operations, in particular:

- acquisitions, investments (including capital expenditures for internal development), acquisitions of shareholdings and off-balance sheet commitments exceeding €25 Mn (consolidated figure) concerning assets and/or activities located outside European Union Member States or outside the scope of the approved Group strategy. The threshold is raised to €500 Mn (consolidated figure) for assets and/or activities located within European Union Member States and within the scope of the Group's strategy. This threshold is raised again to €700 Mn

(consolidated figure) for urgent operations and decisions; subject to prior dialogue between the CEO, the Chairman and the Vice-Chairman of the Supervisory Board;

- asset disposals (including transfers of real estate or shareholdings) in real estate exceeding €500 Mn (consolidated figure). This threshold is raised to €700 Mn (consolidated figure) for urgent operations and decisions; subject to prior dialogue between the CEO, the Chairman and the Vice-Chairman of the Supervisory Board;
- indebtedness or guarantees in excess of €500 Mn (consolidated figure), threshold raised to €1 Bn for corporate debt refinancing purposes;
- transfers of all or part of the Company's business to third parties in excess of €500 Mn (consolidated figure);
- any significant changes in the Group's governance and/or organisation, allocation of responsibilities within the Management Board and any action affecting the Company's entitlement to the tax regime applicable to Listed Property Investment Company (SIIC) tax treatment or any other real estate tax-exempt status in a foreign country;
- any alterations to the Company's dividend policy and proposals by the Management Board in the distribution of interim or full dividends.

The Supervisory Board must also, pursuant to its Charter, be informed of transactions involving amounts in excess of €300 Mn but below €500 Mn. The thresholds were last amended by the Supervisory Board on February 9, 2011. For full details and information, refer to the Supervisory Board Charter⁽¹⁾.

6.1.1.3. Composition

Pursuant to the Articles of Association, the Supervisory Board can consist of eight (minimum) to fourteen (maximum) members, who are appointed by the Company's shareholders. Supervisory Board members are appointed for a three year term and may be re-appointed. Under the Supervisory Board's resignation and rotation rules, the resignation and reappointment of members is staggered to prevent, to the greatest extent possible, appointments/resignations occurring simultaneously. The age limit for Supervisory Board members is 75 and at all times at least two-thirds of its members must be 70 or younger. It is noted that the Company does not fall under the scope of articles L. 225-23 and L. 225-71 of the French Commercial Code as further modified by the Employment Protection Act passed on June 14, 2013 providing for employee representation on the Board.

(1) Available on the Company's website and at the Company's registered office.

6 *Report of the Chairman of the Supervisory Board* Supervisory Board

Each year, the Supervisory Board and its Governance, Nomination and Remuneration Committee (GN&RC) review the Supervisory Board profile which reflects the desired composition of the Supervisory Board and hence, the objectives to be met in establishing and maintaining an independent board reflecting diversity in its membership in terms of gender, age and nationality, with the required skill, expertise and experience. Individual Supervisory Board member independence is also reviewed on an annual basis by the Supervisory Board and the GN&RC.

In the event there is a vacancy on the Supervisory Board, in accordance with the terms of the Supervisory Board profile, an individual profile is drawn up by the GN&RC in consultation with the Management Board, and on occasion, with an executive search consulting firm. Such profile reflects both the requirements outlined in the Supervisory Board profile as well as any specific additional criteria in light of the Group's strategy at the time and corporate governance principles. Each profile is subject to the approval of the Supervisory Board. A short list of possible candidates is then determined by the Supervisory Board Chairman and the Chief Resources Officer, followed by candidate interviews with the Supervisory Board Chairman, at least two members of the GN&RC, the Chief Executive Officer and the Chief Resources Officer. Selected candidates are then presented to the Supervisory Board for approval prior to being proposed to shareholders for appointment at the Annual General Meeting (AGM).

The Supervisory Board was composed of nine members in 2014⁽¹⁾. An in-depth independence analysis was conducted for each Supervisory Board member pursuant to the criteria defined in the Supervisory Board Charter based on the French Afep-Medef corporate governance code (first published in consolidated form in December 2008 and last updated in June 2013) (Afep-Medef Code)⁽²⁾. As a result of the foregoing analysis, as at December 31, 2014 all members qualify as independent. Specifically, Mr Rob ter Haar (Chairman), Mr François Jaclot, Mr Yves Lyon-Caen, Dr Frans

J.G.M. Cremers, Mrs Dagmar Kollmann and Mr Alec Pelmore were determined to be independent due to a lack of any direct or indirect relationship with the Company. Further analysis was carried out with respect to the assessment of the independence of Mr José Luis Duran (a Board member of several companies who are customers of the Group), Mrs Mary Harris (a Supervisory Board member at a company who is a potential customer of the Group) and Mr Jean-Louis Laurens (a general partner and Chairman of the Board within an investment banking group), given their existing relationships with the Group which are separate to their role as Supervisory Board members. In determining the independence of Mr Duran and Mrs Harris, the percentage of Aigle, Gant, Orange, Lacoste and Scotch and Soda stores across the total number of stores in the Group's consolidated shopping centre portfolio and the percentage in rent and surface that such stores represent for the consolidated Group were assessed. In determining the independence of Mr Laurens, the number of investment bank mandates (if any) granted to any entity of the Rothschild group as well as the fee amount of any such mandate and the percentage of financing (debt investment) (if any) provided by any entity of the Rothschild group to the Group during the year were assessed. In each instance, it was determined that Mr Duran's, Mrs Harris' and Mr Laurens' businesses are not material to the Company or the Group and the Company and the Group do not account for a significant part of their respective businesses. Hence, they are each classified as independent with respect to this criterion.

As at December 31, 2014, two out of nine members are women, the average age of members is 58.2 years and five nationalities are represented. The varied skills and expertise of members is summarised in the table below and are further specified in the detailed biographies provided in the Legal Information chapter (page 240). Accordingly, the Supervisory Board composition adequately meets the criteria outlined in the Supervisory Board profile.

(1) At the April 23, 2014 AGM Mr Rob ter Haar, Mr Yves Lyon-Caen and Mr José Luis Duran were each re-appointed for a three year term and Mrs Dagmar Kollmann was appointed for the first time for a three year term. Additionally, each Mrs Marella Moretti's and Mr Herbert Schimetschek's mandates ended and no re-appointment was sought due to personal reasons and age considerations specified in the Articles of Association, respectively.

(2) See Article 3.4 of the Supervisory Board Charter, available on the Company's website and at the Company's registered office.

