

# **KITE REALTY GROUP TRUST**

## **Corporate Governance Guidelines**

### **Overview**

The following Corporate Governance Guidelines have been adopted as guidelines and principles for the conduct of the Board of Trustees (the “Board”) of Kite Realty Group Trust (the “Company”). They reflect the Board’s commitment to monitoring the effectiveness of decision-making at the Board and management level and ensuring adherence to good corporate governance principles, all with a goal of enhancing shareholder value over the long term.

These Corporate Governance Guidelines are statements of policy and are not intended to supersede or interpret any federal or state law, rule or regulation or the Company’s declaration of trust or bylaws and are in addition to any other policies or codes adopted by the Board from time to time.

### **Trustee Responsibilities and Qualifications**

#### ***General Responsibilities***

1. The Board, which is elected by the shareholders, is the ultimate decision-making body of the Company, except with respect to those matters reserved to the shareholders by law or pursuant to the Company’s declaration of trust and/or bylaws. The Board will have the following general responsibilities:

- supervising and directing the business and affairs of the Company in the interest and for the benefit of the Company’s shareholders in order to enhance shareholder value over the long term;
- exercising its business judgment to act in a manner which it reasonably believes to be in the best interests of the Company and its shareholders consistent with its fiduciary duties;
- reviewing and, where appropriate, approving the Company’s major strategic, financial and business objectives, plans and actions; and
- establishing policies and principles for the selection, and possible succession planning, of Trustees, the Chief Executive Officer (“CEO”) and other senior management officers.

2. Trustees are expected to adhere to a high ethical standard in performing and carrying out their duties and responsibilities for the Company. In particular, Trustees are expected to comply with these Corporate Governance Guidelines and the Company’s Code of Business Conduct and Ethics as in effect from time to time.

### ***General Qualifications***

3. The Board places a high priority on the vitality and experience of its Board and in the discharge of its responsibilities. The Corporate Governance and Nominating Committee will identify and recommend to the Board candidates for Trustees in accordance with the policies and procedures established by the Corporate Governance and Nominating Committee from time to time. The Board will then determine the Trustee candidates that are submitted for election by the shareholders at the annual shareholders' meeting. At a minimum, candidates for Trustee will be selected on the basis of the various factors set forth in the Corporate Governance and Nominating Committee's Policy Regarding Qualification and Nomination of Trustee Candidates, including integrity, judgment, ability to make independent analytical inquiries, willingness and ability to devote adequate time and resources to diligently perform Board duties, and reputation, both personal and professional, consistent with the image and reputation of the Company. The Board is committed to a diversified membership, in terms of both the individuals involved and their various experiences and areas of expertise.

### ***Independence of Trustees***

4. The Board believes that the monitoring of performance of senior management by the Board is more effective when the Board is significantly influenced by independent Trustees. Accordingly, it is the policy of the Company that the Board will consist of a majority of independent trustees. Having a majority of independent trustees increases the quality of Board oversight and lessens the possibility of damaging conflicts of interest.

5. No Trustee will qualify as "independent" unless the Board affirmatively determines that the Trustee has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company) and otherwise meets the criteria for independence required by the New York Stock Exchange.

6. In order to adequately assess and ensure that at least a majority of the Company's Trustees qualify as "independent," the Board will undertake an annual review of the independence of all Trustees. For purposes of these guidelines, the Company realizes that it is not possible to anticipate, or to explicitly provide for, all circumstances that might bear on the materiality of a Trustee's relationship with the Company. Accordingly, it is the policy of the Board that, when making independence determinations, the Board will broadly consider all facts and circumstances.

### ***Restrictions on Board Service and Actions***

7. The Board recognizes that it is important that each Trustee has the requisite time to devote to the oversight of the Company's business. Accordingly, as a general matter, Trustees should not currently serve on more than three other public company boards, and members of the Audit Committee should not serve on more than two other public company audit committees. In addition, unless approved by a majority of the disinterested Trustees, no Trustee shall serve as a director or employee of, or personally provide consulting, legal, advisory or other services directly to, any competitor of the Company. Trustees should advise the Chairman of the

Corporate Governance and Nominating Committee and the CEO in advance of accepting an invitation to serve on another public company board of directors.

8. The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Trustees who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Corporate Governance and Nominating Committee will review and evaluate the qualifications and performance of each incumbent Trustee before recommending his or her nomination for an additional term. This will allow each Trustee the opportunity to confirm his or her desire to continue as a member of the Board.

