

Internal rules of the Retail Estates nv management committee **("directiecomité")**

Introduction

The Board of Directors (hereinafter referred to as the 'Board') has established a Management Committee ("*Directiecomité*") to which it has transferred its management powers in accordance with Article 18 of the articles of association of Retail Estates NV (hereinafter also referred to as the 'Company').

This delegation of powers does not concern:

- outlining the strategy and general policy;
- acts reserved by the law or the articles of association to the Board of Directors;
- except for the matters reserved by law or the articles of association, the actions and decisions taken by the Board of Directors within its own authority ('reserved matters', listed in Article 4 of these Internal Rules).

The Management Committee ("*Directiecomité*") is a decision-making body with collegial responsibility and operation.

The Management Committee regularly reviews its Internal Rules and, if appropriate, recommends to the Board of Directors that it approve any changes it considers desirable.

These Internal Rules of the Management Committee ("*Directiecomité*") were approved by the Board of Directors on 17 February 2017.

Article 1 – Constitution of the Management Committee ("*Directiecomité*")

The members of the Management Committee ("*Directiecomité*") are appointed by the Board of Directors, on a proposal from the Remuneration and Nomination Committee.

The current members of the Management Committee ("*Directiecomité*") are:

- the Chief Executive Officer (the 'CEO') – effective company leader
- the Chief Financial Officer (the 'CFO') – effective company leader
- the Chief Investment Officer (the 'CIO')
- the Chief Legal Officer (the 'CLO')

Article 2 – Role of the Management Committee (“Directiecomité”)

The Management Committee (“Directiecomité”) has the following role:

- making proposals to the Board of Directors in the areas of strategy and general policy;
- implementing the strategy defined by the Board of Directors, including the decisions to acquire or transfer rights *in rem* on real estate or shares of Real Estate Companies;
- responsible for the day-to-day management of the company and reporting on this to the Board of Directors.

Article 3 – Matters reserved to the Board of Directors under the law or the articles of association

Under the law and the articles of association, the Board is charged with the following decisions (non-exhaustive list):

- determining the Company’s strategy and general policy (including the areas of Human Resources and communications);
- closing the company’s annual accounts, half-yearly and quarterly accounts, and taking all the steps necessary to ensure the integrity and timely publication of these documents and any other financial or non-financial information of significance (prospectus, press releases, etc.);
- preparing the management report for the Shareholders’ Meeting, which includes the corporate governance statement and the remuneration report;
- convening the annual and extraordinary Shareholders’ Meetings of the Company;
- issuing a pronouncement on the use of the authorised capital;
- preparing the special reports to the Board of Directors provided by law (authorised capital, contribution in kind, merger and demerger reports, etc.);
- deciding on the structure of the Company’s executive management and determining the responsibilities and assignments individually or collectively entrusted to the Effective Company Leaders and members of senior management; recruiting the Effective Company Leaders and members of senior management, and deciding their remuneration after advice from the Remuneration and Nomination Committee; assessing the performance of the Effective Company Leaders and members of senior management, and implementation of the Company’s strategy;
- defining the Company’s values;
- deciding on the level of risk that the Board considers acceptable;
- overseeing the statutory auditor’s performance and the internal audit function, taking into account the review conducted by the Audit Committee;

- introducing the structures and procedures that promote the proper functioning and trust of shareholders, including the mechanisms for preventing and managing conflicts of interest.

Article 4 – Matters reserved to the Board of Directors in addition to the acts and decisions reserved under the law or the articles of association

- determining the budget;
- concluding all agreements for a real estate investment or divestment valued at more than EUR 10 million;
- decisions on civil or fiscal proceedings of a judicial or administrative nature¹ (including decisions to bring an amicable end to a dispute or proceedings), whose commitment or financial risk exceeds EUR 1 million, with the understanding that decisions on criminal proceedings or involving a reputational risk fall under the authority of the Board of Directors without application of a threshold;
- the acquisition or transfer of all movable assets (including derivative or structured products), amounting to more than EUR 1 million, excluding the acquisition and transfer of derivative and structured products used in the hedging policy, as long as they remain within the scope of the hedging policy or within budget;
- deciding on investments in liquid assets with maturities of 6 months or more;
- decisions, actions and agreements relating to the Effective Company Leaders or members of senior management;
- the appointment of independent real estate experts within the meaning of the BE-REIT regulations;
- any decision that would fall outside of the strategic framework or general policy as determined by the Board of Directors (e.g. starting up investments abroad).