Members of the Supervisory Board of Unibail-Rodamco SE as at December 31, 2014⁽¹⁾

Name	Age	Main positions in addition to Unibail-Rodamco SE Supervisory Board membership	Year appointed to the Unibail-Rodamco SE Supervisory Board	AGM at which Supervisory Board term expires
Rob ter Haar Chairman Independent member Dutch national	64	Chairman of the Supervisory Boards of Parcom Capital Management B.V. (NL), Mediq B.V. (NL) and VvAA Groep B.V. (NL) Supervisory Board member of Bergschenhoek Groep B.V. (NL)	2007	2017
François Jaciot Vice-Chairman Independent member French national	65	Director and CEO of ADG (Addax & Dryx Group) (MT) Managing Director of FJ Consulting (BE)	2007	2016
Frans J.G.M. Cremers Independent member Dutch national	62	Vice-Chairman of the Supervisory Boards of Royal Imtech N.V. (NL) (listed) and SBM Offshore N.V. (NL) (listed) Supervisory Board member of Parcom Capital Management B.V. (NL), Royal Vopak N.V. (NL) (listed) and Luchthaven Schiphol N.V. (NL) Member of the Capital Markets Committee of the AFM (The Netherlands Financial Markets Authority)	2007	2016
José Luis Duran Independent member Spanish national	50	CEO of Devanlay S.A. (FR) ⁽¹⁾ CEO and Board member of Lacoste S.A. (FR) ⁽¹⁾ Chairman of the Board of Gant Holding AB (SE) ⁽¹⁾ Board member of Aigle S.A. (FR) ⁽¹⁾ Board member of Orange S.A. (FR) (listed)	2011	2017
Mary Harris Independent member UK national	48	Member of the Supervisory Board, Audit and Nominations Committees and Chair of Remuneration and Strategy Committees of TNT Express N.V. (NL) (listed) Non-Executive Director, Chair of the Remuneration Committee and member of the Nomination and Corporate Responsibility Committees of J. Sainsbury Plc (UK) (listed) Supervisory Board member of Scotch & Soda N.V. (NL) Non-Executive Director of ITV Plc (UK) (listed)	2008	2015 ⁽²⁾
Jean-Louis Laurens Independent member French national	60	General Partner of Rothschild & Cie Gestion, Paris (FR) Chairman of the Board of Rothschild Asset Management Inc. New York (USA)	2007	2015 ⁽³⁾
Yves Lyon-Caen Independent member French national	64	Chairman of the Supervisory Board of Bénéteau S.A. (FR) and of the Fédération Française des Industries Nautiques (FR) Supervisory Board member of Sucres & Denrées (FR)	2007	2017
Alec Pelmore Independent member UK national	61	Non-executive director and member of the Audit and Nominations Committees of LondonMetric Property PLC (UK) (listed)	2008	2015 ⁽⁴⁾
Dagmar Kollmann Independent member Austrian national	50	Vice-Chair of the Supervisory Boards of Deutsche Pfandbriefbank AG (DE) and HRE Holding AG (DE) Member of the Supervisory Boards of Deutsche Telekom AG (DE) (listed), KfW IPEX-Bank GmbH (DE) and Bank Gutmann AG (AT) Commissioner of the Monopolies Commission (DE)	2014	2017

(1) The foregoing mandates ended as of January 2015.

(2) Re-newal of mandate proposed by the Supervisory Board, on the recommendation of the GN&RC, at the AGM to be held on April 16, 2015 (resolution no. 7).

(3) Re-newal of mandate proposed by the Supervisory Board, on the recommendation of the GN&RC, at the AGM to be held on April 16, 2015 (resolution no. 8).

(4) Re-newal of mandate proposed by the Supervisory Board, on the recommendation of the GN&RC, at the AGM to be held on April 16, 2015 (resolution no. 9).

6.1.1.4. Meetings, attendance and information

Pursuant to its Charter, the Supervisory Board meets at least five times a year according to a pre-set schedule. Extraordinary meetings may be held for specific reasons at the written request of the Supervisory Board Chairman, or one-third of the members of the Supervisory Board, or any Management Board member. To encourage attendance at Supervisory Board and committee meetings, attendance of members is taken into consideration for the payment of the variable portion of the annual Supervisory Board member fee. The Statutory Auditors attend the year-end and half-year meetings of the Supervisory Board where the financial statements for those periods are reviewed. A notice of meeting is sent at least three days prior to Supervisory Board

meetings (except in unusual circumstances). The notice includes a detailed agenda and comprehensive papers enabling the Supervisory Board members to prepare for the discussion or, if necessary, the approval of the matters on the agenda. Whenever appropriate, Supervisory Board members are sent materials prepared by the Company's advisors and/or risk managers. To ensure that Supervisory Board members are fully informed of developments in the respective industry segments and of events taking place within the Group, operational and strategic matters and the Group's corporate sustainability performance are regularly discussed during Supervisory Board meetings. Supervisory Board members also receive press reviews and financial reports on Unibail-Rodamco SE and on industry matters.

(1) For full information, please consult the biographies in the Legal Information section.

6 *Report of the Chairman of the Supervisory Board* Supervisory Board

Once a year, the Supervisory Board and Management Board take the opportunity to visit a country where the Group is active to discuss strategic matters and market developments in-depth. In 2014, unlike previous years, the Supervisory Board and Management Board took the opportunity to visit London, United Kingdom, despite not having any local operations, to visit competitor assets and discuss competitor strategy and market developments. The Supervisory Board and Management Board also held a separate strategy meeting during this visit whereby the Group's strategic objectives and opportunities as well as the Group's continual development in digital tools were discussed.

An annual training day is held for the Supervisory Board members which typically includes a Group asset site visit. In 2014, the Supervisory Board members visited the Forum des Halles renovation project as well as the headquarters of the UR lab, enabling them to appreciate, in juxtaposition, the evolution of an iconic asset along with the innovation occurring in new assets. Furthermore, each new member to the Supervisory Board participates in an induction program individually tailored to that particular member's skill, experience and expertise. The induction program provides the new member with information unique to the Group and its business activities, its financial reports and legal affairs as well as site visits to particular assets.

6.1.1.5. Conflicts of interest

In order to ensure that each Supervisory Board member acts with loyalty, independence and professionalism, the Supervisory Board Charter has strict requirements with regards to any conflicts of interest⁽¹⁾. Each Supervisory Board member must immediately report any potential conflicts of interest with the Company to the Chairman of the Supervisory Board and to the other Supervisory Board members providing all information relevant to the conflict of interest. Furthermore, such conflicted member must abstain from discussions and the decision-taking process on the subject or transaction to which he/she has a conflict of interest. For more detail regarding conflicts of interest, in particular, the Group's Code of Ethics, see the Group Compliance Programme section on page 243.