9. Trustees are chosen based on a number of factors including those described in Paragraph 3 above. When a Trustee's principal occupation or business association changes, such Trustee will promptly tender his or her resignation for consideration by the Corporate Governance and Nominating Committee. Upon receipt of a tendered resignation of a Trustee as a result of the foregoing, the Corporate Governance and Nominating Committee will promptly consider the tendered resignation and will recommend to the Board whether to accept or reject the tendered resignation. In considering the tendered resignation, the Corporate Governance and Nominating Committee will consider, among other things, whether the change in job status impacts the Trustee's independence from the Company and/or his or her ability to continue to serve as a member of the Board. In considering the recommendation of the Corporate Governance and Nominating Committee, the Board will consider the factors considered by that committee and such other factors and information it believes relevant.

A tendered resignation will be effective if, within 90 days from the date of tender, the Board affirmatively determines to accept the resignation either on a specified date or upon the appointment of a replacement Trustee to fill the vacancy which results from the effectiveness of the resignation by the resigning Trustee. Following a determination by the Board to accept the tendered resignation, the Company will promptly file a Form 8-K with the Securities and Exchange Commission to announce its decision to accept the tendered resignation. If an incumbent Trustee's tendered resignation is not accepted by the Board, or if no action is taken with respect to such Trustee's tendered resignation within the 90-day period referenced above, such Trustee will continue to serve for the term for which he or she is elected and until his or her successor is elected and qualified.

### ***Chairman***

10. The Board will elect its Chairman based on such factors as the Trustees deem relevant. The Board will periodically evaluate policies and principles for Chairman selection and succession planning so as to facilitate smooth transitions of leadership. If appropriate, the Board will establish a committee to assist it in evaluating potential successors to the Chairman. In furtherance of the foregoing, the Board has established a mandatory retirement for the Chairman of 80 years of age, and such mandatory retirement age will be considered in connection with the Chairman succession plan. There is no requirement that the offices of Chairman and CEO be held by the same person, or that the offices be filled by different people. The Company believes that

this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination when it elects a new CEO.

***Consequences of an Incumbent Trustee's Failure To Be Re-elected:***

11. If the number of nominees for Trustee at a given meeting does not exceed the number of Trustees to be elected and a nominee who is an incumbent Trustee fails to receive the required majority vote as set forth in the Company's bylaws, that Trustee shall promptly tender his or her resignation to the Board, subject to acceptance by the Board. The Corporate Governance and Nominating Committee will review the situation and make a recommendation to the Board whether to accept or reject the tendered resignation or whether other action should be taken. The Board will act on the tendered resignation, taking into account the Corporate Governance and Nominating Committee's recommendation, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission, or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. The Corporate Governance and Nominating Committee in making its recommendation and the Board in making its decision may each consider any factors or other information that it considers appropriate and relevant. The Trustee who tenders his or her resignation will not participate in the recommendation of the Corporate Governance and Nominating Committee or the decision of the Board with respect to his or her resignation. If an incumbent Trustee's resignation is not accepted by the Board, such Trustee shall continue to serve until his or her successor is duly elected or his or her earlier resignation or removal. If a Trustee's resignation is accepted by the Board, the Board may fill the resulting vacancy or decrease the size of the Board pursuant to the provisions of Article V, Section 5.2 of the Company's declaration of trust and Article III, Sections 2 and 11 of the Company's bylaws.

**Functioning of the Board**

12. The Chairman of the Board, in consultation with other members of the Board, will determine the timing and length of meetings of the Board. There will be at least four regularly scheduled meetings of the Board in each calendar year. In addition to regularly scheduled meetings, additional unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company. Trustees are expected to attend, in person or by telephone, all Board meetings and meetings of committees on which they serve. In addition, Trustees are expected to attend the Company's annual meetings of shareholders.

13. The Chairman of the Board, in consultation with the CEO (if such offices are filled by different people), will set the agenda for Board meetings, with the understanding that certain items pertinent to the advisory and monitoring functions of the Board will be brought to it periodically by the Chairman for review and/or decision. Agenda items that fall within the scope of responsibilities of a Board committee will be reviewed with the chair of that committee. Any member of the Board may request that an item be included on the agenda.

14. Presentation materials are important to the Board's understanding of the business and essential to prepare Board members for productive meetings. Materials relating to specific agenda items will be provided to Board members sufficiently in advance of the Board meeting to

allow the Trustees to prepare for discussion of such items at the meeting, and it is expected that all Trustees will review such materials in advance of each meeting. It is recognized that, in the event of a pressing need for the Board to meet on short notice, materials may not be available in advance of the meeting. In that event, sufficient time for discussion will be allocated to allow the Board to become adequately informed on such issue.

15. At the invitation of the Board, members of senior management recommended by the Chairman, in consultation with the CEO (if such offices are filled by different people), will attend Board meetings for the purpose of participating in discussions. Generally, presentations of matters to be considered by the Board will be made by the manager responsible for that area of the Company's operations.