Article 5 – Management powers and responsibilities of the Management Committee (“Directiecomité”)

Consequently, the management powers of the Management Committee (“Directiecomité”) include the following matters:

1. analysing, preparing and proposing, under the direction of the Managing Director, the Company’s policy and overall strategy, in order to submit this to the Board of Directors (including the general lines of policy for financial management, risk management, budget preparation);
2. developing, preparing and submitting proposals to the Board of Directors or to its specialised Committees in any matter falling under their jurisdiction;

¹ Among other things, filing complaints, protests, taking legal steps such as summons, seizure, objection, appeal, withdrawal of proceedings.

3. submitting to the Board of Directors the full, punctual, reliable and correct preparation of financial statements and other financial and non-financial information in accordance with the accounting and regulatory standards and policies of the Company;
4. due diligence on investment and disinvestment projects and the related recommendations to the Board of Directors valued at more than EUR 10 million;
5. concluding lease agreements (including usufruct, ground lease, ...);
6. negotiating and concluding all real estate investment or divestment agreements valued at EUR 10 million or less;
7. decisions on civil or fiscal proceedings of a judicial or administrative² nature (including bringing an amicable end to a dispute or proceedings), whose commitment or financial risk is less than EUR 1 million, with the understanding that decisions on criminal proceedings or involving a reputational risk fall under the jurisdiction of the Board of Directors without application of a threshold;
8. acquiring or transferring securities for an amount of EUR 1 million or less, with the understanding that the acquisition and transfer of derivative or structured products used in the implementation of the hedging policy are not subject to this limit, as long as they remain within the scope of the hedging policy or within budget;
9. decisions on investments in liquid assets with maturities of less than 6 months;
10. the day-to-day management of Retail Estates NV, which includes the following aspects (without this list being exhaustive):
 - the commercial, operational and technical management of the real estate assets;
 - transactions associated with the Company's fiscal management: processing of information requests from the tax authorities, signing all documents or declarations to tax administrations at federal or local level or to a foreign tax administration;
 - communication with the administrative authorities, supervisory and market authorities (investigation and management of accreditation procedures, various reports, data update, etc.).
11. the organisation and management of support functions, such as:
 - human resources, including recruitment, training and the remuneration of employees, with the exception of decisions, actions and agreements relating to Effective Company Leaders and members of senior management;
 - legal and tax matters;
 - the financial, administrative and legal management of the subsidiaries;
 - the management audit and internal audit: introducing internal controls (systems for identifying, assessing, managing and monitoring financial and other risks), based on the reference framework approved by the Board of Directors, without prejudice to the monitoring role played by the Board of Directors;
 - reporting to the Board of Directors, the FSMA and the statutory auditor(s) on the assessment of the internal control system;

² Among other things, filing complaints, protests, taking legal steps such as summons, seizure, objection, appeal, withdrawal of proceedings.

- internal and external communication (except for the communications referred to in item 3 above);
- IT systems and ICT policy.

12. The provision in due course of all necessary information to the Board of Directors for the performance of its obligations.

After consultation with the Chair of the Board of Directors, the Management Committee (*"Directiecomité"*) takes the initiative to submit to the Board of Directors each transaction, even those clearly within its authority, which the Committee considers necessary to submit due to its nature, the associated risks or the parties involved.

When an operation consists of different components or transactions, the above thresholds apply to the operation as a whole and not to each component or transaction separately.

Article 6 – Activity Report

At each meeting of the Board of Directors and at least quarterly, the Managing Director and the other members of the Management Committee (*"Directiecomité"*) will report to the Board of Directors on the important aspects of operational management. They will provide the Board of Directors with all information of significance with regard to at least the following issues:

- developments that affect the Company's activities and the changes in its strategic context;
- the financial prospects and results of the Company;
- current or potential major disputes;
- the regular follow-up of all matters falling within the remit of the Board of Directors.

This Report will be submitted at least 8 days before the meeting of the Board of Directors for which it is intended.

Article 7 – Procedures

1. Internal operation

- The Management Committee (*"Directiecomité"*) is a decision-making body with collegial responsibility and operation: its decisions are taken by a consensus of its members, who share collegial responsibility for this. In this case, the Chair of the Management Committee (*"Directiecomité"*) may, at his/her initiative or at the request of two other members, submit the matter to a vote. The decision is then taken by majority vote of the members present. In the case of a tie, the vote of the Chair is decisive.
- The members of the Management Committee (*"Directiecomité"*) take the necessary measures to create a climate of trust and close cooperation by contributing to open discussions and to the constructive presentation of the different views.
- The Management Committee (*"Directiecomité"*) meets as often as necessary, under the chair of the Managing Director, and in principle once a week. It may, as necessary, be convened at any other time by the Chair or at least two members of the Management Committee (*"Directiecomité"*) wishing to do so.