6.1.1.6. Summary of Supervisory Board activities

The Supervisory Board held eight meetings in 2014 (including its annual offsite meeting). Overall attendance at these meetings was 97%. Since 2013, the Supervisory Board begins its meeting twice a year in the absence of the Management Board. In addition to the matters within its statutory scope, the Supervisory Board was briefed on and discussed all major events in 2014, both internal (e.g. organisation matters, key appointments within the Group, internal audits, etc.) and external (e.g. acquisitions, disposals,

developments in the Group's strategy, development projects, financial policy, etc.). The Supervisory Board in particular approved:

- the 2014 Budget;
- the AGM agenda and resolutions to be submitted for shareholder approval;
- investment, development and divestment projects and operations above its prior approval thresholds in force in 2014;
- related party agreements;
- the funding of the Group's five-year business plan, financial resources and borrowing requirements;
- the 2014 internal audit plan;
- the qualitative objectives set for each non-CEO Management Board member by the CEO;
- the remuneration of the Management Board members;
- the total allocation of stock options and performance shares for 2014, including the allocations to Management Board members;
- the conversion of the supplementary pension scheme to a supplementary contribution scheme for Management Board members;
- amendments to the Supervisory Board Charter, including the Audit Committee and GN&RC Charters;
- the profile and composition of the Supervisory Board and the composition of its committees;
- the appointment of new Supervisory Board member, Mrs Dagmar Kollmann;
- the remuneration of the Supervisory Board Chairman;
- the informal evaluation of the functioning and efficiency of the Supervisory Board and Management Board (annual self-assessment process); and
- the Company distribution payment policy and distribution payment decisions.

In addition, the Supervisory Board examined/was informed of the following matters:

- the quarterly Management Board reports for 2014;
- regular updates on the Group's share price and business activities, including sustainability initiatives and the progress of development projects;
- updates on the operations of mfi AG in Germany;
- changes in tax regulations at the European level (OECD);
- changes in the governance structure required in response to the Florange Act passed in 2014;
- important investment, development and divestment projects and significant operational matters below its prior approval thresholds in force in 2014;
- internal audit, risk management and compliance matters;
- the full year 2013 and half year 2014 financial statements;

(1) See Article 11 of the Supervisory Board Charter, available on the Company's website and at the Company's registered office.

- the 2014 five-year Group business plan, including its financial results and financing resources and needs;
- the implementation of the Company Savings Plan in 2014 for the French subsidiaries of the Group;
- the report on the Group's Compliance program;
- the annual review of equal opportunity and equality of pay within the Group; and
- the succession planning of the Supervisory Board, Management Board and the Group Management Team.

Supervisory Board members were also informed of the work and recommendations of its specialised committees and that of the Statutory Auditors. The minutes and documents of all the meetings of the Audit Committee and the GN&RC were systematically made available to all members of the Supervisory Board.

The annual self-assessment exercise was performed by the full Supervisory Board in accordance with the provisions of the Afep-Medef Code by way of a discussion and written questionnaire. The informal evaluation of the Supervisory Board consisted of a questionnaire which was completed on a confidential basis and had the purpose of providing insight into each member's assessment of the individual performance of Supervisory Board members, in particular, that of the Supervisory Board Chairman. In addition to this, a discussion on the functioning of the Supervisory Board was also carried out which was structured around several key points. The Audit Committee and the GN&RC performed their own separate self-assessment exercises in the form of a discussion. Management Board members were not present and did not participate in these assessments. The conclusion of the three assessments was that the current corporate governance structure and arrangements are functioning well. Furthermore, the following areas of improvement were identified: to focus on the Supervisory Board succession planning to ensure recruitment of particular profiles including women candidates; that the Chairman encourage member(s) with known expertise on particular subject matters to provide their input to the discussion; to further improve the efficiency of meetings by focusing on a SWOT analysis presentation only highlighting the key points and areas of concern; and that the Supervisory Board obtain more information on key questions/areas of interest/views of shareholders overall and, in particular, in response to the financial results or other reports. In addition to the informal annual self-assessment, a formal self-assessment which includes an indepth written questionnaire is carried out every three years. The next formal self-assessment will be conducted in 2015.

6.1.1.7. Supervisory Board remuneration⁽¹⁾

In 2014, the Chairman of the Supervisory Board was paid a total gross annual remuneration of €130,000 for his duties as Chairman of the Supervisory Board and Chairman of the GN&RC. This amount has remained unchanged since January 1, 2009. As part of the Supervisory Board succession planning, the Supervisory Board commissioned a market study through an independent external consultant to ensure that the Supervisory Board member remuneration was aligned with market practices. The study revealed that the Chairman fees were low in comparison to its peers (i.e. large listed companies of similar size in France and Netherlands with a two-tiered governance structure and an independent Chairman). As a result, the Supervisory Board voted, in the absence of the Chairman, to revise the Chairman's fees for 2015. For details on the revised fees for 2015, see the Remuneration of Members of the Supervisory Board section of the Legal Information chapter (page 272).

The annual fee paid to Supervisory Board members (with the exception of the Supervisory Board Chairman) was maintained at €52,000 per member in 2014 (unchanged since 2007). The fee is comprised of a 75% fixed portion and a 25% variable portion allocated according to attendance at Supervisory Board meetings. The fixed portion is paid quarterly and the variable portion at year-end. The Vice-Chairman of the Supervisory Board was paid a supplementary annual fixed fee of €15,000.

An additional fee of €1,350 per day was paid to Supervisory Board members (with the exception of the Supervisory Board Chairman) attending a meeting (or several related meetings) of the Supervisory Board and/or a Supervisory Board committee outside their country of residence.

6.1.2. Functioning of the specialised committees of the Supervisory Board

Two specialised committees assist the Supervisory Board: (1) the Audit Committee and (2) the GN&RC. All Supervisory Board members participate in one of these committees. The committees function under separate Charters⁽²⁾.

(1) For full details, refer to the Legal Information section.

(2) Available on the Company's website and at its registered office.

6 *Report of the Chairman of the Supervisory Board* Supervisory Board

6.1.2.1. Audit Committee

Tasks

The Audit Committee's main role is to oversee financial matters, internal control and risk management. In this context and in accordance with its Charter⁽²⁾, the Audit Committee examines and reports to the Supervisory Board on the following matters:

- quarterly financial statements and consolidated accounts;
- business information, asset valuations, off-balance sheet commitments and the Group's overall cash position;
- internal management controls, risk control and the implementation of Company-relevant financial legislation;
- the Company's financial policy (accounting methods and developments in the legislation, etc.), finance and tax planning;
- the evaluation and/or adoption of the Statutory Auditors' recommendations;
- the relationship between the Company and its Statutory Auditors.

