

# MERCIALYS



**2017**

## **NOTICE OF MEETING**

TO THE ORDINARY AND EXTRAORDINARY  
GENERAL MEETING

**Thursday 27 April 2017**  
**at 10:30 AM**

At: Maison de la Chimie  
28, rue Saint-Dominique  
75007 Paris, France

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## Message from **Éric Le Gentil**

Chairman and Chief Executive Officer

" Mercialis achieved excellent operational performances in 2016."

Dear Shareholder,

I am pleased to invite you to Mercialis' General Shareholders' Meeting, which will be held on **Thursday April 27, 2017** from 10:30 am at Maison de la Chimie in Paris.

The General Meeting offers a privileged opportunity for meetings, information and exchanges between Mercialis' shareholders and its leadership team, focusing in particular on your Company's achievements and results.

It is also an opportunity for you to share your opinions, through your votes, concerning the resolutions submitted for your approval.

I hope that you will be able to attend the meeting in person. If you are unable to do so, you also have the option to vote before the General Meeting either online or by post. Alternatively, you can appoint the Chairman or any person of your choice to represent you.

In this brochure, you will be able to find all the practical information needed to take part in this General Meeting, as well as the agenda and the full resolutions.

I would like to thank you for your confidence, trust and interest in Mercialis, and I look forward to seeing you on Thursday April 27.

Yours sincerely,

# 1. Mercialys in 2016

## Key consolidated figures

In millions of euros	2016	2015	Change
Invoiced rents	187.6	166.0	+13.1%
Organic growth in invoiced rents (excluding indexation)	+3.5%	+3.5%	n.a.
Rental revenues	189.8	169.0	+12.3%
EBITDA	160.5	144.1	+11.4%
Funds from operations (FFO)	114.4	108.5	+5.4%
Consolidated net income, attributable to owners of the parent	110.0	79.6	+38.2%

## An excellent operational trend

Invoiced rents are up +13.1% to Euro 187.6 million, driven by organic growth and the impact of net acquisitions made in 2015 and 2016.

Organic growth in invoiced rents continues to reflect a solid trend of +3.4%, including 3.5% over indexation, significantly higher than the objective of +2%. Organic growth continues to be boosted by significant reversion (+18.4% on renewals and re-lettings) and another year of strong growth in Casual Leasing rents (+13.0% to Euro 9.1 million).

The current financial vacancy rate is 2.5%, virtually unchanged from June 30, 2016 (2.4%) and up slightly from end-2015 (2.0%).

EBITDA stood at Euro 160.5 million, up +11.4% on 2015.

Funds from operations (FFO) rose by +5.4% vs. 2015 to Euro 114.4 million, a level significantly above the revised objective published last summer of +3 to +4% year-on-year, but in line with these levels after adjusting for the impacts of the IAS 17 (+3.7%).

EPRA NNNNAV rose by +5.1% in 2016 to Euro 20.22 per share.

Mercialys' financial structure remains very sound, with a Loan-to-value ratio (LTV) that stood at 41.2% and an Interest Cost ratio (ICR) at 5.3x at December 31, 2016.

## Six projects deliveries highly value-accretive

Mercialys completed six projects in the second half of 2016, generating Euro 3 million in annualized rental income and a net yield of 11.0%.

Five large food store transformation projects were completed in the second half of 2016, representing annualized rental income of Euro 2.1 million. These accommodate new mid-sized stores, representing a vehicle for strong improvement in the marketability of these assets.

H&M has opened a store at the transformed Aix-en-Provence site, Calliope and Terranova in Angers, Boulanger in Anglet, and Go Sport, Courir and Izac in Nîmes (phase 1). Brico Dépôt has relocated to Rennes (phase 1).

In addition, Mercialys also delivered a 4,000 sq.m retail park in Sainte-Marie (La Réunion island) in the fourth quarter of 2016, generating Euro 0.9 million of annualized rental income.

## Significant investments sustaining growth in rental income and the development pipeline in the medium term

In June 2016, Mercialys acquired two sites for transformation from Monoprix in Saint-Germain-en-Laye and La Garenne-Colombes close to Paris, for Euro 69.6 million including transfer taxes, representing an immediate yield of 5.6% (based on rents paid by Monoprix, following the acquisition, under fixed-rent leases). Redevelopment projects will be implemented in the medium term, generating additional rental income and potential development margins, particularly from the sale of residential property developments.

Mercialys is thus continuing to develop its high-street retail business line, which comprises a total of seven sites for transformation.

In September 2016, Mercialys exercised its fair-value call option with Foncière Euris and became the owner of the expansion of

the Espaces Fenouillet shopping center from its opening in November 2016. The share price of SNC Fenouillet Participation, which holds this asset (10% of which was already owned by Mercialys) was determined on the basis of the valuation resulting from an independent appraisal, or Euro 133.7 million including transfer taxes for 100%, representing a yield of 5.4%. The milestone of one million visitors, which the mall exceeded in just two months, reflects the success of the site's expansion.

In December 2016, Mercialys acquired, under the Partnership Agreement with the Casino Group, the expansion of its Carcassonne Salvaza shopping center for Euro 5.3 million. Annualized rental income totals Euro 0.3 million, representing a yield of 6.1%.

## Assets disposals helping to strengthen the financial structure and finance developments

In June 2016, Mercialys and the property investment fund OPPCI SEREIT France, (a subsidiary of a fund managed by Schroder REIM), signed an agreement under which Mercialys transferred the premises of the transformed hypermarkets in Rennes and Anglet to SCI Rennes Anglet, as well as the premises of the shopping mall and the mid-size unit leased to Boulanger in Anglet. Following this transfer, Mercialys holds a 30% interest in this SCI, with the remaining 70% held by OPPCI SEREIT France.

This transaction was based on a 100% valuation of these assets for Euro 61.8 million including transfer taxes, or an exit yield of 5.0%, with Euro 3.1 million in annualized rental income. The overall IRR on these operations represents 9.0%. The consolidated capital gain generated came to Euro 2.8 million (with a capital gain available for distribution of Euro 6.9 million recorded in the parent company financial statements). This operation has enabled Mercialys to realize the value created on these assets, particularly following the extensive redevelopment of the hypermarkets, reflected in the mid-size store units set up for the home appliance firm Boulanger (Anglet) and the

DIY retailer Brico Dépôt (Rennes). Mercialys' 30% interest is accounted for by the equity method.

In December 2016, Mercialys introduced a new dynamic to the partnership formed in 2013 with Amundi Immobilier by selling the Niort and Albertville shopping centers to SCI AMR (accounted for by the equity method). This transaction was based on a 100% valuation of Euro 99.8 million including transfer taxes, or an exit yield of 5.3%. The cash-in amount for Mercialys is Euro 62 million.

Since 2013, the Niort and Albertville sites have benefited from various phases of expansion and renovation, and represent a solid revenue base in the context of this partnership. Following the sale, Mercialys owns 39.9% of SCI AMR, with Amundi Immobilier holding 60.1% through two SCPI and one OPCI (compared with 56.6% previously). The SCI now owns the Angoulême, Paris Saint-Didier, Valence 2, Montauban, Niort and Albertville shopping centers. Mercialys has retained the management mandates for the Niort and Albertville sites and has extended the existing mandates for the other assets.

## Mercialys Group

in millions of euros	2016 *	2015 *	Change
Rental revenues	142.7	139.3	+2.4%
Net income	114.2	148.3	-23.0%

\* parent company accounts

Mercialys SA, the Group's parent company, opted for the "SIIC" status for French listed real estate investment trusts in November 2005.

The Group owns 71 commercial assets, including 64 shopping centers, with a portfolio value including transfer taxes of Euro 3,797.3 million (Euro 3,565.4 million excluding transfer taxes) at end-2016 and a gross leasable area of 921,200 sq.m.



The Mercialys Group had a Euro 553.5 million development pipeline at end-2016. Controlled developments will represent Euro 106.5 million of investments by 2019 and will make it possible to generate Euro 7.6 million of additional annualized rental income. Potential developments represent Euro 447 million and cover deliveries scheduled from 2019 to 2021, with an additional Euro 24.9 million of rental income forecast.

Nine projects to transform large food stores (*Quimper, Fréjus, Saint-Etienne, Poitiers, Toulouse, Angers, Nîmes, Narbonne and Rennes*) and three major shopping center extension projects (*Rennes, Morlaix and Saint-Etienne*) will be delivered in 2017.

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## Assets disposals helping to strengthen the financial structure and finance developments

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Mercialys continued its arbitrage plan in January 2017 for Euro 72 million, with the aim of reducing its LTV to significantly below 40% at end-2017 (*versus 41.2% at end-2016 and 39.1% pro-forma unaudited at end-January 2017*). In a still-favorable interest rate environment, this objective seeks to realize values, particularly for mature assets or assets with limited development potential, while offering the leeway to finance an accretive controlled and potential pipeline.

Mercialys sold five service malls to the Casino Group representing a total area of approximately 14,600 sq.m, for a total amount of Euro 38.9 million including transfer taxes and an exit yield of 5.8%. Those arbitrages involve dispersed assets that are unsuitable for large-scale transformation projects owing to their individual size (*less*

*than 5,000 sq.m*). The Casino Group is the natural buyer for these assets, given their proximity to Géant hypermarkets.

In January 2017, Mercialys also sold the transformed hypermarket at Toulouse Fenouillet to the Casino Group for Euro 32.8 million including transfer taxes, for an exit yield of 5.0%. Mercialys has carried out two projects to create additional retail space on the surface released by the hypermarket and enhance the appeal of the site. On the one hand, it has transformed 2,600 sq.m of storage space into mid-sized stores and retail outlets as part of the shopping mall expansion, letting the units to Terranova, Calliope, and Obaïdi & Okaïdi. On the other, it has created a 2,000 sq.m mid-sized unit in the vacated hypermarket's retail area, which is still in the process of being let.

## 2. Consolidated earnings history

The strong growth in rental revenues and funds from operations (FFO) since 2012 reflects the balanced investment policy rolled out by Mercialis over the period. The development pipeline has enabled your company to continue further strengthening its sites, through extensions and redevelopments, while setting up large numbers of mid-size stores for a more appealing merchandising mix.

In this context, Mercialis has benefited from optimum financing conditions, while keeping a sound balance sheet, with its loan to value ratio remaining close to 40%. The rating agency Standard & Poor's confirmed its BBB/ stable outlook rating in 2016.

Mercialys - Consolidated financial accounts	2016	2015	2014 <sup>(1)</sup>	2013	2012 <sup>(2)</sup>
<b>Income statement (in millions of euros)</b>					
Rental revenues	189.8	169.0	152.8	149.0	159.7
Net rental income	178.1	158.8	143.1	139.4	150.7
EBITDA	160.5	144.1	127.8	129.5	146.9
Net financial income/(expense)	-31.3	-28.8	-23.9	-32.1	-29.3
Consolidated net income	118.7	82.1	152.5	123.4	143.5
<i>attributable to non-controlling interests</i>	8.7	2.5	0.0	0.0	0.1
<i>attributable to owners of the parent</i>	110.0	79.6	152.5	123.4	143.4
Funds from operations (FFO)	114.4	108.5	102.6	96.2	108.7
<b>Balance sheet and financial situation (in millions of euros)</b>					
Fair value of property portfolio (including rights)	3797.3	3541.8	2893.6	2464.9	2561.1
Net financial debt	1485.8	1361.1	1017.6	741.9	809.6
Loan-to-value ratio (excluding rights %)	41.20%	41.00%	37.40%	31.80%	33.40%
Interest Cost ratio (ICR x)	5.3x	5.1x	4.7x	4.2x	5.3x
Average cost of drawn debt (%)	2.00%	2.40%	3.10%	3.60%	3.70%
Share capital	92.0	92.0	92.0	92.0	92.0
Outstanding number of shares (units)	92,049,169	92,049,169	92,049,169	92,049,169	92,022,826
Average number of shares fully-diluted (units)	91,856,715	91,767,764	91,826,157	91,865,817	91,953,712
<b>Cash flow statement (in millions of euros)</b>					
Net cash flow from operating activities	150.5	133.4	116.2	106.2	170.1
Net cash flow from investing activities	-144.6	-498.0	-256.4	114.9	96.4
Net cash flow from financing activities	-3.6	256.6	250.7	-414.0	-106.4
Net cash at end of year	15.3	13.0	121.0	10.5	203.4
Dividend/share (€/share)	1.06 <sup>(3)</sup>	1.33	1.24	1.16	1.22
<b>Other indicators</b>					
Number of employees (under open-ended contracts)	96	91	81	70	72

<sup>(1)</sup> Restated in 2015 following the retrospective application of the interpretation of IFRIC 21

<sup>(2)</sup> Restated in 2013 following the retrospective application of the IFRS 10, 11 and 12

<sup>(3)</sup> Dividend to be proposed at the 2017 general shareholders' meeting

# 3. Governance

In terms of its composition, **Mercialys' Board of Directors** is committed to ensuring the balance, expertise and engagement of its members.