- The Management Committee ("*Directiecomité*") may invite to its meetings any person whose presence it considers useful.
 - The dossiers of the meetings of the Management Committee ("*Directiecomité*") are centralised and assigned by the Chief Legal Officer, who is also responsible for preparing the reports. The reports are a summary of the discussions, and contain the decisions taken by the Management Committee. They are approved by members of the Committee and a copy is kept in the archives of Retail Estates NV. The Managing Director and the Chief Legal Officer are each authorised to certify the copies or extracts of the deliberation reports.
2. Responsibilities of CEO as Chair of the Management Committee ("*Directiecomité*")

The responsibilities are:

- Presiding over, leading and organising the proper functioning of the Management Committee ("*Directiecomité*");
 - Guidance, support and advice to the other members of the Management Committee ("*Directiecomité*") in the performance of their individual operational responsibilities;
 - Acting as the main spokesperson for Retail Estates NV to the outside world;
 - Reporting to the Board of Directors on the main initiatives and decisions taken by the Management Committee ("*Directiecomité*") in the performance of its duties.
3. Cooperation of CEO as Chair of the Management Committee ("*Directiecomité*") with the Chair of the Board of Directors
- Maintain permanent communication and dialogue with the Chair of the Board in an open and positive climate;
 - In consultation with the Chair, to determine the objectives for the members of the Management Committee ("*Directiecomité*"), evaluating their performance and formulating proposals for their remuneration to the Remuneration and Nomination Committee;
 - Together with the Chair of the Board of Directors, prepare the agenda items of the Board of Directors and discuss with them all issues in all areas of information and orientation necessary for the good harmony between the Management Committee ("*Directiecomité*") and the Board of Directors.

Article 8 – Compliance with Corporate Governance rules

The members of the Management Committee ("*Directiecomité*") undertake to comply with the rules applicable to Retail Estates NV, in particular the legislation on Real Estate Investment Trusts, the provisions of the Belgian Corporate Governance Code, the articles of association of Retail Estates NV, the Corporate Governance Charter of Retail Estates NV, the Ethical Code of Retail Estates NV, the rules to prevent market abuse, as well as these Internal Rules.

Article 9 – Conflicts of interest and duties

The members of the Management Committee ("*Directiecomité*") act in the interests of the Company. They will organise their personal and professional affairs in such a way as to avoid any direct or indirect conflict of interests with the Company.

They will inform the Management Committee ("*Directiecomité*") of potential conflicts of interest and, if necessary, refrain from deliberating and voting on the item concerned in accordance with the conflict prevention procedures contained in the Belgian Companies Code, in the BE-REIT legislation and in the Governance Charter of Retail Estates NV.

In addition, the item or dossier to which the conflict of interest relates is placed on the agenda of the meeting of the Board of Directors for deliberation and decision.

Article 10 – Transactions involving the Company's securities

With regard to transactions related to securities of the Company, members of the Management Committee ("*Directiecomité*") are subject to the rules for the prevention of abuse of power contained in the Retail Estates NV Dealing Code.

They must inform the Compliance Officer prior to each transaction and follow the disclosure procedures provided for by applicable law.

Article 11 – Determination of the objectives, assessment of performance and remuneration

The remuneration of the members of the Management Committee ("*Directiecomité*") is determined, in accordance with the Remuneration Policy of Retail Estates NV, by the Board of Directors on a proposal from the Remuneration and Nomination Committee after consulting the Managing Director regarding the remuneration of the members of the Management Committee ("*Directiecomité*") other than himself.

Each year, the Board of Directors, on a proposal from the Remuneration and Nomination Committee, will establish the objectives of the members of the Management Committee ("*Directiecomité*") for the following financial year/years, and assess their performance over the past year in accordance with the Retail Estates NV Remuneration Policy. This assessment must include the partial or full awarding of the variable portion of their annual remuneration.

Article 12 – Representation of the Company

The Company is validly represented in all transactions and for all obligations vis-à-vis all third parties or public or private administrations:

- by two Directors acting jointly;
- or within the limits of the special mandate granted by the Board of Directors to a member of the management committee ("*directiecomité*");
- or by the representative of day-to-day management, within the limits of day-to-day management.