Composition

The Audit Committee consists of four independent members, including the Chairman of the Audit Committee, pursuant to the criteria defined in the Supervisory Board Charter, based on the Afep-Medef Code. All Audit Committee members are financially literate and, pursuant to French Commercial Code requirements, at least one member has expertise in financial administration and accounting for listed companies or other large companies exposed to IFRS accounting methods. Typically, the Chairman of the Management Board (CEO), the Chief Financial Officer (CFO), the Deputy Chief Financial Officer (Deputy CFO) and the Chief Resources Officer (CRO) attend Audit Committee meetings. Other Management Board members may also attend meetings unless decided otherwise by the Audit Committee. The Audit Committee may decide to meet without the Management Board members or to meet only with the CEO, the CFO or the Statutory Auditors. The Group Director of Consolidation and Accounting, the Group Director of Control and the Group Director of Internal Audit & Risk Management attend Audit Committee meetings at the request of the Audit Committee.

Meetings and information

The Audit Committee meets at least on a quarterly basis and whenever one or more Supervisory Board or Management Board member(s) requests a meeting. The Audit Committee meets at least once a year with the Statutory Auditors without the members of the Management Board being present and it receives a presentation from the Statutory Auditors twice a year. The Audit Committee may solicit the advice of external advisers as it deems necessary. Members receive a notice convening meetings with an agenda and the meeting documents at least three days prior to each meeting. To allow for adequate preparation and consideration, the Audit Committee usually meets at least 48 hours prior to the Supervisory Board meeting at which the full year accounts are

reviewed. The Supervisory Board is informed of the proceedings and recommendations of the Audit Committee at its meeting directly following that of the Audit Committee.

Summary of Audit Committee activity

The Audit Committee met four times in 2014 (twice in the presence of the Statutory Auditors). The member attendance rate was 92%. In 2014, the Audit Committee considered and reported to the Supervisory Board on:

- the revaluation of net assets, the Company's financial statements and consolidated accounts for the 2013 full-year accounts and the 2014 half-year accounts, including corporate risks and off-balance sheet commitments;
- the quarterly Management Board reports for 2014;
- the 2014 Budget;
- the funding of the Group's five-year business plan, financial resources and borrowing requirements;
- taxation;
- the working terms and conditions of the Statutory Auditors for the closing of the 2013 annual accounts;
- the organisation of human resources within the finance departments throughout the Group;
- the reporting lines to the CFO and Deputy CFO within the finance departments throughout the Group;
- the Company dividend payment policy and the proposal to the AGM regarding the annual allocation and distribution of profits;
- the internal audit charter, risk mapping and the internal audit reports and internal audit plan for 2014;
- the review of changes in tax regulations at the European level (OECD);
- the review of the Group's internal IT strategy and updates to IT tools;
- the examination of the Company's exposure to and management of risks;
- the internal control and management of risk part of the Report of the Chairman of the Supervisory Board 2013;
- the review of relevant accounting and governance developments such as IFRS developments; and
- the annual evaluation of the functioning of the Audit Committee.

Audit Committee Remuneration⁽¹⁾

The annual Audit Committee fees were maintained in 2014 at €20,000 for the Audit Committee Chairman and €10,000 for the other Audit Committee members. An additional fee of €1,350 per day was paid to members attending a meeting (or several related meetings) of the Audit Committee and/or the Supervisory Board held outside of a member's country of residence. 25% of Audit Committee fees are variable and allocated according to attendance at Audit Committee meetings.

⁽¹⁾ For full details, refer to the Legal Information section.

6.1.2.2. Governance, Nomination and Remuneration Committee – GN&RC

Tasks

The GN&RC's role is to examine all issues falling within its scope of action under the GN&RC Charter⁽¹⁾ and to advise the Supervisory Board accordingly. Its tasks specifically include a constant review of the independence of the Supervisory Board members against the criteria set out in the Supervisory Board Charter. In relation to governance matters, the GN&RC assesses the adequacy of the Company's corporate governance rules and practices, concerning the Company as a whole as well as the Management Board, the Supervisory Board and its committees. It continuously evaluates the Company's compliance against these rules. The GN&RC also monitors the Group's remuneration policy and related remuneration arrangements (fixed income, short-term incentive, long-term incentive and supplementary contribution scheme in lieu of supplementary pension scheme) for Management Board members and the remuneration and attendance fee arrangements for Supervisory Board members. In relation to nomination matters, it develops profiles and screening criteria for Supervisory Board members and initiates proposals for the renewal and appointment of Supervisory Board and Management Board members. It also assesses the performance of Supervisory Board and Management Board members on a regular basis.

Composition

The GN&RC consisted of four members in 2014 and consists of five members as of January 2015, including the Supervisory Board Chairman, all of whom are independent pursuant to the criteria defined in the Supervisory Board Charter, based on the Afep-Medef Code.

In addition to GN&RC members, the Chief Executive Officer and the Chief Resources Officer typically attend GN&RC meetings. They are absented from matters concerning them, where appropriate. Other persons may be invited to attend by the GN&RC Chairman.

Meetings and information

The GN&RC meets at least two times a year and whenever one or more Supervisory Board or Management Board member(s) request a meeting. Members receive a notice convening each meeting with an agenda and the relevant documentation at least three days before each meeting. The Supervisory Board is informed of the GN&RC's proceedings and recommendations at the meeting directly following that of the GN&RC.

Summary of GN&RC activity

The GN&RC met four times in 2014. The member attendance rate was 94%. In addition to the four regular meetings, the GN&RC also held three working sessions in order to address specific topics and review proposals in detail. In 2014, the GN&RC considered and reported to the Supervisory Board on:

- Unibail-Rodamco SE's governance practices compared to the Afep-Medef Code;
- the annual review of the Supervisory Board's profile;
- the annual review of the independence of Supervisory Board members;
- the expiration of mandates and re-appointment of Supervisory Board members pursuant to the resignation and rotation rules;
- the qualitative objectives set for each non-CEO Management Board member by the CEO;
- the remuneration of Management Board members;
- long term incentive arrangements, including the 2014 allocation of stock options and performance shares to Management Board members;
- the short-term incentive pay-out for Management Board members for 2013 performance;
- the conversion of the supplementary pension scheme to a supplementary contribution scheme for Management Board members;
- the profile and composition of the Supervisory Board and the composition of its committees;
- the succession plan of the Supervisory Board, including the revised profiles and screening criteria for new Supervisory Board candidates and interviewing and discussing identified candidates;
- the succession planning of the Management Board and the Group Management Team;
- the review of Supervisory Board member fees and review and modification of the Supervisory Board Chairman fees;
- the report on the Group's Compliance program;
- the annual review of equal opportunity and equality of pay within the Group;
- the review of changes in the governance structure required in response to the Florange Act passed in 2014;
- the annual evaluation of the GN&RC;
- the amendments to the Supervisory Board Charter, including the Audit Committee and GN&RC Charters;
- the corporate governance part of the Report of the Chairman of the Supervisory Board 2013; and
- the implementation of the Group Company Savings Plan for 2014.