16. In addition, Board members will have complete access to management and employees of the Company. The CEO or Secretary of the Company will, whenever requested, assist in arranging and facilitating such meetings or contacts. The Trustees will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company. The CEO or Secretary of the Company will, as deemed necessary or advisable by the Board, assist in arranging and facilitating meetings of the Board with the Company's independent advisors, including its legal counsel and independent auditing firm.

17. In addition to the Chairman, the Board will have a "lead" independent trustee (the "Lead Trustee"). The Lead Trustee will be selected on an annual basis by the Board from among the independent trustees, and the Company will publicly disclose the name of the Trustee selected to preside as the Lead Trustee. The role of the Lead Trustee is to serve as liaison between (i) the Board and management, including the CEO, (ii) independent trustees and (iii) interested third parties and the Board. The Lead Trustee serves as the focal point of communication to the Board regarding management plans and initiatives, and ensures that the role between board oversight and management operations is respected. The Lead Trustee also provides the medium for informal dialogue with and between independent trustees allowing for free and open communication within that group. In addition, the Lead Trustee will serve as the communication conduit for third parties who wish to communicate with the Board. Interested third parties may communicate with the Board by communicating directly with the presiding Lead Trustee by sending any correspondence they may have in writing to the "Lead Trustee" c/o Chief Financial Officer of Kite Realty Group Trust, who will then directly forward such correspondence to the Lead Trustee. The Lead Trustee will decide what action should be taken with respect to the communication, including whether such communication should be reported to the Board.

18. To promote open discussion among non-management Trustees, the Board will devote a portion of each regularly scheduled Board meeting to executive sessions without management participation. If the group of non-management Trustees includes Trustees who are not independent, as defined in the New York Stock Exchange's listing standards and described in Paragraph 5 above, it is the Company's policy that at least one such executive session convened per year shall include only independent Trustees. The Board will not take formal actions at such sessions, although the participating non-management Trustees may make recommendations for consideration by the Board. If appropriate, the non-management Trustees will record minutes of

such sessions. The Lead Trustee will set the agenda for the executive sessions of the Board and preside at such sessions.

### **Responsibility, Composition and Functioning of Committees**

19. It is the general policy of the Company that all major decisions will be considered by the Board as a whole, except to the extent that the Audit Committee is required by applicable laws, rules or regulations to act alone. As a consequence, the committee structure of the Board is limited to those committees considered to be basic to or required for the operation of a publicly-owned company. The Board will maintain at all times a Compensation Committee, an Audit Committee and a Corporate Governance and Nominating Committee. The members of each of these committees shall meet the independence requirements for directors as set forth in the rules of the New York Stock Exchange and applicable securities laws and regulations. Each committee has a written charter addressing the purposes, goals, duties and responsibilities of the Committee as well as the qualifications for Committee membership, procedures for Committee member appointment and removal, Committee structure and operations and Committee reporting to the Board. These charters are posted on the Company's website.

20. The Board may from time to time form such other Committees as it determines to be appropriate to facilitate and assist in the execution of the Board's responsibilities.

21. Each Committee will have the full power and authority to retain and terminate the services of such advisers and experts, including counsel, as it deems necessary or appropriate with respect to specific matters within its purview.

22. Committee members and chairs will be appointed by the Board, after consideration of the desires, experience and expertise of individual Trustees. The Board will review the Committee membership and chairmanship on an annual basis, and will consider rotating members and chairmen from time to time, balancing the interests of continuity with diversity of experience and taking into account any legal, regulatory or New York Stock Exchange requirements regarding the composition of a particular Committee.

23. Each Committee chair will establish the frequency, length and agenda of meetings as appropriate and necessary to carry out the Committee's responsibilities. Sufficient time to consider the agenda items will be provided. Materials relating to specific agenda items will be provided to Committee members sufficiently in advance of the Committee meeting where necessary to allow the members to prepare for discussion of such items at the meeting. It is recognized that, in the event of a pressing need for a Committee to meet on short notice, materials may not be available in advance of the meeting. In that event, sufficient time for discussion will be allocated to allow the Committee to become adequately informed on such issue.

24. In addition, the Board may from time to time establish committees that include Trustees and senior management. In particular, the Board may establish an Investment Committee comprised of Trustees and senior management that has authority to approve certain investments made by the Company.

## **Trustee Compensation**

25. Non-management Trustees will be compensated for their service to the Company in cash and/or stock options and equity of the Company on a basis that is commensurate with the commitment made by such Trustees to serve the Company, and taking into account the compensation paid to directors by other similarly situated public companies. The Compensation Committee will periodically review the amount and nature of compensation paid to Trustees, and make recommendations to the full Board regarding any adjustments to such compensation arrangements as appropriate. Trustees who also are employees of the Company will not receive additional compensation in their capacity, or for their service, as Trustees.