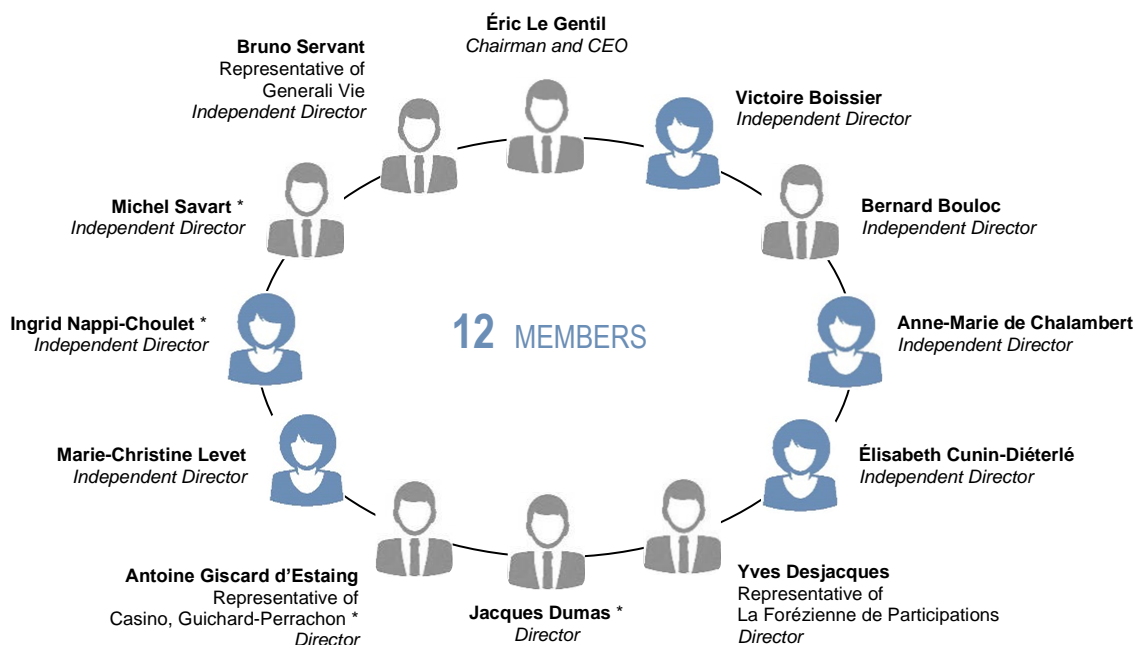
To ensure this, it takes the following factors into account when reviewing each candidate:

- independence,
- balanced representation of men and women,

- experience, diverse and complementary skills, aligned with Mercialys' strategy and development.

Considering the Company's geographical exposure, all the Directors are French nationals.

## Composition of the Board of Directors



**Vincent Ravat**, Chief Operating Officer  
Function being exercised since August 30, 2016 in place of Mr Vincent Rebillard

\* Term of office to be renewed for a period of three years

### Independence of the Board of Directors



**58.3%**  
Independent Directors

### Equal representation of men and women within the Board of Directors

58.4%



41.6%



If the 12<sup>th</sup>, 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> resolutions are adopted at the General Meeting on April 27, 2017, the composition of the Board of Directors would remain unchanged following the Meeting.



The following table summarizes the main areas of expertise or experience of the directors serving on the Board of Directors.

	Real estate / construction / city planning	Research	Legal / human resources	Finance / accounting	New technologies	Company management	Insurance	Other *
<b>Executive officer</b>								
Éric Le Gentil	■		■	■		■	■	■
<b>Independent Directors</b>								
Victoire Boissier	■			■		■		■
Bernard Bouloc		■	■	■				
Anne-Marie de Chalambert	■			■		■	■	
Élisabeth Cunin-Diéterlé	■		■	■		■		■
Marie-Christine Levet			■	■	■	■		
Ingrid Nappi-Choulet	■	■		■				■
Bruno Servant	■			■			■	■
<b>Directors representing the majority shareholder</b>								
Yves Desjacques			■			■	■	■
Jacques Dumas	■		■	■		■		■
Antoine Giscard d'Estaing	■			■		■		■
Michel Savart	■		■	■		■		■

\* Retail, IT, Health, CSR, Hotel trade...

## Position of the members of the Board of Directors at February 14, 2017

Member's full name	Gender	Nationality	Age	Independent member	First appointed on	Term of office ends on	Attendance at Committee meetings	Attendance rate at Committee meetings	Attendance rate at Board meetings (10 meetings)
Éric Le Gentil	M	French	56	No	02/13/2013	2019 AGM	Investment Committee	100%	100%
Victoire Boissier	F	French	49	Yes	04/20/2016	2018 AGM	-	-	86%
Bernard Bouloc	M	French	80	Yes	10/14/2005	2019 AGM	Audit and Risks Committee	100%	100%
Anne-Marie de Chalambert	F	French	73	Yes	07/23/2013	2018 AGM	Appointments and Compensation Committee	100%	100%
Élisabeth Cunin-Diéterlé	F	French	56	Yes	06/06/2012	2019 AGM	Appointments and Compensation Committee	83%	90%
Yves Desjacques, representative of La Forézienne de Participations	M	French	49	No	06/08/2012	2018 AGM	Appointments and Compensation Committee	100%	70%
Jacques Dumas	M	French	64	No	08/22/2005	AGM of April 27, 2017	Audit and Risks Committee	100%	100%
Antoine Giscard d'Estaing, Representative of Casino. Guichard-Perrachon	M	French	56	No	04/06/2009	AGM of April 27, 2017	Investment Committee	100%	60%
Marie-Christine Levet	F	French	49	Yes	06/06/2012	2019 AGM	Audit and Risks Committee, Chairman	100%	90%
Ingrid Nappi-Choulet	F	French	50	Yes	04/30/2014	AGM of April 27, 2017	Audit and Risks Committee	80%	80%
Michel Savart	M	French	54	No	05/06/2010	AGM of April 27, 2017	Appointments and Compensation Committee	83%	100%
Bruno Servant, representative of Generali Vie	M	French	56	Yes	04/30/2014	2018 AGM	Investment Committee	100%	90%

## Committees

### Audit and Risks Committee

**4 MEMBERS**

75% are independent

5 meetings in 2016

### Appointments and Compensation Committee

**5 MEMBERS**

60% are independent

6 meetings in 2016

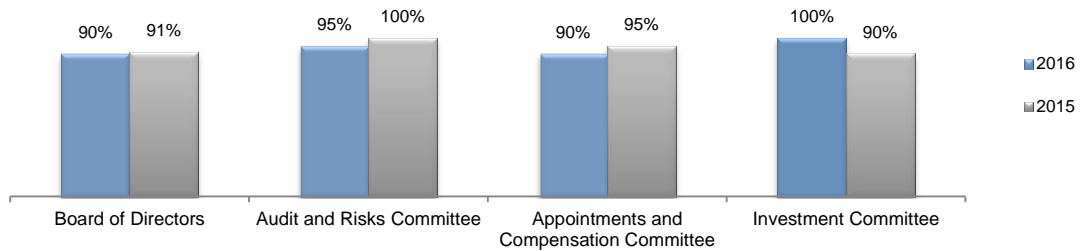
### Investment Committee

**5 MEMBERS**

40% are independent

6 meetings in 2016

## Attendance rate for the Board of Directors and the Committees



## Directors whose reappointment is being submitted for approval at the General Meeting

### Jacques Dumas - Director

Date of birth: May, 15, 1952, 64 years old  
French citizen

Business address: 148, Rue de l'Université, 75007 Paris  
Number of Mercialis shares held: 508

#### EXPERTISE AND EXPERIENCE

Jacques Dumas holds a Master's Degree in Law and studied at the Institut d'Études Politiques in Lyon. He began his career as a Lawyer, then served as Administrative Director for Compagnie Française de l'Afrique Occidentale – CFAO – (1978-1986). In 1987 he joined Rallye as the Deputy Corporate Secretary, then became Head of Legal Affairs of the Euris Group in 1994. He is currently Executive Vice-President of Euris and advisor to the Chairman of Casino, Guichard-Perrachon

#### PRINCIPAL POSITIONS

Advisor to the Chairman of Casino, Guichard-Perrachon (*listed company*); Executive Vice-President of Euris.

#### OFFICES HELD WITHIN THE COMPANY

Office	Date appointed	Date term expired on
Board member	August 22, 2005	AGM of April 27, 2017
Member of the Audit and Risks Committee	October 22, 2010	Board meeting after the General Shareholders' Meeting of April 27, 2017

#### OTHER OFFICES HELD IN 2016 AND IN EFFECT AT FEBRUARY 14, 2017

##### Outside the Mercialis Group

##### **Within the Euris Group**

Director of the Rallye company (*listed company*) and a Member of the Appointments and Compensation Committee;  
Member of the Supervisory Committee of Monoprix;  
Permanent representative of Euris on the Board of Directors of Finatis (*listed company*) and member of the Audit Committee;  
Permanent representative of Euris on the Board of Directors of Casino, Guichard-Perrachon (*listed company*) and member of the Appointments and Compensation Committee.

##### **Outside the Euris Group**

Manager of Cognacq-Parmentier and Longchamp-Thiers.

#### OTHER OFFICES HELD DURING THE PAST FIVE YEARS (*in addition to those listed above*)

Chairman of GreenYellow;  
Chairman and member of the Supervisory Board of Leader Price Holding;  
Vice-Chairman and member of the Supervisory Board of Franprix Holding and Monoprix SA;  
Permanent representative of Cobivia on the Board of Directors of Casino, Guichard-Perrachon <sup>(\*\*)</sup> (*listed company*);  
Permanent representative of Casino, Guichard-Perrachon on the Board of Directors of Monoprix SA;  
Permanent representative of Casino, Guichard-Perrachon on the Supervisory Board of Monoprix SA;  
Permanent representative of Distribution Casino France on the Board of Directors of Distribution Franprix;  
Permanent representative of Messidor SNC on the Board of Directors of Cdiscount.

<sup>(\*\*)</sup> Offices that had ended in February 2017

**Ingrid Nappi-Choulet - Independent Director**

Date of birth: April 1, 1966, 50 years old

Business address: ESSEC Business School  
1, Avenue Bernard Hirsch, BP 50105, 95021 Cergy-Pontoise cedex

French citizen

Number of Mercialys shares held: 950

**EXPERTISE AND EXPERIENCE**

With a PhD in economic science from Université Paris XII and degrees from Université Paris Dauphine (HDR in management science) and the Institut d'Études Politiques in Paris (HDR in Urban Planning and Development), Ingrid Nappi-Choulet has been a Professor at ESSEC (since 1994). She is also in charge of the Real Estate Economics course at the ENPC. She began her career as an economics instructor at the École Centrale de Lille (1989-1994). She has written several books: *Les bureaux, analyse d'une crise* (Analysis of the office space crisis, ADEF, 1997), *Management et Marketing de l'Immobilier* (Real estate management and marketing, Dunod, 1999), *Les mutations de l'immobilier: de la Finance au Développement durable* (Transformation of the real estate market: from finance to sustainable development, Autremont, 2009), and *Immobilier d'entreprise: analyse économique des marchés* (Business real estate: an economic analysis of the markets, Economica, 2010, 2013). She has also written articles and columns for various academic and business reviews covering the property market. She was given a mandate by the Sustainable Building Plan in 2013-2014 to co-lead a working group on energy renovation and the construction industry. She is a member of several scientific committees. Ingrid Nappi-Choulet is a Fellow of the RICS (Royal Institution of Chartered Surveyors) and is also the founder and manager of the OMI (Real Estate Management Observatory).

**MAIN EXECUTIVE FUNCTION**

Professor and researcher

**OFFICES HELD WITHIN THE COMPANY**

Office	Date appointed	Date term expired on
Board member	April 30, 2014	AGM of April 27, 2017
Independent member of the Audit and Risks Committee	May 5, 2015	Board meeting after the General Shareholders' Meeting of April 27, 2017

**OTHER OFFICES HELD IN 2016 AND IN EFFECT AT FEBRUARY 14, 2017****Within and outside the Mercialys Group**

None

**OTHER OFFICES HELD DURING THE PAST FIVE YEARS (in addition to those listed above)**

Board member of ADI - Association des Directeurs Immobiliers

**Michel Savart - Director**

Date of birth: April 1, 1962, 54 years old  
French citizen

Business address: Foncière Euris - 83, Rue du Faubourg Saint-Honoré, 75008 Paris  
Number of Mercialys shares held: 500

**EXPERTISE AND EXPERIENCE**

Michel Savart is a graduate of the École Polytechnique and the École Nationale Supérieure des Mines de Paris. He started his career with Havas in 1986, then moved to Banque Louis Dreyfus in 1987 where he led various projects. Between 1988 and 1994 he managed projects for Banque Arjil (Lagardère Group) and advised the bank's Management Board. From 1995 to 1999 he served as Managing Director of Mergers & Acquisitions for Dresdner Kleinwort Benson (DKB). In October 1999, Mr. Savart joined Euris-Rallye as Head of Private Equity Investments and advisor to the Chairman. He currently holds the position of advisor to the Chairman of the Rallye-Casino Group. Since August 2009, he has also been Chairman and Chief Executive Officer of Foncière Euris.

**PRINCIPAL POSITIONS**

Advisor to the Chairman of the Rallye/Casino Group; Chairman and Chief Executive Officer of Foncière Euris (*listed company*)

**OFFICES HELD WITHIN THE COMPANY**

Office	Date appointed	Date term expired on
Board member	May 6, 2010	AGM of April 27, 2017
Member of the Appointments and Compensation Committee	22 octobre 2010	Board meeting after the General Shareholders' Meeting of April 27, 2017
Member of the Investment Committee	22 octobre 2010	Board meeting after the General Shareholders' Meeting of April 27, 2017

**OTHER OFFICES HELD IN 2016 AND IN EFFECT AT FEBRUARY 14, 2017****Outside the Mercialys Group****Within the Euris Group**

Managing Director of the Centrum Serenada Sp. Zoo and Centrum Krokus Sp. Zoo (Poland);  
Permanent representative of the Rallye company on the Board of Directors of Groupe Go Sport;  
Representative of Delano Holding, co-Manager of Delano Participations;  
Permanent representative of Foncière Euris on the Board of Directors of Casino, Guichard-Perrachon (*listed company*);  
Representative of Foncière Euris, Chairman of Marigny Foncière, Mat-Bel 2 and Matignon Abbeville;  
Representative of Immat Bel, Manager of Marigny Fenouillet and co-Manager of Delano Holding;  
Representative of Marigny Foncière, Co-Manager of SCI Les Deux Lions and SCI Ruban Bleu Saint-Nazaire, and Manager of SCI Pont de Grenelle and SNC Centre Commercial Porte de Châtillon;  
Representative of Mat-Bel 2, Manager of Immat Bel and Matbelys;  
Co-Manager of Guttenbergstrasse BAB5 GmbH, (*Germany*).