(1) Available on the Company's website and at its registered office.

6 *Report of the Chairman of the Supervisory Board* Remuneration of the Management Board members

GN&RC Remuneration⁽¹⁾

The annual GN&RC fees in 2014 were maintained at €10,000 per member (excluding the GN&RC Chairman who was remunerated separately for his duties as Supervisory Board and GN&RC Chairman)⁽¹⁾. As part of the market study conducted in 2014, described in Section 6.1.1.7 above, the Supervisory Board voted, in the absence of the GN&RC Chairman, to provide a separate committee fee, as of January 2015, of €20,000 to the GN&RC Chairman (the same amount paid to the Audit Committee

Chairman) in order to allow flexibility in the succession planning and permit the disassociation of the Supervisory Board Chairman and the GN&RC Chairman going forward.

An additional fee of €1,350 per day was paid to members (with the exception of the Supervisory Board Chairman) attending a meeting (or several related meetings) of the GN&RC and/or the Supervisory Board held outside of a member's country of residence. 25% of the GN&RC committee fee is variable and allocated according to attendance at GN&RC meetings.

6.2. *Remuneration of the Management Board members*⁽¹⁾

Unibail-Rodamco SE complies with all of the Afep-Medef recommendations on executive officer remuneration as incorporated into the latest consolidated version of the Afep-Medef Code (June 2013). Further and going beyond the Afep-Medef recommendations, none of the Management Board members have employment contracts, as of the end of 2009.

The Management Board remuneration policy was developed by the GN&RC prior to the merger of Unibail SA and Rodamco Europe NV in 2007. It was approved by the Supervisory Board in

June 2007 and has remained unchanged since, with the exception of the introduction of a Performance Share Plan as part of the long term incentive remuneration policy which was approved at the April 26, 2012 AGM. The remuneration of each Management Board member continues to consist of four components: (i) Fixed Income (FI), (ii) Short Term Incentive (STI), (iii) Long Term Incentive (LTI) comprised of stock options and performance shares which are both subject to performance and presence conditions, and (iv) other benefits (supplementary contribution scheme in lieu of supplementary pension scheme, company car, insurance, etc.).

6.3. *Corporate governance*

In accordance with Article L. 225-68 of the French Commercial Code, Unibail-Rodamco SE hereby states that it adheres to and enforces the Afep-Medef Code and adopts the Afep-Medef Code as its code of reference for corporate governance matters. Unibail-Rodamco SE has analysed its practices and procedures against the Afep-Medef Code. As at the date of filing, the Company complies 100% with the Afep-Medef Code's principles.

All shareholders have the right to attend shareholders' meetings. The terms and conditions of participation in shareholders meetings are set out in Article 18 of the Company's Articles of Association⁽²⁾. All information pursuant to Article L. 225-100 of the French Commercial Code that is likely to have an effect in the event of a takeover, such as the information specified in Article L. 225-100-3, is included in the annual report available to shareholders (see page 223).

6.4. *Internal Control System*

The Unibail-Rodamco Group is active in the commercial property sector, more specifically in the development, management and regular refurbishment of shopping centres and offices, and the management and organisation of convention and exhibition venues and associated services. Apart from general risk factors, the Group's business is subject to common exposure and systemic risks including, in particular, the cyclical nature of the property sector. The Group's strategy and policies aim to limit

the negative effects of these risks. However, sudden changes in the geopolitical, political, social, economic, consumer behavior, financial, monetary, regulatory, health and ecological environment could have a negative impact on the Group, and result in, amongst other things, a decrease in asset values, an increase in certain costs, or investment/divestment operations being delayed or even abandoned.

(1) For full details, refer to the Legal Information section.

(2) Available on the Company's website and at its registered office.

"Controllable" risks are identified through a risk mapping process which focuses on key risks and assesses them on the basis of probability and magnitude. This risk mapping was updated and discussed by the Management Board on April 10, 2014. In addition, the risk mapping was reviewed and discussed by the Audit Committee and subsequently by the Supervisory Board on April 23, 2014. These "controllable" risks are monitored through the Group's internal control system. This system covers all activities of the Group in all regions, except those where Unibail-Rodamco is not directly involved in the management or is in joint control, notably Comexposium. This system is based on a set of principles that aim to provide reasonable assurance that the following internal control objectives are met:

- transactions are executed effectively and optimized;
- property assets are protected;
- financial information is reliable; and
- all operations comply with prevailing legislation, external regulations and Unibail-Rodamco's internal rules.

Note that this system is in the process of being fully implemented in the Group's German operations at mfi.

The Group's internal control system is in line with the general principles of the Internal Control System reference framework drafted by the AMF working group and is based on:

- standardised procedures;
- the accountability of managers in charge of the business, finance and control;
- a committee-based decision-making process for acquisitions, disposals and refurbishment/construction projects; and
- a segregation of duties between the executive and control functions.

Unibail-Rodamco SE is run by a Management Board, composed of six members as at December 31, 2014, which manages all of the Group's activities. The Management Board holds fortnightly meetings as well as *ad hoc* meetings whenever required. It acts as the decision-making body for any issues that, due to their financial significance or strategic and/or cross-functional nature, require its involvement. Its main focus areas are set out in the Management Board Charter, which is available on the Group's website.

The Group's control environment includes the Compliance Book for Governance, Organisation & Corporate Rules (Compliance Book). The Compliance Book details:

- the Group organisation structure: a matrix organisation with a double reporting line at corporate and regional levels;
- the governance organisation for Unibail-Rodamco SE and its subsidiaries;
- a framework of core processes and internal rules covering investment & divestment, development, leasing activities and support functions, notably Finance and Human Resources; and
- a Code of Ethics covering the Group's core values and rules of conduct, with particular emphasis on ethical behaviour, conflicts of interests, confidentiality of information, and transactions involving the Group's shares.

In addition to the Compliance Book, the Group's control environment comprises of:

- job descriptions and an appraisal system based on performance targets for the entire Group;
- a set of delegation of authority and responsibility rules and limits that span all of the Group's activities;
- specific procedures applicable at the corporate level and in the different regions where the Group is present; and
- less formal instructions and recommendations that nevertheless form an integral part of the internal control system.