26. The Board recognizes that Trustees' independence may be jeopardized if trustee compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a Trustee is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Trustee or an organization with which the Trustee is affiliated, and therefore such actions will be discouraged. The Board (and the Compensation Committee) will critically evaluate each of these matters when determining the form and amount of trustee compensation, and the independence of a Trustee.

## **Share Ownership by Non-Management Trustees**

27. Subject to applicable laws, rules, regulations and the Company's declaration of trust, it is the policy of the Company that all non-management Trustees hold meaningful equity ownership positions in the Company. The Board of Trustees will be responsible for determining minimum share ownership requirements for the non-management Trustees from time to time. Share ownership requirements for non-management Trustees ensure that all of the Company's Trustees have a proprietary stake in the Company and that the interests of the Trustees continue to be closely aligned with the interests of the Company's shareholders.

## **Trustee Orientation and Continuing Education**

28. All new Trustees will participate in the Company's orientation program. This orientation will include presentations by senior management to familiarize new Trustees with the Company's business operations, strategic plans and objectives, financial structure, significant financial, accounting and risk management issues, compliance programs, Code of Business Conduct and Ethics, principal officers, and independent auditors as well as the role of the Board and its responsibilities and the structure of the Board and its committees. The orientation will also include an opportunity for the new Trustee to meet with members of the Company's senior management.

29. All Trustees are expected to actively stay informed and up to date on current issues relating to trustee responsibilities. From time to time, the Board may set aside time at its meetings to provide continuing trustee education for the benefit of the Trustees.

## **Transactions with Trustees**

30. It is the policy of the Board that any transaction in which a Trustee (or any member of a Trustee's immediate family) has a personal or financial interest (direct or indirect) should be scrutinized carefully to ensure that the transaction is in the best interests of the Company and will not otherwise create a conflict of interest. It is incumbent upon each Trustee to promptly notify the Chairman, the CEO or the General Counsel when he or she becomes aware of a matter in which he or she (or any member of a Trustee's immediate family) has, or may have, a personal or financial interest (whether direct or indirect) or may otherwise have a potential conflict of interest.

31. Without the approval of a majority of the disinterested Trustees, the Company will not enter into a transaction or arrangement (including utilizing the services of any Trustee to provide legal, accounting, financial, consulting or other similar services to the Company) in which a Trustee has a material personal or financial interest (direct or indirect). Whether a Trustee has a material personal or financial interest in a transaction or arrangement will be determined by Board on a case-by-case basis, but at a minimum a Trustee will be considered to have a material personal or financial interest in a transaction or arrangement if the Company will be required to disclose the transaction or arrangement in its annual proxy statement to shareholders or the Company's annual report on Form 10-K. The interested Trustee will not participate in any Board discussion regarding the matter in which the Trustee has such an interest. For purposes hereof, Trustee will include any entity with which the Trustee is affiliated, any immediate family member of a Trustee and any entity in which a Trustee's immediate family member has a material interest.

## **CEO Evaluation and Management Succession**

32. The Compensation Committee will conduct an annual review of the CEO's performance in accordance with policies and principles set forth in its charter. The Board will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long-and short-term.

33. The Board will periodically evaluate policies and principles for CEO selection and succession planning so as to facilitate smooth transitions of leadership. If appropriate, the Board will establish a committee to assist it in evaluating potential successors to the CEO. In furtherance of the foregoing, the Board has established a mandatory retirement for the CEO of 80 years of age, and such mandatory retirement age will be considered in connection with the CEO succession plan.

## **Annual Board Review**

34. The Board will conduct an annual review and self-evaluation, including individual evaluations of the Trustees, to determine whether it, its Committees, and its Trustees are functioning effectively. The review will focus on the contribution by the Board and the Trustees to the Company and will seek to identify specific areas, if any, that need improvement or strengthening. Such review shall include presentations to the Board by each Committee chairman, and may, if deemed necessary or appropriate by the Board, include reviews and/or



presentations by the Company's independent advisors, including its legal counsel and independent auditing firm.

35. The Board also will conduct an annual review to ensure that the Company is in compliance with all applicable New York Stock Exchange listing requirements and to ensure that all required certifications and public disclosures are made.

### **Periodic Review of Corporate Governance Guidelines**

36. These Corporate Governance Guidelines will be reviewed by the Corporate Governance and Nominating Committee from time to time. If such Committee determines that modifications are in order, it will make recommendations of changes for the Board to consider.

### **Disclosure**

37. These Corporate Governance Guidelines shall be posted on the Company's website.

**Reviewed and Approved by the Corporate Governance Committee: November 28, 2017**