**Outside the Euris Group**

Chairman of Aubriot Investissements;  
Manager of Montmorency.

**OTHER OFFICES HELD DURING THE PAST FIVE YEARS (in addition to those listed above)**

Chairman of the Board of Directors of Mercialys (*listed company*);  
Chairman of the Board of Centrum Wzgorze Sp Zoo (*Poland*);  
Board member of CDiscount;  
Permanent representative of Finatis on the Board of Directors of Casino, Guichard-Perrachon <sup>(\*)</sup> (*listed company*);  
Representative of Foncière Euris, Chairman of Marigny Belfort, Marigny Élysées, Matignon-Bail and Matignon Corbeil Centre;  
Representative of Foncière Euris, Manager of SCI Sofaret and SCI Les Herbiers;  
Representative of Matignon Abbeville, Manager of Centrum Z Sarl, Centrum K Sarl and Centrum J Sarl and Manager A of Centrum NS Luxembourg Sarl;  
Representative of Marigny Foncière, President of Mat-Bel 2 and co-Manager of SCI Palais des Marchands;  
Representative of Mat-Bel 2, Manager of Marigny Fenouillet <sup>(\*)</sup>;  
Representative of Fenouillet Participation, Manager of Fenouillet Immobilier <sup>(\*)</sup>;  
Representative of Marigny Fenouillet, Manager of Fenouillet Participation <sup>(\*)</sup>;  
Managing Director of Centrum Riviera Sp Zoo <sup>(\*)</sup> (*Poland*);  
Manager of Aubriot Investissements;  
Co-Manager of Alexanderplatz Voltairestrasse GmbH, Einkaufszentrumam Alex GmbH and Loop 5 Shopping Centre GmbH (*Germany*).

<sup>(\*)</sup>Offices ended in 2016

<sup>(\*\*)</sup>Offices that had ended in February 2017

## Casino, Guichard-Perrachon - Director

French corporation with share capital of €169,825,403.88 €  
554 501 171 R.C.S. Saint-Étienne

Head office: 1, Cours Antoine Guichard, 42000 Saint-Étienne  
Number of Mercialys shares held: 26,452

### OFFICES HELD WITHIN THE COMPANY

Office	Date appointed	Date term expired on
Board member	August 19, 1999	AGM of April 27, 2017

### OTHER OFFICES HELD IN 2016 AND IN EFFECT AT FEBRUARY 14, 2017

#### Outside the Mercialys Group

##### Within the Casino Group

Board member of Intexa (*listed company*), Banque du Groupe Casino and Proxipierre;  
Member of the Supervisory Committee of Monoprix and Geimex.

##### Outside the Casino Group

Board member of Loire Télé.

### OTHER OFFICES HELD DURING THE PAST FIVE YEARS (*in addition to those listed above*)

Chairman of Investeur 103;  
Member of the Supervisory Board of Monoprix SA;  
Board member of Loire Télé SAEML, Monoprix SA, Ségisor and Tevir.

The Permanent representative of Casino, Guichard-Perrachon is, since April 6, 2009, **Antoine Giscard d'Estaing**. He is member of the Investment Committee.  
Subject to be renewed, the company has indicated its intention not to change the Permanent representative.

**Antoine Giscard d'Estaing**, born on January 5, 1961, holds a degree from the École des Hautes Études Commerciales and studied at the École Nationale d'Administration. After four years at the Inspectorate of Finances, in 1990 he started at Suez-Lyonnaise des Eaux, where his primary role was that of Chief Financial Officer. He then joined Schneider Electric in 2000 as Executive Vice-President of Finance, Auditing and Legal Affairs, before moving to Danone in 2005 as Executive Vice-President of Finance, Strategy and Information Systems. He was appointed Danone's Corporate Secretary in 2007. In 2008, he became a partner of Bain & Company, and joined the Casino Group in April 2009 as Chief Financial Officer, member of the Executive Committee.

## Other Directors in office

### Éric Le Gentil - Chairman and Chief Executive Officer

Date of birth: June 20, 1960, 56 years old  
Date elected: February 13, 2013  
End of term: 2019  
Number of Mercialis shares held: 1,000  
Main executive function: Chairman and CEO of Mercialis

**Member of the Investment Committee**

### Victoire Boissier - Independent Director

Date of birth: December 28, 1967, 49 years old  
Date elected: April 20, 2016  
End of term: 2018  
Number of Mercialis shares held: 800  
Main executive function: Member of the Executive Committee and Chief Financial Officer of Louvre Hôtels Group

### Bernard Bouloc - Independent Director

Date of birth: June 15, 1936, 80 years old  
Date elected: October 14, 2005  
End of term: 2019  
Number of Mercialis shares held: 1,010  
Main executive function: Professor of Private Law

**Independent member of the Audit and Risks Committee and of the Appointments and Compensation Committee (Chairman)**

### Anne-Marie de Chalambert - Independent Director

Date of birth: June 7, 1943, 73 years old  
Date elected: July 23, 2013  
End of term: 2018  
Number of Mercialis shares held: 1,000  
Main executive function: Member of the Board of Directors

**Independent member of the Investment Committee (Chairman) and of the Appointments and Compensation Committee**

### Élisabeth Cunin-Diéterlé - Independent Director

Date of birth: September 17, 1960, 56 years old  
Date elected: June 6, 2012  
End of term: 2019  
Number of Mercialis shares held: 1,000  
Main executive function: Chairman of the Management Board of the Camaïeu Group

**Independent member of the Appointments and Compensation Committee**

### Marie-Christine Levet - Independent Director

Date of birth: March 28, 1967, 49 years old  
Date elected: June 6, 2012  
End of term: 2019  
Number of Mercialis shares held: 1,000  
Main executive function: Member of the Board of Directors

**Independent member of the Audit and Risks Committee (Chairman)**

### La Forézienne de Participations - Director

501 655 336 R.C.S. Saint-Étienne  
Date elected: December 10, 2010  
End of term: 2018  
Number of Mercialis shares held: 36,042,460

#### Yves Desjacques - Permanent representative

Date of birth: December 23, 1967, 49 years old  
Date elected: June 8, 2012  
Number of Mercialis shares held: 500  
Principal positions: Executive Vice-President of Human Resources, member of Executive Committee of the Casino Group

**Member of the Appointments and Compensation Committee**

### Generali Vie - Independent Director

602 062 481 R.C.S. Paris  
Date elected: April 30, 2014  
End of term: 2018  
Number of Mercialis shares held: 7,373,571

#### Bruno Servant - Permanent representative

Date of birth: February 26, 1960, 56 years old  
Date elected: April 30, 2014  
Number of Mercialis shares held: 850  
Main executive function: Investment Director of Generali France

**Independent member of the Investment Committee**

## Chief Operating Officer, non-Director

### Vincent Ravat - Chief Operating Officer

Date of birth: March 15, 1974, 42 years old  
Date elected: August 30, 2016  
Principal positions: Chief Operating Officer of Mercialis

## 4. Agenda

Board of Directors' report and Statutory Auditors' report

### Within the authority of the Ordinary Shareholders' Meeting

- Approval of the Parent Company financial statements for the year ended December 31, 2016 (**1<sup>st</sup> resolution**)
- Approval of the Consolidated financial statements for the year ended December 31, 2016 (**2<sup>nd</sup> resolution**)
- Appropriation of income and setting of the dividend (**3<sup>rd</sup> resolution**)
- Regulated agreement: approval of the new partnership Agreement with Casino, Guichard-Perrachon (**4<sup>th</sup> resolution**)
- Regulated agreement: approval of amendment no.1 to the document amending the Current Account Advance Agreement with Casino Finance (**5<sup>th</sup> resolution**)
- Regulated agreements in favour of Mr Vincent Ravat (**6<sup>th</sup> resolution**)
- Advisory opinion on the remuneration package payable or awarded to Éric Le Gentil, Chairman and Chief Executive Officer, in respect of the financial year ended December 31, 2016 (**7<sup>th</sup> resolution**)
- Advisory opinion on remuneration package payable or awarded to Vincent Ravat, Chief Operating Officer since August 30, 2016, in respect of the financial year ended December 31, 2016 (**8<sup>th</sup> resolution**)
- Advisory opinion on remuneration package payable or awarded to Vincent Rebillard, Chief Operating Officer until August 30, 2016, in respect of the financial year ended December 31, 2016 (**9<sup>th</sup> resolution**)
- Approval of the components of the remuneration policy of the Chairman and Chief Executive Officer (**10<sup>th</sup> resolution**)
- Approval of the components of the remuneration policy of the Chief Operating Office (**11<sup>th</sup> resolution**)
- Renewal for a three-year term, of the mandates of Jacques Dumas, Ingrid Nappi-Choulet, Michel Savart and Casino, Guichard-Perrachon as Directors (**12<sup>th</sup> to 15<sup>th</sup> resolutions**)
- Authorization for the Company to purchase its own shares (**16<sup>th</sup> resolution**)

### Within the authority of the Extraordinary Shareholders' Meeting

- Delegation of authority granted to the Board of Directors to issue shares of the Company or securities giving the right to the allotment of new or existing shares of the Company or existing shares of any other company in which the Company directly or indirectly holds a stake, maintaining the preemptive subscription right (**17<sup>th</sup> resolution**)
- Delegation of authority to the Board of Directors to issue shares of the Company or securities giving right to the allocation of new or existing shares of the Company or shares of any other company in which it directly or indirectly holds an equity interest, without preferential subscription rights, by way of a public offering (**18<sup>th</sup> resolution**)
- Delegation of authority bestowed upon the Board of Directors to increase share capital through the issue of shares in the Company or securities that include the right to the allocation of new or existing shares in the Company, or of existing shares in any other company in which it directly or indirectly holds an interest, with the cancellation of preferential subscription rights, by means of a private placement referred to in Article L.411-2-II of the French monetary and financial Code (**19<sup>th</sup> resolution**)
- Authorization granted to the Board of Directors for issues without preferential rights by public offerings or private placements, to set the issue price according to the methods determined by the General Meeting (**20<sup>th</sup> resolution**)
- Delegation of authority granted to the Board of Directors to increase the number of securities to be issued in the event of a capital increase carried out with or without preferential rights (**21<sup>st</sup> resolution**)
- Delegation of authority granted to the Board of Directors to increase the share capital by capitalization of reserves, profits, premiums or any other amounts for which capitalization is allowed (**22<sup>nd</sup> resolution**)
- Delegation of power granted to the Board of Directors in order to issue, without preferential subscription rights, shares or securities giving access to the capital in the event of a public exchange offer initiated by the Company (**23<sup>rd</sup> resolution**)
- Powers delegated to the Board of Directors for issuing shares or securities giving access to the Company's share capital, subject to a limit of 10% of the Company's share capital, in exchange for contributions in kind consisting of shares or securities giving access to share capital (**24<sup>th</sup> resolution**)
- Overall limitation of financial authorizations granted to the Board of Directors (**25<sup>th</sup> resolution**)
- Authorization granted to the Board of Directors to allocate existing or future bonus Company shares to employees and corporate officers of the Company and its affiliates; automatic waiver by shareholders of their preferential subscription rights (**26<sup>th</sup> resolution**)
- Delegation of authority granted to the Board of Directors to increase the share capital or sell treasury shares with cancellation of preferential subscription rights for shareholders in favour of members of an employee savings plan (**27<sup>th</sup> resolution**)
- Authorization granted to the Board of Directors to reduce the share capital through the cancellation of treasury shares (**28<sup>th</sup> resolution**)
- Amendment of Articles 4 and 25 of the articles of association (**29<sup>th</sup> to 30<sup>th</sup> resolutions**)
- Powers for completion of formalities (**31<sup>st</sup> resolution**)



# 5. Presentation and text of the draft resolutions

## Resolutions within the authority of the Ordinary Shareholders' Meeting

### RESOLUTIONS 1 AND 2 - APPROVAL OF THE FINANCIAL STATEMENTS

#### Presentation

Under the first and second resolutions, shareholders are called upon to approve the Parent Company Financial Statements and then the Consolidated Financial Statements for the year ended December 31, 2016, as well as the transactions reflected in these financial statements.

The financial statements for the past financial year do not take account of non-tax-deductible expenses referred to in Article 39-4 of the French General Tax Code.

These financial statements have been certified without qualification by the Statutory Auditors. (see *Statutory Auditors' reports sections 9 and 10 of the Registration Documents 2016*).

#### FIRST RESOLUTION

##### **Approval of the parent Company financial statements for the year ended December 31, 2016**

The ordinary shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, approves the annual financial statements for the fiscal year ended December 31, 2016, as presented, together with all of the transactions reflected or mentioned in these reports. The financial statements for the fiscal year in question report a net profit of €114,187,334.43.

The Shareholders' Meeting acknowledges that the financial statements for the past financial year do not take account of non-tax-deductible expenses referred to in Article 39 4 of the French general tax Code.

In addition, the Shareholders' Meeting duly notes the transfer of the fiscal year 2015 dividends allocated to the shares held by the Company as of 20 April 2016, corresponding to their effective dividend payment date and totalling €333,445.82, to "Retained earnings", in accordance with the decision taken by the ordinary shareholders' Meeting dated 20 April 2016.

#### SECOND RESOLUTION

##### **Approval of the Consolidated Financial Statements for the year ended December 31, 2016**

The ordinary shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, approves the consolidated financial statements for the fiscal year ended December 31, 2016, as presented, together with all of the transactions reflected or mentioned in these reports. The consolidated financial statements for the fiscal year in question report a consolidated net profit of €110.049 thousand.

### RESOLUTION 3 - APPROPRIATION OF INCOME AND SETTING OF THE DIVIDEND

#### Presentation

Under the third resolution, the Board of Directors requests your approval for the distribution of a dividend of €1.06 per share. The dividend proposed thus concerns 85% of the 2016 FFO, in accordance with the objective announced by Mercialys (range of 85%-95% of the 2016 FFO).

Taking account of the interim dividend of €0.43 per share paid on October 13, 2016, the final dividend amounts to €0.63 per share.