A description of the main risks monitored by this internal control system follows.

6.4.1. Investment and Divestment Authorization

Corporate business development or property acquisition projects are always discussed by the relevant management team. Any deal opportunity is presented to the Chief Executive Officer and the Chief Financial Officer in order to determine whether the transaction is worth pursuing and investigating. If it is worth pursuing or investigating, a project manager is appointed.

A legal, financial, technical and commercial review of these transactions is subsequently presented to an *ad hoc* committee comprising of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Development Officer (for property development and re-development) and the relevant Regional Managing Director and regional Investment teams. This committee approves the value creation strategy, the assumptions made and the offer price, subject to a more in-depth audit (data room) and final approval in compliance with the Group's authorization rules. Various financial models (e.g. discounted cash flows, peer comparisons) are being used and provide the basis for the committee's assessment.

During the annual budget review within each region, a disposal schedule is drawn up for mature properties. These asset divestments are then prepared and analysed in detail by the committee referred to above, which verifies the assumptions on which the disposal conditions are based.

Unibail-Rodamco's property assets are valued twice a year by external experts. This enables the Group to assess the respective market values and to verify and validate the internal assumptions that are used to determine the selling price or rental value of its different properties. Most of the teams involved in reviewing and managing these transactions have experience in mergers and acquisitions acquired through investment banks, law firms or other institutions specialising in such areas of functional expertise. The Group calls upon external experts, such as lawyers, tax specialists, auditors and consultants, whenever necessary.

In accordance with the Group's authorization rules, any transaction within the boundaries of the Group's existing strategy and/or in European Union member states is subject to final approval by the Management Board when exceeding €100 Mn and is subject to the additional prior approval by the Supervisory Board when exceeding €500 Mn.

For transactions outside the Group's existing strategy and/or in a country outside European Union member states, the Management Board's approval is required and the Supervisory Board's approval is required for such transactions exceeding €25 Mn.

The Unibail-Rodamco Group has centralised the documentation and management of legal matters relating to all of its property assets in Austria, France, Spain and the Netherlands.

This centralised organisation makes it easier to prepare data rooms when properties are being sold and helps to improve the liquidity of the assets.

6.4.2. Risks Associated with the Management of Construction and Refurbishment Projects

Unibail-Rodamco's construction projects are carried out in countries where the Group has a locally based team.

Unibail-Rodamco, except in exceptional cases, selects large, reputable contractors to work on its construction and refurbishment projects by issuing invitations to tender based on a set of clear specifications. The final choice of contractors is made once a comparative analysis of written offers has been carried out. Any discrepancies in relation to the original budget must be explained and justified.

In addition, Unibail-Rodamco employs construction experts within its own organisation. They act as project managers and are responsible for ensuring that:

- the properties built by the Group's contractors comply with the design specifications;
- construction and renovation costs are kept under control and remain in line with initial budgets; and
- buildings comply with the Group's Environmental Quality Charter and any regulations applicable to owners.

The progress of the works, the budget and internal rate of return of each project is reviewed on a quarterly basis at Group level by the Control Department and the Management Board.

This organisation is completed by the Director of Finance of Unibail-Rodamco Development who is in charge of enhancing the financial, legal and tax structuring of Unibail-Rodamco Development projects and optimising Development project costs, controlling, budgeting and reporting.

To manage environmental risks, the Group has created an International Environmental Performance Committee and Regional Environmental Performance Committees, which work to shape a common environmental performance policy and monitor the way it is embedded in operating practices. The Group has been listed on Dow Jones Sustainability Index since 2008.

Unibail-Rodamco SE publishes each year detailed corporate sustainability information dealing with the Group's environmental and social policy, its targets and achievements.

6.4.3. Asset protection risks

Unibail-Rodamco is covered by a Group insurance program that is underwritten by reputable leading insurance companies. This program is monitored by the Group Insurance Department in liaison with local teams and insurance brokers. In addition, Unibail-Rodamco carries out a regular follow-up of the solvency rating of its insurers.

For property damage and terrorism, most of the Group's property assets are insured for their full reconstruction value, which is regularly assessed by external property insurance valuers and for business interruption and loss of rents. The Group has also taken out general liability insurance that covers financial damages incurred by third parties.

Most construction projects and renovation works on properties are covered by Contractor's All Risk policies in all regions. Defects affecting the works are covered by Decennial Insurance in France and by Contractors warranties for works in other regions (an inherent defect insurance is occasionally taken out for large projects outside of France).

In addition, Unibail-Rodamco regularly arranges inspections of technical facilities that could have an impact on the environment and/or personal safety, such as fire-fighting equipment, ventilation and air conditioning systems, electric installations and elevators.

A Health and Safety annual risk assessment was conducted in 2014 for all managed assets in all regions to mitigate health and safety risks. The risk assessment is performed by an independent Health & Safety inspector. This risk assessment provides a single and comprehensive source of information on the management of sanitary and environmental risks such as water, air, lead, asbestos and Legionnaire's disease.

This organisation is part of the group-wide policy on health and safety risk management. This policy consists of group-wide rules and guidelines and is complemented at the local level by additional procedures mandated by local regulations and are the responsibility of each Regional Managing Director.

6.4.4. Risks Associated with Property Leasing and Ancillary Services

The marketing of assets is handled by dedicated teams with, in the case of the Office Division, additional support from leading external brokers. Targets (e.g. prices, deadlines and prospective tenants) are defined within each region in collaboration with a team at Group level and are presented to the Management Board for approval. Leases that are particularly important in terms of value or special terms and conditions (e.g. price, term, and security) must be approved in advance at Management Board level by the Chief Operating Officer or by the Chief Executive Officer.

The large number of tenants in the Group's shopping centre portfolio is varied, and thus minimises the risks associated in the event of the insolvency of any retailer. The Group's principal tenants in its office portfolio are blue-chip companies. When tenants sign their lease agreements, most are required to provide financial guarantees, such as a deposit, first-demand guarantee or surety bond equal to 2-6 months' rent. The amounts due under the lease agreements are invoiced by the Group's property management companies. In all regions, a set of procedures describes how invoicing and the recovery of rents and service charges are organised and monitored. Payments for ancillary services provided by the Convention and Exhibition division are generally received in advance, thereby reducing the risk of unpaid debts. Late payment reminders are systematically issued in respect of late payments and are monitored by local teams in each region. These teams decide on the pre-litigation or actual litigation action to be taken.

6.4.5. Financial risks

Sensitivity to interest rates, currency movements, liquidity and counterparty risks is monitored by the Group Treasury Department in line with the policy defined by the Group Asset & Liability Management Committee (ALM Committee). This committee has six members, including three members of the Management Board (the Chief Executive Officer, the Chief Financial Officer and the Deputy Chief Financial Officer).