The ex-dividend date for the outstanding dividend is May 2, 2017. The payment date will be on May 4, 2017.

#### THIRD RESOLUTION

##### **Appropriation of income - Setting of the dividend**

The ordinary shareholders' Meeting, after reviewing the Board of Directors' report, resolves to allocate income for the fiscal year ended December 31, 2016, as follows:

Net income for the year		€114,187,334.43
Retained earnings	(+)	€95,799,432.82
<b>Distributable income</b>	<b>(=)</b>	<b>€209,986,767.25</b>
Dividend	(-)	€97,572,119.14
Appropriation to "Retained earnings"	(=)	€112,414,648.11

Each share will receive a dividend of €1.06.

The ordinary shareholders' Meeting hereby acknowledges that:

- the amount of the dividend it has determined (€1.06) includes the interim dividend of €0.43 per share paid on October 13, 2016;
- consequently, the final dividend comes to €0.63 per share and will be paid on May 4, 2017.

Distribution of tax-exempt income makes up 100% of the dividend amount.

Payments of dividends taken from the tax-exempt income of listed real estate investment companies (SIIC) do not give the right to the 40% allowance mentioned in Article 158 3.2 of the French general tax Code. Only payments of dividends taken from the non-tax-exempt income of SIICs are eligible for this allowance.

The general Meeting duly notes that the dividends paid out in respect of the last three years were as follows:

Fiscal Year	Dividend per share	Distributed dividend eligible for the 40% allowance	Distributed dividend not eligible for the 40% allowance
<b>December 31, 2015</b>			
Interim dividend (paid in 2015)	€0.76	None	€0.76
Final dividend (paid in 2016)	€0.57	None	€0.57
Total	€1.33	None	€1.33
<b>December 31, 2014</b>			
Interim dividend (paid in 2014)	€0.36	None	€0.36
Final dividend (paid in 2015)	€0.88	None	€0.88
Total	€1.24	None	€1.24
<b>December 31, 2013</b>			
Interim dividend (paid in 2013)	€0.34	None	€0.34
Final dividend (paid in 2014)	€0.82	None	€0.82
Total	€1.16	None	€1.16

## RESOLUTION 4 - REGULATED AGREEMENT WITH CASINO, GUICHARD-PERRACHON

### Presentation

Under the fourth resolution, the Board of Directors requests your approval of the document dated January 31, 2017 amending the Partnership Agreement signed with Casino, Guichard-Perrachon on July 2, 2012, as previously amended by the amending document dated November 12, 2014, approved by the General Meeting of May 5, 2015.

It is recalled that the Partnership Agreement is based on the following principles:

- privileged access for Mercialys to the commercial real estate projects developed by Casino and/or its subsidiaries in France in its area of activity (right of priority) and the possibility for Mercialys to propose projects upstream;
- in return, a commitment from Mercialys not to invest in a new project likely to have a material impact on a Casino Group food store site (food retail space of 1,000 sq. m) with a survival clause over a three-year period as from the termination of the agreement;
- multi-level reciprocal and staggered commitments to support the development of projects, from the identification of "Projects to be Confirmed" until the disposal of the projects at their opening;
- valuation of projects on the basis of projected rents capitalized by application of the grid rates outlined in the agreement, with a 50/50 sharing of any upside/downside at opening with the possibility of backing the asset valuation on the basis of a projected IRR;
- an annual review clause allowing the Parties to discuss the terms and conditions of their partnership every year.

The amending document signed on January 31, 2017 thus extends this agreement, which was to expire on December 31, 2017, to December 31, 2020. This extension thus allows Mercialys to continue feeding its development pipeline, particularly on already existing sites which benefit from excellent visibility.

The amending document of January 31, 2017 modifies the agreement on the following points in particular, in order to improve the collaboration procedures between the parties while maintaining the general principles of the Agreement and the original balance of the respective rights and obligations of the parties:

- confirmation of the fast-track project approval procedure, implemented in 2014 on an exceptional basis, by formally defining and drafting the terms of use of this procedure, which is still subject to the agreement of both parties;
- maintaining the pricing mechanisms (grid or IRR) with the following adjustments:
  - clarifications on how to determine the applicable rate in case the grid is used, by explicitly including the large food store (hypermarket) in the calculation;
  - use of the surface area of centers after extension to determine the center's category in the grid (instead of the average surface areas before/after extension), which helps to avoid any material threshold impacts that could generate an additional unjustified discount in the valuation of the asset.

Several other clauses have also been adjusted in the spirit of the partnership to improve the conditions for cooperation between the parties, such as the flexibility introduced in the procedures for determining marketing services.

These amendments are in line with the initial partnership agreement which represents an appropriate and balanced legal framework for the parties.

The renewal of the partnership agreement is a way of securing the current relations between Mercialys and Casino and accordingly, for Mercialys, to ensure visibility over its pipeline.

The Board of Directors meeting of December 14, 2016 authorized the signature of the amending document after review by the Investment Committee in the context of the Group's existing review process for agreements between related parties. The Investment Committee unanimously issued a favorable opinion on the signature of this amending document.

The Statutory Auditors' special report on regulated agreements and commitments provided on Section 10.4 of the Registration Document, also presents this amending document.

#### FOURTH RESOLUTION

##### **Regulated agreement: approval of the new Partnership Agreement with Casino, Guichard-Perrachon**

The Ordinary Shareholders' Meeting, after reviewing the Statutory Auditor's special report on the agreements referred to in Article L.225-38 of the French Commercial Code, approves the Partnership Agreement entered into with Casino, Guichard-Perrachon, on January 31, 2017.

### RESOLUTION 5 - REGULATED AGREEMENT WITH CASINO FINANCE

#### Presentation

Under the fifth resolution, the Board of Directors requests your approval of Amendment No. 1, dated February 14, 2017, to the document amending the Current Account Advance Agreement signed with Casino, Guichard-Perrachon on July 25, 2012, as previously amended by the amending document dated February 26, 2015, approved by the General Meeting of May 5, 2015.

This advance is part of the Mercialys liquidity mechanism. Thus at the end of 2016, Mercialys had €410 million in undrawn confirmed credit facilities. This Agreement contributes, through a balanced financial structure, to the BBB/stable outlook rating given by Standard & Poor's.

It is recalled that the amending document dated February 26, 2015, extended the Agreement to December 2017 and Casino Finance replaced Casino, Guichard-Perrachon in its rights and commitments.

This agreement comprises two tranches according to the terms below:

- a first tranche capped at €10 million, available on the same day, bearing interest at 1-month Euribor (with a 0% floor), plus 60 basis points, revisable annually, according to the Casino's updated refinancing costs (margin A);
- a second tranche for a maximum amount of €50 million, available within three days, bearing interest at 1-month Euribor, 2-months Euribor, or 3-months Euribor, plus 85 basis points, revisable annually, according to Casino's updated refinancing costs (margin B);
- a commitment fee of 40% of the margin applies, in line with the revolving credit facility set up by Mercialys with its bank.

Amendment no. 1 to the amending document extends the Agreement up to December 2019 to allow this advance to be included in the liquidity ratio calculated by Standard & Poor's, thus contributing to the BBB/stable outlook rating of Mercialys and causing a change in the terms as follows in the light of Casino's financial resources cost:

- the tranche capped at €10 million will bear interest at 1-month Euribor (with a 0% floor) plus 40 basis points, down by 20 basis points;
- the margin for the €50 million tranche was raised to 95 basis points, since the drawdown cost of the Casino RCF had increased, on the understanding that the calculation for this ratio level was based on Casino's Net Financial Debt/EBITDA ratio estimated at the end of 2016; the margin will be reviewed in March 2017 if the adopted ratio appears in a different range from the one used in the estimate.

The Board of Directors' meeting of December 14, 2016, authorized the signature of this amendment after review by the Investment Committee in the context of the Group's existing review process for agreements between related parties. The Audit Committee unanimously issued a favorable opinion on the signature of this amendment.

#### FIFTH RESOLUTION

##### **Regulated agreement: approval of amendment no. 1 to the document amending the Current Account Advance Agreement with Casino Finance**

The Ordinary Shareholders' Meeting, after reviewing the Statutory Auditor's special report on the agreements described by Article L.225-38 of the French Commercial Code, approves the document number 1 amending the Current Account Advance Agreement signed with Casino France on February 14, 2017.

### RESOLUTION 6 - REGULATED AGREEMENTS FOR THE BENEFIT OF VINCENT RAVAT

#### Presentation

Under the sixth resolution, the Board of Directors requests your approval of the non-compete and non-solicitation obligation applicable to Vincent Ravat, in the event of the termination of his duties as Chief Operating Officer. The compensation that would be paid as consideration for the non-compete and non-solicitation obligation would be equivalent to 1/12th of 50% of his annual fixed remuneration. This obligation shall apply for a period not exceeding his time with the Company, up to a maximum of one year, it being specified that the Company may reduce or waive the application period.

The Board of Directors also requests your approval to pay the contributions due under the GSC senior executive unemployment insurance scheme (Garantie Sociale des Chefs d'entreprise) and the welfare scheme for disability, incapacity and death concerning Vincent Ravat. The contributions paid in 2016 by the Company under the senior executive unemployment scheme amounted to €3,598 for Vincent Ravat, Chief Operating Officer since August 30, 2016. Employer contributions in respect of the welfare scheme amounted to €979. Contributions payable under the collective and mandatory retirement schemes correspond to amounts specified in national labour-management agreements.

**SIXTH RESOLUTION****Regulated agreements in favour of Mr Vincent Ravat**

The Ordinary Shareholders' Meeting, after reviewing the Statutory Auditors' special report on the agreements described by Article L.225-38 of the French Commercial Code, approves the non-compete and non-solicitation clause applicable to Vincent Ravat in the event of termination of his duties as well as the payment for the contributions due under the GSC senior executive unemployment scheme and the welfare scheme for disability, incapacity and death concerning Vincent Ravat.

**RESOLUTIONS 7 TO 9 - OPINION ON THE REMUNERATION PACKAGE OF THE CHIEF EXECUTIVE OFFICER AND OF THE CHIEF OPERATING OFFICER**

Presentation

The Afep-Medef Corporate Governance Code, by which the Company abides, invites companies to submit the remuneration of their executive corporate officers in respect of a given fiscal year to the advisory opinion of shareholders.

Under the seventh to ninth resolutions, you are asked to express a favourable advisory opinion on the components of the compensation due or awarded to Eric Le Gentil, Chairman and Chief Executive Officer, to Vincent Ravat, Chief Operating Officer since August 30, 2016 and Vincent Rebillard, Chief Operating Officer until August 30, 2016, for the financial year ended December 31, 2016, as detailed and commented in the tables provided in tables below.

**M. Éric Le Gentil. Chairman and Chief Executive Officer**

Components of the Compensation for the past fiscal year	Amount or accounting valuation subject to the vote (in euros)	Presentation
Fixed Compensation	453,446	This is an increase of 1.95% over the compensation due for 2015; it should be noted that, after a study of compensation in comparable companies, the Board of Directors, on the recommendation of the Appointments and Compensation Committee, raised the fixed compensation from the gross annual amount of €400,000 to €450,000 as of March 1, 2015 ( <i>see Section 5.1.3.1.1.1 of the Registration Documents</i> ); the compensation has been unchanged since that date.
Annual variable Compensation	320,625	The variable portion may represent 50% of fixed compensation if targets are achieved and up to 100% of fixed compensation if targets are exceeded. 20% of the variable compensation for 2015 is based on the achievement of quantitative targets for Mercialys, 50% on the basis of individual (quantitative and qualitative) targets and 30% on managerial targets ( <i>see Section 5.1.3.1.1.1 of the Annual report</i> ).  Overall and after weighting, 142.5 % of targets were achieved, representing 71.25 % of his fixed compensation ( <i>see Section 5.1.3.2.1.3 of the Annual report</i> ).
Deferred variable Compensation	Not applicable	There is no plan to grant deferred variable compensation.
Multi-year variable Incentive	325,000	To align his interests with the Company's shareholder returns over the long term, the Board of Directors decided in 2014, 2015, and 2016, on the recommendation of the Appointments and Compensation Committee, to award Éric Le Gentil a long-term variable incentive with a target amount of 75% of his gross annual (fixed) remuneration, paid at the end of three years, subject to an employment condition, and subject to the following two performance conditions, to be assessed annually over three consecutive years, with each one applied to half of the target incentive: <ul style="list-style-type: none"> <li>absolute performance of the Company's shares, dividends included (<i>Total Shareholder Return - TSR</i>), corresponding to the total return for the shareholder;</li> <li>relative performance of the Company's share, dividends included (<i>Total Shareholder Return - TSR</i>) in relation to the performance of the companies making up the EPRA Eurozone index, with the percentage of the incentive actually vested varying according to the Company's position in the rankings.</li> </ul> One third of the amount of the long-term variable remuneration shall be vested if the annual performance conditions are met. The amount of the long-term variable incentive definitively awarded for the current year is therefore known at the end of each year, but will be paid only if the employment condition is met at the end of the three-year period.  The assessment of the achievement of performance conditions for 2014, 2015 and 2016, carried out by an external third party, shows the following elements: <ul style="list-style-type: none"> <li>regarding the 2014 long-term variable remuneration, overall performance was 137.5% for 2014, 125% for 2015, and 62.5% for 2016, corresponding to the award of the amount of €136,500 for 2014, €125,000 for 2015, and €62,500 for 2016, amounts that will be paid to him in 2017;</li> <li>for the 2015 long-term variable incentive, overall performance was 100% for 2015, 62.5% for 2016, corresponding to the award of €112,500 for 2015 and €70,312 for 2016, an amount which will be paid to him only in 2018 subject to the employment condition;</li> <li>for the 2016 long-term variable incentive, the overall performance was 62.5% for 2016, corresponding to an award in the amount of €70,312, which will be paid only in 2019, subject to the employment condition.</li> </ul> Details of the conditions of the long-term incentive plans and the percentage of performance conditions met are presented in Sections 5.1.3.1.1.2 and 5.1.3.2.1.4 of the Registration Document.