The groundwork for this committee is prepared by the Group Treasury Department, which regularly provides each member with a comprehensive report on the Group's interest rate position, liquidity projections, bank covenant positions, availability under the Group's committed lines of credit, proposed (re)financing or hedging operations (if applicable), the details of any (re)financing operations or transactions (hedging operations, share buybacks, etc.) completed since the last ALM Committee meeting, and a report on counterparty risks. Currency exposure is also reviewed on an *ad hoc* basis.

The ALM Committee met three times in 2014. Throughout the year, the members of this committee received regular updates on significant changes in the financial environment, especially changes in interest rates, financing conditions, share prices or trade operations.

The Group's market trading guidelines for hedging operations and transactions involving Unibail-Rodamco shares and its transaction control guidelines are formally set out ensuring the segregation of duties between execution and control functions.

In terms of cash management, a European cash management system is in place in order to optimise the cost and the use of liquidity across the Group and to enhance the visibility of cash forecasts. This European cash management system applies to all regions, except at mfi.

In 2014, the IT application supporting cash management was enhanced (the recording of financial transactions is automated via a workflow between the front-office and the back-office) and completed by a module where bank proxies management is fully integrated for France.

To reduce the risk of fraud and embezzlement, the Group has implemented a secure payments procedure and has formalised the rules for opening, changing and closing bank accounts.

Unibail-Rodamco must comply with fiscal obligations resulting from REIT-regimes in the countries where it operates. These requirements are followed on a quarterly basis by dedicated specialists within the Finance Department.

6.4.6. Legal risks

Legal risks are monitored by the Chief Resources Officer, who oversees the deployment of the Group's legal philosophy, policies and procedures to protect the Group's interests and ensure that Unibail-Rodamco complies with the regulations that govern its operations. The legal organisation is composed of a central corporate department and regional departments which are monitored by the Group Director of Legal. These departments are charged with protecting the Group's interests in contractual matters, drawing up standard contracts and supervising litigation.

The Group employs lawyers who are specialists in jurisdictions in which the Group operates and who enlist the support of external counsel and experts as required. In all regions, the Group legal department has implemented systematic information procedures to ensure senior management at Group and regional levels is informed immediately of any new risks or of any events likely to alter the assessment of an existing risk.

Every quarter, all local legal departments provide the Group Director of Legal with formal progress reports on the Group's main outstanding disputes. There is a centralised procedure for registered mail that is received at the Group's French registered office. Every day, a copy of the first page of these letters is automatically sent to the Chief Resources Officer, the Group Director of Legal and the Group Director of Internal Audit and Risk Management. An equivalent procedure has been implemented in all of the regions.

6.4.7. Information technology (IT) risks_____

The IT Department of Unibail-Rodamco is in charge of defining the IT strategy and implementing and operating the shared IT systems for the Group.

- Unibail-Rodamco's information system relies on:
 - internally designed & developed software dedicated to the efficiency of assets and leases management;
 - software packages from well-known IT companies such as SAP, SOPRA, CODA, and IGEL; and
 - a set of data warehouses/datamarts enabling comprehensive reporting on all functions with extracting controls to guarantee data consistency and integrity.
- Unibail-Rodamco's IT risk management approach is largely based on:
 - Security policy: individual passwords are required to access computers and applications. In addition, the control of access right requests ensures the security and integrity of the Group's information system;
 - Change Management policy: IT development projects are monitored through dedicated status committees where planning, costs and key issues are addressed. IT developments are approved by end users;
 - Business Recovery management: the regular and formalised backup of data is stored off site and ensures the recovery of the activity in the event of a failure in the information system. An outsourced data centre ensures the high availability of the mailing and treasury systems, being also a backup platform for the IT recovery system. In addition, the Group Business Recovery Plan (BRP) has been updated in 2014. This BRP provides a technical and organizational action plan in case of a major breakdown (temporary unavailability of Head Offices and/or computing infrastructures).

6.4.8. Risks associated with the production of financial and accounting data_____

Accounting systems can be a source of financial risk, particularly in the context of end-of-period accounting, the consolidation of accounts, and accounting for off-balance sheet obligations.

Accounting processes are handled by local and corporate teams using multiple information systems. Unibail-Rodamco uses manuals for accounting procedures and instructions which describe the segregation of duties between the accounting execution and the control.

Unibail-Rodamco maintains analytical accounting reporting on each property, event and exhibition which enables it to monitor the realisation of its budgets closely.

A common process and reporting template, the Quarterly Flash Report (QFR), is used. This report consists of a set of quarterly (or half-yearly) data concerning valuations, pipeline projects and operational Key Performance Indicators (KPIs), as well as financial data such as comparisons between actuals and budget, actuals year by year, and full year forecasts (Gross Rental Income, Net Rental Income, administrative expenses, etc.). Reports are prepared and checked at the regional level before being submitted to the Group Control and Consolidation departments.

Regional quarterly reports are double-checked and challenged by the Group Control Department, which analyses the KPIs as well as any discrepancies between the budget and end-of-period actuals or forecasts. Group Control establishes a Group Quarterly Flash Report which consolidates all Group KPIs, valuations and pipeline projects. The QFRs are presented to the Management Board by the country management teams of each region and the consolidated QFR is provided to the Audit Committee and the Supervisory Board.

Consolidated financial statements are produced for the Unibail-Rodamco Group. The consolidation process is centralised and carried out by a dedicated team in the Group Consolidation department.

Report of the Chairman of the Supervisory Board
Internal Control System

When consolidating the accounts, multiple checks are carried out, of which:

- variations in the controlling shares of subsidiaries and investments are tracked to ensure an appropriate method of consolidation;
- consolidated packages received from regions are reconciled with the QFRs;
- adjustments to consolidated figures are analysed and explained in a report;
- reports from local external auditors are analysed; and
- variation analyses related to budgets and forecasts are cross checked with Controlling.

Rules for off-balance sheet commitment recordings have been laid down in specific procedures in order to ensure that each commitment is centrally logged by the Legal Department. Commitments given and received are aggregated and brought to the attention of the Management Board and the Supervisory Board.

Group financial statements are reviewed by the Statutory Auditors before being presented and explained to the Management Board, the Audit Committee and, ultimately, to the Supervisory Board.

The appraisal of the internal control system is carried out by the Group Internal Audit Department (composed of 4 persons) which conducts regular assignments into all of the Group's business units in line with the annual audit plan approved by the Management Board and the Audit Committee.