In order to strengthen over time the convergence of the interests of the Company, its shareholders and the Executive Management of the company, the Board of Directors decided that Eric Le Gentil would be required to reinvest in Mercialys shares 100% of the 2014 long-term variable incentive acquired, 75% of the 2015 long-term variable incentive acquired, and 50% of the 2016 long-term variable incentive earned, after deduction of social security taxes and the income tax at the maximum marginal rate, and to retain the corresponding shares for the full term of his office.

Exceptional Compensation	175,000	In order to recognize his efforts in exceeding the targets set for 2015, the Board of Directors at its meeting of February 10, 2016, on the recommendation of the Appointments and Compensation Committee, decided to award to Éric Le Gentil an exceptional bonus of €350,000, 50% of which was paid in cash in February 2016. The remaining 50% will be paid to him in March 2018, subject to the condition of continued presence.
Stock options, performance shares or any other long-term compensation	Stock options: Not applicable	Not granted in the past financial year
	Performance shares: Not applicable	Not granted in the past financial year
	Other long-term remuneration element: Not applicable	Not granted in the past financial year
Directors' attendance fees	50,000	The gross amount of individual directors' fees has been set at €15,000 per year, comprising a fixed portion of €5,000 a year and a variable portion of €10,000 a year awarded on the basis of attendance at Board meetings. An additional Directors' fee of €20,000 gross a year is paid to the Chairman of the Board of Directors.  Éric Le Gentil is also a member of the Investment Committee. As such, like the other members of the Committee, he receives an additional Directors' fee comprising a fixed portion of €4,000 a year and a variable portion of €11,000 a year.
Benefits of all kinds	13,600	Éric Le Gentil participates in the insurance plan in effect in the Company for all employees and benefits from the executive unemployment insurance.

Compensation elements subject to a vote by the Shareholders' Meeting in accordance with the procedure for related-party agreements and commitments	Amounts (in euros)	Presentation
Severance pay	0	Eric Le Gentil no longer benefits from this commitment, which ended July 17, 2016.
Non-competition compensation	0	Éric Le Gentil may receive, in consideration of the non-compete and non-solicitation obligation, a monthly payment equal to 1/12th of 50% of his annual fixed compensation. This obligation shall apply for a period not exceeding his time with the Company, up to a maximum of one year, it being specified that the Company may reduce or waive the application period.
Supplementary pension scheme	Not applicable	No supplementary pension scheme

### Vincent Ravat, Chief Operating Officer since August 30, 2016

Components of the Compensation for the past fiscal year	Amount or accounting valuation subject to the vote (in euros)	Presentation
Fixed compensation	109,422	The fixed annual compensation of Vincent Ravat, who has served as Chief Operating Officer since August 30, 2016, was set at the time of his appointment at €270,000 as of September 1, 2016, and will change on the basis of recorded success observed since he took office.
Annual variable compensation	49,860	The variable portion may represent 40% of fixed compensation if targets are achieved and up to 80% of fixed compensation if targets are exceeded. 20% of the variable remuneration for 2016 is based on the achievement of quantitative targets for Mercialys, 50% on the basis of individual (quantitative and qualitative) targets and 30% on managerial targets (see Section 5.1.3.1.1.1 of the Registration Document).  Overall and after weighting, 138.5% of targets were achieved, representing 55.4% of his fixed compensation (see Section 5.1.3.2.1.3 of the Registration Document).

Deferred variable compensation	Not applicable	There is no plan to grant deferred variable compensation.
Multi-year variable incentive	No amount is due for the past financial year	Vincent Ravat does not receive multi-year incentive.
Exceptional compensation	50,000	In order to recognize his exceptional contribution to the success of the Toulouse Fenouillet project, the Board of Directors at its meeting of February 14, 2017, on the recommendation of the Appointments and Compensation Committee, decided to award an exception bonus of €100,000 to Vincent Ravat, 50% of which was paid in cash in February 2017. The remaining 50% will be paid to him in March 2019, subject to the condition of continued employment.
Stock options, performance shares or any other long-term compensation	Stock options: Not applicable	Not granted in the past financial year
	Performance shares Not applicable	Not granted in the past financial year
	Other long-term remuneration element Not applicable	Not granted in the past financial year
Directors' attendance fees	Not applicable	Not awarded
Benefits of all kinds	7,056	Vincent Ravat participates in the insurance plan in effect in the Company for all employees and benefits from the executive unemployment insurance. He also has a company car.
Severance pay	Not applicable	No commitment to pay remuneration for the termination of duties
Non-competition compensation	0	Vincent Ravat may receive monthly remuneration payable in consideration for the non-compete and non-solicitation obligation equal to 1/12th of 50% of his annual fixed compensation. This obligation shall apply for a period not exceeding his time with the Company, up to a maximum of one year, it being specified that the Company may reduce or waive the application period.
Supplementary pension scheme	Not applicable	No supplementary pension scheme

### Vincent Rebillard, Chief Operating Officer until August 30, 2016

Components of the Compensation for the past fiscal year	Amount or accounting valuation subject to the vote (in euros)	Presentation
Fixed compensation	104,308	This remuneration is not comparable to the compensation due for the previous year as Vincent Rebillard resigned from his position as Chief Operating Officer on August 30, 2016.
Annual variable compensation	Not applicable	Because Vincent Rebillard ended his position as Chief Operating Officer on August 30, 2016, he does not benefit from his annual variable compensation for 2016.
Deferred variable compensation	Not applicable	There is no plan to grant deferred variable compensation.
Multi-year variable incentive	Not applicable	Following the termination of his duties as Chief Operating Officer on August 30, 2016, Vincent Rebillard lost the benefit of his rights to the long-term incentive plans awarded to him in 2014, 2015 and 2016.
Exceptional compensation	81,000	At its meeting of February 10, 2016, following the recommendation of the Appointments and Compensation Committee, the Board of Directors awarded Vincent Rebillard an exceptional bonus €162,000, 50% of which was paid in cash in February 2016. Following the termination of his duties as Chief Operating Officer, Vincent Rebillard will not receive the remaining 50% payable in February 2018.
Stock options, performance shares or any other long-term compensation	Stock options: Not applicable	Not granted in the past financial year
	Performance shares Not applicable	Not granted in the past financial year
	Other long-term remuneration element Not applicable	Not granted in the past financial year

Directors' attendance fees	Not applicable	Not awarded
Benefits of all kinds	, 175	Vincent Rebillard is signed up to the insurance plan covering all employees in the Company and benefits from senior executive unemployment insurance.

**Compensation elements subject to a vote by the Shareholders' Meeting in accordance with the procedure for related-party agreements and commitments**

	Amounts (in euros)	Presentation
Severance pay	Not applicable	No commitment to pay compensation for the termination of duties
Non-competition remuneration	Not applicable	No non-compete clause
Supplementary pension scheme	Not applicable	No supplementary pension scheme

#### SEVENTH RESOLUTION

**Advisory opinion on the remuneration package payable or awarded to Eric Le Gentil, Chairman and Chief Executive Officer, in respect of the financial year ended December 31, 2016**

Pursuant to the Afep-Medef Corporate Governance Code, the Ordinary Shareholders' Meeting, after reviewing the information presented in the Board of Director's report, issues a favourable advisory opinion on the components of the compensation due or awarded to Eric Le Gentil, Chairman and Chief Executive Officer, in respect of the fiscal year ended December 31, 2016.

#### EIGHTH RESOLUTION

**Advisory opinion on remuneration package payable or awarded to Vincent Ravat, Chief Operating Officer since August 30, 2016, in respect of the financial year ended December 31, 2016**

Pursuant to the Afep-Medef Corporate Governance Code, the Ordinary Shareholders' Meeting, after reviewing the information presented in the Board of Director's report, issues a favourable advisory opinion on the components of the compensation due or awarded to Vincent Ravat, Chief Operating Officer since August 30, 2016, in respect of the fiscal year ended December 31, 2016.

#### NINTH RESOLUTION

**Advisory opinion on remuneration package payable or awarded to Vincent Rebillard, Chief Operating Officer until August 30, 2016, in respect of the financial year ended December 31, 2016**

Pursuant to the Afep-Medef Corporate Governance Code, the Ordinary Shareholders' Meeting, after reviewing the information presented in the Board of Director's report, issues a favourable advisory opinion on the components of the compensation due or awarded to Vincent Rebillard, Chief Operating Officer until August 30, 2016, in respect of the fiscal year ended December 31, 2016.

### RESOLUTIONS 10 TO 11 - APPROVAL OF THE PRINCIPLES AND CRITERIA FOR DETERMINING AND ALLOCATING THE COMPONENTS OF THE COMPENSATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND THE CHIEF OPERATING OFFICER FOR THE 2017 FISCAL YEAR

**Presentation**

Pursuant to the terms of Article L.225-37-2 of the French Commercial Code, introduced by the French Law of December 9, 2016 relative to transparency, anti-corruption and modernization of economic life (also known as the "Loi Sapin 2"), the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components comprising the aggregate compensation and benefits of all kinds for which the Chairman and Chief Executive Officer and the Chief Operating Officer are eligible in connection with their mandate, must be subject, at least once per year, to the approval of the General Shareholders' Meeting.

Under the terms of the tenth and eleventh resolutions, you are asked to approve the principles and components of the compensation of the Chairman and Chief Executive Officer and of the Chief Operating Officer, as determined by the Board of Directors on March 20, 2017 on the recommendation of the Appointments and Compensation Committee, as presented in Section 5.1.3.5 of the Registration Document.

**Principle**

The Board of Directors refers to the principles for determining the remuneration of corporate executive officers of the AFEP-MEDEF Code: completeness, balance among the remuneration components, intelligibility of the rules and measurements.

In accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, the Board of Directors deliberates without the interested parties being present.

The Board of Directors ensures that the compensation policy is aligned with the corporate interests of the company and the interests of the shareholders and stakeholders. The performance indicator selected for the variable compensation component must be in line with the Mercialis strategy.

**Compensation components of the Chairman-Chief Executive Officer**

**Fixed compensation:**

Set at €450,000 on March 1, 2015, the fixed remuneration did not change in 2016 and will remain unchanged in 2017.

**Annual variable compensation:**

Variable compensation may represent 50% of his fixed annual compensation if the objectives defined are achieved, and may equal up to 100% of his fixed annual compensation if the targets are exceeded.

The variable remuneration of the Chairman-Chief Executive Officer and the Chief Operating Officer is determined on the basis of achievement of Mercialis quantitative objectives (70%), of individual targets (quantitative and qualitative) (50%), and on managerial targets (30%).

The criteria selected and the weight of these criteria in determining the variable compensation are as follows:

		% of fixed compensation		
		Minimum	Target	Maximum
Mercialis quantitative targets (20% of the total variable)	Organic growth of rental revenue (excluding indexing)	0%	5%	10%
	Growth of FFO 2017 (exc. sales)	0%	5%	10%
Individual quantitative targets (50% of the total variable)	EBITDA margin	0%	5%	10%
	Prorated impact of 2017 openings (rents)	0%	5%	10%
	IRR on projects opened in 2017	0%	5%	10%
	Current financial vacancy rate	0%	5%	10%
Managerial targets (30% of the total variable)	Traffic spread of Mercialis centers in relation to the CNCC total market	0%	5%	10%
		0%	15%	30%
<b>Total variable cost as % of fixed compensation</b>		<b>0%</b>	<b>50%</b>	<b>100%</b>

For each quantitative criterion, a minimum threshold of achieved is set as well as a target level corresponding to the objectives of Mercialis for achievement that meets targets, and a level of outperformance of the target. Variable compensation is therefore calculated linearly between the minimum threshold and the maximum threshold.

Pursuant to the provisions of Article L.225-37-2 of the Commercial Code, the payment of the variable portion of the compensation due for fiscal 2017, after determination of the amount on the basis of the achievement of the objectives defined above, depends on the approval of the Annual Shareholders' Meeting of the Company to be held in 2018.

**Long-term compensation:**

In order to permanently associate the Chairman-Chief Executive Officer with the Company's stock performance, the Board of Directors approved, subject to the approval of the 26th Resolution given by the Shareholders' Meeting on April 27, 2017 and compliance with Article L.225-197-6 of the Commercial Code, the principle of a bonus share allotments that would be substituted for the long-term variable incentive mechanisms awarded to the corporate executive officers in the last three years.

This allotment would represent a target of 75% of his fixed salary (which is €337,500) and could represent up to 112.50% of his fixed salary (i.e. €506,250) in the event of outperformance of the performance conditions.

The shares allotted would be fully vested by the Chairman-Chief Executive Officer only at the end of a 3-year vesting period, subject to conditions of employment and company performance, which will be assessed on all three years on the basis of the following two criteria and assessment schedule:

- the absolute performance of the Mercialis share, dividends included (Total Shareholder Return - TSR), measured between January 1, 2017 and December 31, 2019 for 25% of the allotment:

Moyenne sur 3 ans du TSR Mercialis annuel	Coefficient multiplicateur
[0% à 6%]	0%
[6% à 7%]	33.33%
[7% à 8%]	66.66%
[8% à 9%]	100%
[9% à 10%]	125%
>= 10%	150%

- the relative performance of the Mercialis share, dividends included (Total Shareholder Return - TSR) in relation to the performance of the companies composing the EPRA/NAREIT Eurozone index at January 1, 2017, measured between January 1, 2017 and December 31, 2019, for the remaining 75%:

Mercialis ranking compared with the companies in the index over 3 years	Multiplier
[0% à 20%]	150%
[20% à 40%]	125%
[40% à 50%]	100%
[50% à 60%]	75%
[60% à 80%]	50%
[80% à 100%]	0%

50% of the shares fully vested by the Chairman-Chief Executive Officer should be held in registered form until the end of his appointment, and 50% held for a period of two years.



**Other compensation components:**

The Chairman-Chief Executive Officer does not benefit from any supplemental pension plan. He participates in the supplemental mandatory group pension and insurance plan (ARRCO and AGIRC) in effect within the Company for all employees. He also benefits from senior executive unemployment insurance. He does not receive any other benefit of any kind.

No compensation shall be paid to the Chairman-Chief Executive Officer due to the termination of or change in his position.

The Chairman and Chief Executive Officer may also benefit from compensation relating to a non-compete clause. In effect, in the event of the termination of his position, the Chairman-Chief Executive Officer would be bound by a non-compete and non-solicitation obligation that would apply for a period not to exceed the time of his employment in the Company, up to a maximum of one year; it is specified that the Company may reduce or waive the application period. In consideration, the Chairman-Chief Executive Officer he would be paid a monthly payment equivalent to one-twelfth of 50% of his annual fixed compensation.

In addition, the Chairman-Chief Executive Officer receives, for his service on the Board of Directors, a director's fee composed of a fixed and variable component determined on the basis of attendance at Board meetings. For 2016, this fee totaled €50,000.

**III. Compensation components of the Chief Operating Officer****Fixed compensation:**

Given his successful assumption of his position, the Board of Directors on February 14, 2017, on the recommendation of the Appointments and Compensation Committee, decided to raise the annual fixed compensation of the Chief Operating Officer to €300,000 gross as of March 1, 2017. At the time he was named Chief Operating Officer on August 30, 2016, this remuneration had been set, after analysis of a benchmark performed by a specialized consulting firm, at €270,000 gross as of September 1, 2016.

The annual fixed and variable compensation of the Chief Operating Office is divided, at two-thirds for Mercialys and one-third for Mercialys Gestion, a wholly owned subsidiary of Mercialys, because he maintains his salaried positions as Director of Sales within Mercialys Gestion.

**Annual variable compensation:**

The variable compensation may represent 40% of his annual fixed compensation if the targets set are reached, and may be as high as 80% of his annual fixed compensation in the event of outperformance on the targets.

It is determined on the basis of achievement of Mercialys quantitative objectives (70% versus 50% in 2016), and on managerial targets (30%).

The criteria selected and the weight of these criteria in determining the variable compensation are as follows:

		% of fixed compensation		
		Minimum	Target	Maximum
Mercialys quantitative targets (20% of the total variable)	Organic growth of rental revenue ( <i>excluding indexing</i> )	0%	4%	8%
	Growth of FFO 2017 ( <i>exc. sales</i> )	0%	4%	8%
Individual quantitative targets (50% of the total variable)	EBITDA margin	0%	4%	8%
	Prorated impact of 2017 openings (rents)	0%	4%	8%
	IRR on projects opened in 2017	0%	4%	8%
	Current financial vacancy rate	0%	4%	8%
	Traffic spread of Mercialys centers in relation to the CNCC total market	0%	4%	8%
Managerial targets (30% of the total variable)		0%	12%	24%
<b>Total variable cost as % of fixed compensation</b>		0%	40%	80%

For each quantitative criterion, a minimum threshold of achieved is set as well as a target level corresponding to the objectives of Mercialys for achievement that meets targets, and a level of outperformance of the target. Variable compensation is therefore calculated linearly between the minimum threshold and the maximum threshold.

Pursuant to the provisions of Article L.225-37-2 of the Commercial Code, the payment of the variable portion of the compensation due for fiscal 2017, after determination of the amount on the basis of the achievement of the objectives defined above, depends on the approval of the Annual Shareholders' Meeting of the Company to be held in 2018.

**Long-term compensation:**

In order to permanently associate the Chairman-Chief Executive Officer with the Company's stock performance, the Board of Directors approved, subject to the approval of the 26th Resolution given by the Shareholders' Meeting on April 27, 2017, a bonus share allotment that would be substituted for the long-term variable incentive mechanisms awarded to the corporate executive officers in the last three years.

This allotment would represent a target of 50% of his fixed salary (which is €150,000) and could represent up to 75% of his fixed salary (i.e. €225,000) in the event of outperformance of the performance conditions.

The shares allotted would be fully vested by the Chairman-Chief Executive Officer only at the end of a 3-year vesting period, subject to conditions of employment and company performance, which will be assessed on all three years on the basis of the following two criteria and assessment schedule:

- the absolute performance of the Mercialis share, dividends included (Total Shareholder Return – TSR), measured between January 1, 2017 and December 31, 2019 for 25% of the allotment:

Average of the annual Mercialis TSR over 3 years	Multiplier
[0% à 6%[	0%
[6% à 7%[	33.33%
[7% à 8%[	66.66%
[8% à 9%[	100%
[9% à 10%[	125%
>= 10%	150%

- the relative performance of the Mercialis share, dividends included (Total Shareholder Return – TSR) in relation to the performance of the companies composing the EPRA/NAREIT Eurozone index at January 1, 2017, measured between January 1, 2017 and December 31, 2019, for the remaining 75%:

Mercialis ranking compared with the companies in the index over 3 years	Multiplier
[0% à 20%]	150%
]20% à 40%]	125%
]40% à 50%]	100%
]50% à 60%]	75%
]60% à 80%]	50%
]80% à 100%]	0 %

50% of the shares fully vested by the Chief Operating Officer should be held in registered form until the termination of his duties, and 50% for a period of two years.

#### Other compensation components:

The Chief Operating Officer does not benefit from any supplemental pension plan. He participates in the mandatory group pension and insurance plan (ARRCO and AGIRC) in effect within the Company for all employees. He also benefits from senior executive unemployment insurance. He does not receive any other benefit, except a company car.

No compensation shall be due to the Chief Operating Officer for the termination of or change in his duties.

The Chief Operating Officer may benefit from compensation relating to a non-compete clause. In effect, in the event of the termination of his position, the Chief Executive Officer would be bound by a non-compete and non-solicitation obligation that would apply for a period not to exceed the time of his employment in the Company, up to a maximum of one year; it is specified that the Company may reduce or waive the application period. In consideration, the Chief Executive Officer he would be paid a monthly payment equivalent to one-twelfth of 50% of his annual fixed compensation.

## TENTH RESOLUTION

### **Approval of the components of the remuneration policy of the Chairman and Chief Executive Officer**

Pursuant to Article L.225-37-2 of the French Commercial Code, the Ordinary Shareholders' Meeting approves the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components comprising the aggregate compensation and benefits of all kinds for which, the Chairman and Chief Executive Officer is eligible in connection with his mandate, as detailed in the report attached to the report referenced in Articles L.225-100 and L.225-102 of the French Commercial Code, presented in the Registration Document.

## ELEVENTH RESOLUTION

### **Approval of the components of the remuneration policy of the Chief Operating Officer**

Pursuant to Article L.225-37-2 of the French Commercial Code, the Ordinary Shareholders' Meeting approves the principles and criteria for determining, distributing and allocating the fixed, variable and exceptional components comprising the aggregate compensation and benefits of all kinds for which, the Chief Operating Officer is eligible in connection with his mandate, as detailed in the report attached to the report referenced in Articles L.225-100 and L.225-102 of the French Commercial Code, presented in the Registration Document.

## RESOLUTIONS 12 TO 15 - RENEWAL OF THE TERM OF OFFICE OF FOUR DIRECTORS

Presentation

The Board of Directors is currently composed of 12 directors. Under the twelfth to fifteenth resolutions, you are requested, at the recommendation of the Appointments and Remuneration Committee, to renew, for a period of three years, the terms of office as directors of Jacques Dumas, Ingrid Nappi-Choulet, Michel Savart and Casino, Guichard-Perrachon (*cf. presentation pages 11 to 14*).

The Board will be composed of 41.6% of women and 58.3% of independent directors if you approve these proposals.

**TWELFTH RESOLUTION*****Renewal of Jacques Dumas' term of office as a Director***

After reviewing the Board of Directors' report and acknowledging that Jacques Dumas' term of office is expiring at the end of this Meeting, the Ordinary Shareholders' Meeting decides to renew the mandate of Jacques Dumas as a Director for a period of three years, i.e. until the end of the Annual General Meeting that will be held in 2020 to approve the financial statements for the fiscal year ending December 31, 2019.

**THIRTEENTH RESOLUTION*****Renewal of Ingrid Nappi-Choulet's term of office as a Director***

After reviewing the Board of Directors' report and acknowledging that Ingrid Nappi-Choulet's term of office is expiring at the end of this Meeting, the Ordinary Shareholders' Meeting resolves to renew the mandate of Ingrid Nappi-Choulet as a Director for a period of three years, i.e. until the end of the Ordinary Shareholders' Meeting that will be held in 2020 to approve the financial statements for the fiscal year ending December 31, 2019.

**FOURTEENTH RESOLUTION*****Renewal of Michel Savart's term of office as a Director***

After reviewing the Board of Directors' report and acknowledging that Michel Savart's term of office is expiring at the end of this Meeting, the Ordinary Shareholders' Meeting resolves to renew the mandate of Michel Savart as a Director for a period of three years, i.e. until the end of the Ordinary Shareholders' Meeting that will be held in 2020 to approve the financial statements for the fiscal year ending December 31, 2019.

**FIFTEENTH RESOLUTION*****Renewal of Casino, Guichard-Perrachon's term of office as a Director***

After reviewing the Board of Directors and acknowledging that Casino Guichard-Perrachon's term of office is expiring at the end of this Meeting, the Ordinary Shareholders' Meeting resolves to renew the mandate of Casino Guichard-Perrachon as a Director for a period of three years, i.e. until the end of the Ordinary Shareholders' Meeting that will be held in 2020 to approve the financial statements for the fiscal year ending December 31, 2019.

**RESOLUTION 16 - PURCHASE BY THE COMPANY OF ITS OWN SHARES****Presentation**

The sixteenth resolution renews the authorization given to the Board of Directors for a period of 18 months, to purchase the Company's shares. The maximum purchase price is set at €35 per share and the maximum number of shares that may be purchased would be limited to 10% of the number of shares making up the Company's share capital on the date of the General Meeting. For example, on the basis of the capital of January 31, 2017, after deducting the 238,340 shares held in treasury, the maximum theoretical amount which the Company could devote to share purchases would be €314 million, corresponding to 8,966,576 shares.

Under the authorization granted by the General Meeting of April 20, 2016 and on the basis of figures as at end January 2017, the Company bought 334,508 shares, and sold 225,541 shares.

At January 31, 2017, the Company held 238,340 shares (0.26% of share capital), including 58,873 shares allocated for the purpose of covering any stock option plans, savings plans or bonus share plans, and 179,467 shares under the liquidity agreement.

Details of the aims of the share buyback program are provided below in the sixteenth resolution, and in the description of the share buyback program in Chapter 4 of the 2016 Registration Document.

In the case of a public offering relating to the shares or securities issued by the Company, the Company may only use this authorization to meet its commitments regarding the delivery of securities, particularly in the context of bonus share award plans or strategic operations undertaken and announced before the launch of the offering.

**SIXTEENTH RESOLUTION*****Authorization for the Company to purchase its own shares***

The Ordinary Shareholders' Meeting, after reviewing the Board of Directors' report, authorizes the Board of Directors to purchase or arrange for the purchase of the Company's shares in accordance with the provisions of Articles L.225-209 et seq. of the French Commercial Code, of Articles 241-1 to 241-5 of the General Regulation of the AMF, and the European regulation applicable to market abuse (and specifically European Regulations no. 596/2014 of April 16, 2014 and no. 2273/2003 of December 22, 2003), primarily for the following purposes:

- to maintain liquidity and stimulate the market for the Company's shares via an investment services provider acting independently and on behalf of the Company, within the framework of a liquidity contract compliant with a code of conduct recognized by the Autorité des Marchés Financiers (AMF);
- to implement any Company stock option plan, under the provisions of Articles L. 225 177 et seq. of the French Commercial Code, any savings scheme in accordance with Articles L. 3332 1 et seq. of the

French Employment Code or any allocation of bonus shares under the provisions of Articles L. 225 197 1 et seq. of the French Commercial Code, or any other stock-option payment scheme;

- to deliver these shares when the rights attached to negotiable securities conferring a right to shares are exercised via a reimbursement, conversion, exchange, the presentation of a warrant or debt security convertible or exchangeable into shares of the Company, or by any other means that confers a right to shares of the Company;
- to hold them for the purpose of subsequently using them as payment or exchange in connection with or following any external growth transaction within the limit specified by Article L.225-209, sub-paragraph 6 of the French Commercial Code;
- to cancel them in full or in part in order to optimize earnings per share in the context of a share capital reduction operation under the conditions specified by the law;
- to implement any market practice approved by the AMF and to undertake any transaction compliant with current regulations.

These shares may be acquired, sold, transferred, or exchanged in any manner, including on the market or over the counter and through block trades. These means shall include the use of any derivative financial instrument traded on a regulated market or over the counter and the implementation of options strategies under the conditions authorized by the competent market authorities, provided that such means do not contribute to a significant increase in share volatility. The shares may also be loaned, pursuant to Articles L. 211 22 et seq. of the French Monetary and Financial Code.

The purchase price of the shares shall not exceed €35 (excluding purchase costs) per share with a par value of 1 (one) euro.

This authorization may be implemented within the limit of a number of shares representing 10% of the Company's share capital on the date of this General Meeting, or, for information, 8,966,576 shares based on the share capital as of January 31, 2017, after deducting the 238,340 shares held in treasury, for a maximum amount of €314 million, on the understanding that when the Company's shares are purchased under a liquidity agreement, the number of these shares taken into account to calculate the 10% threshold specified above, will correspond to the number of those purchased shares, after deducting the number of shares resold under the liquidity agreement during the authorization period. However, the number of shares purchased by the Company to be held and subsequently used as payment or exchange in the context of an external growth transaction

may not exceed 5% of the share capital. Purchases made by the Company may not, under any circumstances, result in the Company holding at any time whatsoever, more than 10% of the shares making up its share capital.

The authorization granted to the Board of Directors is given for a period of eighteen months. It terminates and supersedes the authorization previously granted by the eleventh resolution of the Ordinary Shareholders' Meeting of April 20, 2016.