Occasionally, the Chief Executive Officer or (the Chairman of) the Audit Committee may ask the Group Internal Audit Department to carry out one-off "flash" assignments in order to provide a rapid response to urgent issues and/or the treatment of new risks or problems. Final audit reports are addressed to the Management Board and to each department which has been involved in the audit. A summary of audit findings is provided to the Audit Committee on a quarterly basis.

Unibail-Rodamco's Internal Audit Charter sets out the different missions of the audit function. To ensure it remains genuinely independent, the Internal Audit Department reports directly to the Chief Executive Officer and to the Chairman of the Audit Committee.

6.5. *Statutory auditors' report, prepared in accordance with article L. 225-235 of the French Commercial Code (code de commerce), on the report prepared by the Chairman of the Supervisory Board of Unibail-Rodamco SE*

Year ended December 31, 2014

To the Shareholders,

In our capacity as statutory auditors of Unibail-Rodamco SE and in accordance with article L. 225-235 of the French commercial code (*code de commerce*), we hereby report on the report prepared by the chairman of your company in accordance with article L. 225-68 of the French Commercial Code (*code de commerce*) for the year ended December 31, 2014.

It is the chairman's responsibility to prepare and submit for the supervisory board's approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-68 of the French Commercial Code (*code de commerce*), particularly in terms of corporate governance.

It is our responsibility to:

- report on any matters as to the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- confirm that the report also includes the other information required by article L. 225-68 of the French Commercial Code (*code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of internal control

and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information on which the information presented in the chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (*code de commerce*).

Other information

We confirm that the report prepared by the chairman of the Supervisory Board also contains other information required by article L. 225-68 of the French Commercial Code (*code de commerce*).

Neuilly-sur-Seine and Paris-La Défense, March 11, 2015

The Statutory Auditors French Original signed by

DELOITTE & ASSOCIÉS

represented by
Damien Laurent

ERNST & YOUNG Audit

represented by
Christian Mouillon

represented by
Benoit Schumacher

6.6 . Overview of valuation reports prepared by Unibail-Rodamco's independent external appraisers

Scope of Instructions

In accordance with your instructions we have undertaken valuations of the various freehold and leasehold property interests as at December 31, 2014 (the "valuation date") either held directly by Unibail-Rodamco (the "Company") or held in a Joint Venture where the Company holds a share, as referred to in our valuation reports for each individual property. This Overview letter has been prepared for inclusion in the Company's accounts.

The valuations have been undertaken by our local valuation teams in each relevant country and have been reviewed by the Pan European Valuation teams of all four valuation firms. In arriving at an opinion of Fair Value (as defined in IFRS 13) for each property we have taken into consideration European wide investment transaction activity and not solely any investment activity in the domestic market.

We can confirm that we did not receive fees from the Company representing more than 10% of our respective turnovers.

We can also confirm that our opinion of Fair Value has been reviewed against other valuations conducted across Europe, if applicable, for consistency of approach and consideration of the evidence and sentiment in the market place.

The valuations have been based upon the discounted cash-flow or yield methodologies that are regularly used for these types of properties.

Basis of Valuation and Assumptions

We set out below the basis and assumptions we have used in preparing our Valuation.

We confirm that the valuations have been made in accordance with the appropriate sections of the current Practice Statements contained within the RICS Valuation - Professional Standards (the "Red Book"). This is an internationally accepted basis of valuation. Our valuations are fully compliant with IFRS accounting standards and IVSC valuation standards and guidance.

The valuations have been also prepared in accordance with the AMF recommendations regarding the presentation of valuation parameters of listed real estate companies, published February 8, 2010.

We can confirm that we have prepared our valuations as External Valuers as defined in the Royal Institution of Chartered Surveyors Valuation Standards and our valuations have been prepared in accordance with our General Principles.

Our valuations are prepared on the basis of Fair Value and are reported as gross values (Fair value gross of any deduction made for typical purchaser costs).

Date of Valuation

The effective date of valuation is 31 December 2014.

Information

We have requested company management to confirm that the information which it has supplied to us in respect of the property and its lessees is both comprehensive and correct in all material aspects. It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as operating expenses, committed capital expenditure, financials including any doubtful debtors, sales based rental levels, prospective and signed leasing deals, lease incentives and all rent roll information and vacant units have been made available to us and that the information is up to date in all material aspects.

Floor Areas

We have not measured the property and have relied on the areas which have been supplied to us.

Environmental Investigations and Ground Conditions

We were not instructed to carry out a site survey or environmental assessment nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated. Unless we have been provided with information to the contrary, we assume that properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect their present or future use.

Planning

We have not seen planning consents and we assume that properties have been erected and are being occupied and used in accordance with all necessary consents and that there are no outstanding statutory notices. We assume that buildings comply with all statutory and Local Authority requirements including building, fire and health and safety regulations. We also assume that any extensions currently under construction satisfy all planning regulations and all necessary permits are in place.

Title and Tenancies

We have relied upon tenancy schedules, summaries of additional income, non-recoverable costs and capital expenditure and business plans which have been supplied to us.

Our valuations assume that, other than disclosed in our reports, there is good and marketable title to the properties and that they are free of any undisclosed burdens, outgoing, restrictions or charges. We have not read documents of title and for the purposes of our advice have accepted the details of tenure, tenancies and all other relevant information, which have been supplied by the Company.

Condition

We have reflected the general condition of the property as noted during our inspections. We were not instructed to carry out a structural survey but we have reflected any apparent wants of repair in our opinion of the value as appropriate. The property has been valued on the basis of the Company's advice except where we have been specifically advised to the contrary, that no harmful materials have been used in its construction.

Christian Luft MRICS
Director
For and on behalf of JLL Limited

Denis François FRICS
CEO
For and on behalf of CBRE Valuation

Taxation

Our valuations are prepared on the basis of Fair Value and are reported as gross values (Fair value gross of any deduction made for typical purchaser costs). No allowance has been made in our valuations for expenses of realisation or for any taxation, which may arise in the event of a disposal. However, when we have used the discounted cash flow (DCF) methodology, we have deducted registration duty and transaction costs at the end of the model for the assessment of the exit value. All rental and capital values stated are exclusive of Valued Added Tax.

Confidentiality and Publication

Finally and in accordance with our normal practise we confirm that our valuations are confidential to the party to whom it is addressed for the specific purpose to which they refer. No responsibility whatsoever is accepted to any third party and neither the whole of our valuation reports, nor any part, nor references thereto may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear. In signing this Overview, each appraiser does so on its behalf for its own valuation work only.

Yours faithfully,

Bryn Williams MRICS
Director
For and on behalf of DTZ Debenham Tie Leung Limited

Marc Gerretsen
Partner
For and on behalf of PwC Corporate Finance