In the case of a public offering relating to the shares or securities issued by the Company, the Company may only use this authorization to meet its commitments regarding the delivery of securities, particularly in the context of bonus share award plans or strategic operations undertaken and announced before the launch of the public offer.

Consequently, full powers are granted to the Board of Directors, which may be delegated, in order to implement this authorization, to place any stock market orders and enter any agreements in order, in particular, to keep records of the buying and selling of shares, allocate or reallocate the shares acquired for the various purposes in question, under the applicable legal and regulatory conditions, make any declarations to the AMF and carry out any other formalities, and, in general, take all necessary measures.

## Resolutions within the authority of the Extraordinary Shareholders' Meeting

You will find below a summary comparison table of the financial delegations and authorizations granted by the Shareholders' Meeting of May 5, 2015 and April 20, 2016, which we are asking you to renew under the seventeenth to twenty-seventh Resolutions presented below.

Resolutions	Terms and conditions	Maximum nominal amount previously authorized	Maximum nominal amount submitted to the Meeting
N° 17 : Share Capital increase	with PSR *	€32,000,000 <sup>(1)</sup> representing 35% of capital	€32,000,000 <sup>(1)</sup>
N° 18 : Share Capital increase via a public offer	without PSR *	€9,300,000 <sup>(1)</sup> or 10.1% of the capital	€9,200,000 <sup>(1)</sup> or 10% of the capital
N° 19 : Share Capital increase via a private placement	without PSR *	€9,300,000 <sup>(1)</sup> or 10.1% of the capital	€9,200,000 <sup>(1)</sup> or 10% of the capital
N° 20 : Setting of the issue price for capital increases without PSR in the context of the seventeenth and eighteenth resolutions	-	Weighted average price in the last 10 market trading sessions with a possible discount of 5%	Weighted average price in the last 10 market trading sessions with a possible discount of 5%
N° 21 : Increasing the amount of the initial issue with or without PSR	-	15% of the initial issue	15% of the initial issue
N° 22 : Share Capital increase by capitalization of reserves	-	€32,000,000	€32,000,000
N° 23 : Share Capital increase via a tender offer launched by Mercialis	without PSR *	€9,300,000 <sup>(1)</sup>	€9,200,000 <sup>(1)</sup>
N° 24 : Share Capital increase to compensate tendered securities	without PSR *	10% of the capital	10% of the capital
N° 25 : Overall ceiling on the authorizations granted in the context of resolutions seventeen to twenty-four	with/without PSR	€32,000,000 <sup>(1)</sup>	€32,000,000 <sup>(1)</sup>
	including without DPS	€9,300,000 <sup>(1)</sup>	€9,200,000 <sup>(1)</sup>
N° 26 : Bonus share allotment	without PSR *	0.5% of the capital on the day of the Meeting only for employees	0.5 % of the total number of shares composing the share capital of the company on the date of the General Shareholders' Meeting (460,245 shares), including 0.15% for the corporate officers (138,073 shares)
N° 27 : Share Capital increase for the benefit of employees	without PSR *	2% of the capital on the date of the Meeting	2% of the capital on the date of the Meeting

\* PSR= preemptive subscription right

<sup>(1)</sup> the total amount of the debt securities that may be issued immediately and/or in the future under the different authorizations may not exceed €200 million; under the twenty-fifth Resolution, this amount constitutes a cap for all authorizations combined.

In the context of the renewal you are being asked to approve, it is specified that the total amount of the capital increases that may result from the utilization of the seventeenth to twenty-fourth resolutions would be capped at a nominal amount of €32 million (total cap), (identical amount in 2015) corresponding to less than 35% of the capital at December 31, 2016 (€92,049,169.00), including a maximum of €9.2 million (versus €9.3 million in 2015), which is less than 10% of the capital at December 31, 2016, for the delegations for a capital increase without preemptive subscription rights completed under the eighteenth, the nineteenth, the twentieth, the twenty-first, the twenty-third and the twenty-fourth resolutions. This total cap is organized by the twenty-fifth Resolution.

These delegations would be granted for a period of 26 months. They would be usable only outside public offering periods, except with prior authorization from the Shareholders' Meeting.

You are also asked, in the twenty-sixth and the twenty-seventh resolutions, to renew for thirty-eight months the authorizations to proceed to the allotment of bonus shares and, for a period of twenty-six months, the delegation for a capital increase relating to employee shareholding operations, up to the limit of specific ceilings that would not be charged, as in the past, against the total capital increase ceiling of €32 million stipulated in the twenty-fifth resolution.

### RESOLUTIONS 17 TO 19 - CAPITAL INCREASE WITH AND WITHOUT THE PREEMPTION SUBSCRIPTION RIGHT FOR SHAREHOLDERS

Presentation

The Ordinary and Extraordinary Shareholders' Meeting of May 5, 2015 delegated to your Board of Directors, for a period of 26 months, its authority to issue shares or securities giving rights to the capital of the Company or of any company that it holds, directly or indirectly, an interest with (twelfth Resolution) and without the preemptive right of shareholders through a public offering (Resolution 13) and via a private placement (fourteenth Resolution) ([see table of financial authorizations page 42](#)).

Your Board of Directors has not used these delegations and you are being asked to renew them.

In the seventeenth resolution, you are being asked to delegate to the Board of Directors for a new period of 26 months the authority to decide to issue, maintaining the preemptive subscription rights of shareholders, shares or securities giving immediate or future rights to the capital of the Company or of any company it holds directly or indirectly; it is specified that the nominal amount of the securities that may be issued under this delegation may not exceed:

- €32 million (less than 35% of the capital at December 31, 2016), in the case of securities representing a portion of the capital (amount unchanged), and
- €200 million in the case of debt securities (amount unchanged).

Each of these amounts would constitute a total ceiling under the twenty-fifth resolution, which limits the total nominal amount of issues of equity securities, with or without preemptive subscription rights, or of debt securities that may be executed under the seventeenth to twenty-fourth resolutions, to €32 million and €200 million respectively.

In the eighteenth and nineteenth resolutions, you are being asked to delegate to the Board of Directors, for a new period of 26 months, the authority to issue shares or securities, eliminating the preemptive subscription rights of shareholders, either via a public offering with the option to give shareholders a priority time period (eighteenth Resolution) or via private placement stipulated in Article L.411-2-II of the French Monetary and Finance Code (nineteenth Resolution); it is specified that the nominal amount of the securities that may be issued under these delegations may not exceed:

- €9.2 million (less than 10% of the capital at December 31, 2016) in the case of securities representing a share of the capital (versus €9.3 million previously); under the twenty-fifth resolution this constitutes a total sub-cap for the capital increases without preemptive subscription rights in the resolutions (excluding issues reserved for the participants in a company savings plan), and
- €200 million in the case of debt securities (total ceiling under the twenty-fifth resolution).

You are being asked in the twenty-fifth resolution to approve the suspension of these delegations during a public offering period, unless there is prior authorization from the Shareholders' Meeting.

The option to issue securities without a preemptive subscription right would allow the Board to seize market opportunities more quickly on the basis of changes in the financial markets and the Group's strategy. The French Monetary and Finance Code thus offers companies the possibility of executing capital increases in the framework of private placements made with qualified investors or with a limited circle of investors, provided that these investors are acting on their own behalf.

For the issues executed without preemptive subscription rights, the issue price of the securities shall be set so that the Company receives, for each share issued by the Company, an amount at least equal to the minimum stipulated by the regulations in force on the date of the issue, which is currently an amount equal to the weighted average of the prices on the Euronext Paris regulated market for the last 3 market trading days before the price is set, possibly reduced by a maximum discount of 5%.

For issues executed with the preemptive subscription right under the seventeenth resolution, the sum reverting or to revert to the Company for each of the Company's shares that may be issued must be at least equal to the par value of the share.

The issue price of all securities giving the right to shares would be determined on the basis of market practices and conditions.

The share allotment rights attached to the securities that may be issued under this resolution could be exercised on fixed dates, at any time, or during one or more periods to be set by your Board, beginning no earlier than the issue of the primary security and ending, in the case of redemption, conversion or exchange of a debt security, no later than three months after the maturity date of the borrowing or, in the other cases, no later than seven years after the issue of the security giving rights thereto.

## SEVENTEENTH RESOLUTION

### ***Delegation of authority granted to the Board of Directors to issue shares of the Company or securities giving the right to the allotment of new or existing shares of the Company or existing shares of any other company in which the Company directly or indirectly holds a stake, maintaining the preemptive subscription right***

The Extraordinary General Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, and having acknowledged that the share capital is fully paid up, under the provisions of Articles L.225-127, L.225-129, L.225 -129-2, 228-91, 228-92, L.228-93, L.228-94 et seq. of the French Commercial Code:

- grants the Board of Directors, with the power to subdelegate as provided by law, its authority to decide, on one or more occasions and at its sole discretion, in the amounts and at the times it sees fit, both in France and abroad, on the issuance, with preferential subscription rights maintained, of Company shares or other securities giving access, by any means, immediately and/or in the future, to the Company's capital through the award, at the Company's discretion, of either new or existing shares, or a combination of both, or of existing shares of another company in which it directly or indirectly holds an equity interest. Subscription may be made either in cash or by offsetting receivables.

- decides that the securities so issued giving access to new or existing shares of the Company, or to existing shares of another company in which it directly or indirectly holds an equity interest, may consist of debt securities or be associated with the issuance of such securities or allow their issuance as intermediate securities. These may take the form of subordinated securities with a fixed or open-ended maturity date, and be denominated in euros or the equivalent in foreign currency or any unit of account determined by comparison with a basket of currencies.

Issues of warrants for new shares of the Company may be made by subscription offer or by free allocation to existing shareholders. However, the Board of Directors may decide that the allocation of fractional rights will not be transferable and that the corresponding shares will be sold. The proceeds of such a sale will be allocated to rights holders no later than thirty (30) days after the date of registration in their account of the whole number of securities to which they are entitled.

The total nominal amount of shares that may be issued immediately and/or in the future pursuant to this authorization may not exceed thirty-two million euros (€32,000,000), increased, if applicable, by the nominal amount of shares to be issued to preserve, in accordance with laws and regulations, as applicable, and with any contractual clauses providing for other cases of adjustment, the rights of holders of securities giving access to equity securities of the Company.

The total nominal amount of debt securities of the Company that may be issued pursuant to this authorization may not exceed two hundred million euros (€200,000,000) or the equivalent of this amount in any other currency or in any unit of account determined by comparison with a basket of currencies.

In the case of a subscription offer, the Board of Directors may, pursuant to the law and as it deems useful, institute an oversubscription right for excess shares, under which shares or other securities giving access to the capital which were not subscribed under basic subscription rights shall be allocated to shareholders who have subscribed for a greater number of shares than that for which they could subscribe under their basic rights, in proportion to the subscription rights they hold and, in any event, within the limits of their requests.

If subscriptions under basic subscription rights and oversubscription rights, if applicable, have not absorbed the entire issue, the Board may, under the conditions provided by law and in the order it deems fit, decide on one or more of the following options:

- limit the issue to the amount of subscriptions, provided that this amount is at least equal to three-quarters of the planned issue;
- freely distribute all or part of the unsubscribed securities;
- offer to the public, on the French or international market, all or part of the unsubscribed securities.

This authorization entails the shareholders' waiver, in favour of the holders of securities giving access to the Company's capital that may be issued thereunder, of their preferential subscription rights to the shares of the Company to which such securities may entitle them.

Within the limits set by the General Meeting, and in accordance with the law, the Board of Directors has all authority, including the power to subdelegate, to decide when to use this authorization, to set the terms and conditions of the issue or issues along with the nature and characteristics, including the issue price, with or without a share premium, of shares or other securities giving access to the capital to be issued, and the ex-dividend date, even retroactively, of the new shares. Where applicable, the Board may decide on the arrangements for buying back or exchanging the securities to be issued in order to cancel them or for any other reason. It may determine the method for paying up the shares or securities to be issued immediately or in the future, and record the completions of capital increases that would result from such issues in order to charge the issuance costs against the share premium, to amend the Company's articles of association, and to request the listing, where applicable, of the shares or other securities thus issued on a regulated stock market.

The Board of Directors may, in particular:

- set, in the case of the immediate issuance of debt securities, the amount, duration, issue currency, subordination (if any), the interest rate, whether fixed, variable or zero coupon, indexed or otherwise, the payment date, conditions of interest capitalization, the methods and price of redemption, fixed or variable, with or without premium, the terms of amortization based on the conditions of the market or the loan(s), as well as the conditions under which such securities will give access to shares of the Company and all other issuance arrangements (including the granting of guarantees or sureties);
- amend, during the life of the securities in question, the terms and conditions of the securities issued or to be issued, in accordance with the applicable formalities;
- take all measures to protect holders of rights and securities giving future rights to new shares of the Company, in accordance with the law and regulations and, if applicable, with contractual clauses providing for other cases of adjustment;
- suspend, if appropriate, the exercise of rights attached to such securities for a period determined in accordance with the law and regulations;
- enter into all agreements, especially with all credit institutions, take all measures and complete all formalities to ensure the implementation and successful completion of any issue decided under this authorization;

- charge, if applicable, the costs of capital increases to the premiums related to such increases and, if it deems fit, deduct from this amount the sums necessary to increase the legal reserve to one-tenth of the new share capital resulting from each issue.

This authorization is granted for a period of twenty-six (26) months from this Meeting and supersedes, including for any unused portion thereof, the previous authorization of the same nature granted under the twelfth resolution of the General Shareholders' Meeting of May 5, 2015.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

## EIGHTEENTH RESOLUTION

***Delegation of authority to the Board of Directors to issue shares of the Company or securities giving right to the allocation of new or existing shares of the Company or shares of any other company in which it directly or indirectly holds an equity interest, without preferential subscription rights, by way of a public offering***

The Extraordinary General Shareholders' Meeting, after reviewing the Board of Directors' report and Statutory Auditors' report, and in accordance with the French Commercial Code, and in particular the provisions of Articles L. 225-129 to L.225-129- 6, L. 225-135, L. 225-136, L. 225-148, L. 228-91 et seq. thereof:

- grants the Board of Directors, with the power to subdelegate as provided by law, its authority to decide, on one or more occasions, in the amounts and at the times it deems fit, both in France and abroad, the issuance, through a public offering, of Company shares or other securities giving access, by any means, immediately and/or in the future, to the Company's capital through the award, at the Company's discretion, of either new or existing shares, or a combination of both, or of existing shares of another company in which it directly or indirectly holds an equity interest. Subscription may be made either in cash or by offsetting receivables.
- decides that the securities giving access to new or existing shares of the Company, or to existing shares of another company in which it directly or indirectly holds an equity interest, may consist of debt securities or be associated with the issuance of such securities or allow their issuance as intermediate securities. These may take the form of subordinated securities with a fixed or open-ended maturity date, and be denominated in euros or any other currency that is legal tender, or in any unit of account established by reference to several currencies.

The total nominal amount of shares that may be issued immediately and/or in the future pursuant to this authorization may not exceed nine million, two hundred thousand euros (€9,200,000), increased, if applicable, by the nominal amount of shares to be issued in order to preserve, in accordance with laws and regulations, and with any contractual clauses providing for other cases of adjustment, the rights of holders of securities giving access to equity securities of the Company.

The total nominal amount of debt securities of the Company that can be issued pursuant to this delegation may not exceed two hundred million (200,000,000) euros, or the countervalue of this amount in any other currency or any accounting unit established with reference to several currencies.

The General Shareholders' Meeting resolves to cancel the preferential subscription right of the shareholders to the share capital issued under this delegation. However, the General Shareholders' Meeting delegates powers of attorney to the Board of Directors to establish, if it deems this useful for all or part of an issue, an irreducible and/or reducible priority subscription period for shareholders, and to set the terms and conditions for exercising these, in accordance with the applicable legal and regulatory provisions.

The General Shareholders' Meeting resolves that if the subscriptions by the shareholders and the general public do not fully account for all of the issued securities, the Board may perform one or more of the following actions,

the order as it shall determine:

- limit the issue to the amount of subscriptions, provided that it reaches at least three quarters of the issue as resolved;
- freely distribute all or part of the unsubscribed securities;
- offer all or part of the unsubscribed securities to the public on the French or international market.

The General Meeting delegates powers of attorney to the Board of Directors to reissue the securities under this issue referred to in Article L.228-91 of the French Commercial Code in exchange for their value in a public offer at any time as decided by the Company.

This delegation includes, as a matter of law, the waiver of the shareholders of their pre-emptive right to subscribe the Company's capital shares to which the securities may be issued, in favour of holders of securities that may be issued and that give access to the Company's share capital.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum as required by the regulations in effect at the date of the issue, which is currently the weighted average of the prices on the regulated market of Euronext Paris of the last three trading days prior to being set, where applicable reduced by a maximum discount of 5%, after adjustment, if necessary, of this average in the event of a difference in the vesting date.

The issue price of the securities providing access to the share capital and the number of shares to which these securities are entitled, and which shall be set by the Board of Directors, will be such that the amount that is immediately received or will later be received by the Company for each share issued as a result of the issue of these securities, will be at least equal to the issue price defined in the preceding paragraph.

Within the limits set by the General Shareholders' Meeting and in accordance with the law, the Board of Directors has powers of attorney, with the right to further delegate, to decide on implementing this delegation, to set the terms, nature and characteristics of the issue or issues, in particular the issue price with or without premium, and other securities to be issued, to determine the method of payment of the shares or securities that provide access to the share capital to be issued immediately or in the future, if necessary the terms of their redemption or exchange with regard to their cancellation, to record the realization of the resulting capital increases, to charge the issue costs to the premium, to amend the articles of association, and to request admission for listing on a regulated stock market of the shares and other securities so issued.

The Board of Directors may in particular:

- in case of an immediate issue of debt securities, set the amount, duration, currency of the issue, subordinated or non-subordinated nature, fixed or variable interest rate or zero coupon, indexation or otherwise, as well as the maturity date, terms and conditions of the fixed or variable repayment, with or without premium, terms of amortization under market conditions of the loan or loans, as well as the conditions under which they will give entitlement to the shares in the Company and other terms and conditions of the issue (including conferring any guarantees or security interests);
- modify, during the life of the securities involved, the terms of the securities issued or to be issued in order to comply with the applicable formalities;
- take all measures to protect the holders of rights and securities that give right to new shares in the Company, such in accordance with the legal and regulatory provisions and, where applicable, any contractual stipulations that provide for other reasons for adjustment;
- where applicable, suspend the exercise of the rights attached to these securities for a fixed period in accordance with any legal and regulatory provisions;
- enter into any agreements, in particular with all credit institutions, take all measures,
- and carry out all formalities ensuring the carrying out and successful completion of any issue resolved under this delegation;
- where applicable, charge the costs of the capital increases to the amount of the premiums relating to the increases of this amount

and, if it deems this appropriate, deduct any sums necessary to bring the legal reserve to one-tenth of the new capital after each issue.

This delegation is granted for a period of twenty-six months from the date of the present Meeting, and renders ineffective, where appropriate, for the unused amount, the previous delegation of the same kind granted by the General Meeting of May 5, 2015, in its thirteenth resolution.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

## NINETEENTH RESOLUTION

***Delegation of authority bestowed upon the Board of Directors to increase share capital through the issue of shares in the Company or securities that include the right to the allocation of new or existing shares in the Company, or of existing shares in any other company in which it directly or indirectly holds an interest, with the cancellation of preferential subscription rights, by means of a private placement referred to in Article L.411-2-II of the French Monetary and Financial Code***

The Extraordinary Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, pursuant to Articles L.225-129 to L. 225-129-6, L.225-135, L. 225-136, and L.228-91 and further of the French Commercial Code:

- delegates to the Board of Directors, with the option of further delegation under the conditions provided for by law, its power to decide, on one or more occasions, for the amounts and at the times it deems appropriate, whether in France or abroad, the issuance of shares in the Company or any other securities that grant access through offerings referred to in sub II of Article L.411-2 of the French Monetary and Financial Code, by any means, immediately or in the future, to the share capital of the Company, by the allocation, at the option of the Company, of shares in the Company, whether new, existing shares or a combination thereof, or of existing shares in another company in which it directly or indirectly holds an interest. The subscription may be effected either in cash or by offsetting receivables;
- decide that the securities issued as such and that give right to the allocation of new or existing shares in the Company, or of existing shares in another company in which it directly or indirectly holds an interest, may consist of debt securities or may be associated with the issuance of such securities, or may allow for the issue as intermediate securities. They may in particular take the form of subordinated or non-subordinated securities, fixed-term or not, and be denominated in euros or their equivalent in foreign currencies or composite monetary units.

The total nominal amount of the shares of the Company that may immediately and/or in the future be issued pursuant to this delegation may not exceed nine million two hundred thousand (9,200,000) euros, where applicable increased with the nominal amount of the additional shares to be issued in order to maintain the rights of holders of securities that provide a future access to the share capital of the Company, such subject to any applicable legal and regulatory requirements and, as the case may be, any contractual provisions governing other types of adjustments.

The total nominal amount of debt securities of the Company that can be issued pursuant to this delegation may not exceed two hundred million (200,000,000) euros, or the countervalue of this amount in any other currency or any accounting unit established with reference to several currencies.

The General Shareholders' Meeting resolves to cancel the preferential subscription right of shareholders to shares and securities providing access to the capital to be issued to the persons referred to in section II of Article L.411-2 of the French Monetary and Financial Code.

This delegation includes as a matter of law the waiver of the shareholders of their pre-emptive right to subscribe the Company's capital shares to which the securities may be issued, in favour of holders of securities that may be issued and that give access to the Company's share capital.



The General Shareholders' Meeting resolves that if the subscriptions by the shareholders and the general public do not fully account for all of the issued securities, the Board may limit the issue to the amount of subscriptions, provided that it reaches at least three quarters of the issue as resolved.

The issue price of the shares to be set by the Board of Directors will be at least equal to the minimum required by the regulations in effect at the date of the issue, which is currently the weighted average of the prices on the Euronext Paris regulated market for the last three trading days prior to being set, where applicable reduced by a maximum discount of 5%, after adjustment, if necessary, for this average in the event of a difference in the vesting date.

The issue price of the securities providing access to the share capital and the number of shares to which these securities are entitled, and which shall be set by the Board of Directors, will be such that the amount that is immediately received or will later be received by the Company for each share issued as a result of the issue of these securities, will be at least equal to the issue price defined in the preceding paragraph.

Within the limits set by the General Shareholders' Meeting and in accordance with the law, the Board of Directors has powers of attorney with the right to further delegate, to implement this delegation, to set the terms, nature and characteristics of the issue or issues, in particular the issue price with or without premium, and other securities to be issued, to determine the method of payment of the shares or securities that provide access to the share capital to be issued immediately or in the future, if necessary the terms of their redemption or exchange with regard to their cancellation, to record the realisation of the resulting capital increases, to charge the issue costs to the premium, to amend the articles of association, and to request admission for listing on a regulated stock market of the shares and other securities so issued.

The Board of Directors may in particular:

- in case of an immediate issue of debt securities, set the amount, duration, currency of the issue, subordinated or non-subordinated nature, fixed or variable interest rate or zero coupon, indexation or

otherwise, as well as the maturity date, terms and conditions of the fixed or variable repayment, with or without premium, terms of amortisation under market conditions, of the loan or loans, as well as the conditions under which they will give entitlement to the shares in the Company and other terms and conditions of the issue (including conferring any guarantees or security interests);

- modify, during the life of the securities involved, the terms of the securities issued or to be issued in order to comply with the applicable formalities;
- take all measures to protect the holders of rights and securities that give right in the future to new shares in the Company, such in accordance with the legal and regulatory provisions and, where applicable, any contractual stipulations that provide for other reasons for adjustment;
- where applicable, suspend the exercise of the rights attached to these securities for a fixed period in accordance with any legal and regulatory provisions;
- enter into any agreements, in particular with all credit institutions, take all measures, and carry out all formalities ensuring the successful completion of any issue resolved under this delegation;
- where applicable, charge the costs of the capital increases to the amount of the premiums relating to the increases of this amount and, if it deems this appropriate, deduct any sums necessary to bring the legal reserve to one-tenth of the new capital after each issue.

This delegation is granted for a period of twenty-six months from the date of the present Meeting, and renders ineffective, where appropriate, for the unused amount, the previous delegation of the same kind granted by the General Meeting of May 5, 2015, in its fourteenth resolution.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

## RESOLUTION 20 - EXCEPTIONAL SETTING OF ISSUE PRICE IN CONNECTION WITH CAPITAL INCREASES WITH WITHDRAWAL OF PREFERENTIAL RIGHTS OF SHAREHOLDERS

Presentation

Under the twentieth resolution, you are asked to renew the authorization granted to the Board of Directors in connection with issues without preferential rights by means of public offerings (eighteenth resolution) or private placements (nineteenth resolution), to set, if it considers it appropriate, the issue price on the basis of the weighted average price of the share during the last ten trading sessions preceding the setting of the issue price, possibly reduced by a maximum discount of 5% in accordance with legal requirements.

You are asked to suspend this authorization during public offerings, except with the prior authorization of the General Meeting.

The twenty-fifth resolution limits the total amount of issues of equity securities, with or without preferential rights, or debt securities, which may be carried out based on the seventeenth to the twenty-fourth resolutions.

### TWENTIETH RESOLUTION

**Authorization granted to the Board of Directors for issues without preferential rights by public offerings or private placements, to set the issue price according to the methods determined by the General Meeting**

After reviewing the Board of Directors' report and the Statutory Auditors' report, the Extraordinary General Meeting

authorizes the Board of Directors, with the right to subdelegate its powers in accordance with legal requirements, pursuant to Article L.225-136 of the French Commercial Code, to set the issue price during issues carried out under the eighteenth and nineteenth resolutions of the present Meeting, by way of exception to Article L.225-136-1 of the French Commercial Code, subject to the following conditions:

- the issue price shall be equal to the weighted average price of the share during the last ten trading sessions preceding the setting of the price, possibly reduced by a maximum discount of 5%;
- the issue price of the transferable securities giving access to share capital, in view of the number of shares to which the transferable securities give entitlement, shall be the amount received

immediately by the Company, increased where appropriate by the amount likely to be received later by the Company, i.e., at least equal to the issue price defined in the previous paragraph for each share issued as a result of the issue of transferable securities.

The maximum nominal value of the capital increase resulting from implementation of the present resolution cannot exceed 10% of the share capital per year, this limit being assessed at the time of the decision by the Board of Directors to set the issue price.

This delegation is granted for a period of twenty-six months from the date of the present Meeting, and renders ineffective, where appropriate, for the unused amount, the previous delegation of the same kind granted by the General Meeting of May 5, 2015, in its fifteenth resolution.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period

## RESOLUTION 21 - RIGHT TO INCREASE THE ISSUE AMOUNT IN THE EVENT OF OVERSUBSCRIPTION IN CONNECTION WITH CAPITAL INCREASES WITH OR WITHOUT PREFERENTIAL RIGHTS OF SHAREHOLDERS

### Presentation

The purpose of the twenty-first resolution is to renew the authorization granted to the Board of Directors in connection with capital increases with or without preferential rights (seventeenth, eighteenth, nineteenth and twentieth resolutions), to increase the initial amount of the issues, in the event of oversubscription, in accordance with current regulations.

Consequently, your Board of Directors shall have the right, within 30 days of the subscription closing date, to increase the number of securities issued, at the same price as that set for the initial issue, within the limit of 15% of the initial issue and the ceiling specified in the seventeenth, eighteenth, nineteenth and twentieth resolutions, depending on the case, and the overall ceiling specified in the twenty-fifth resolution. You are asked in the twenty-fifth resolution to suspend this delegation during public offerings except with the prior authorization of the General Meeting.

### TWENTY-FIRST RESOLUTION

#### ***Delegation of authority granted to the Board of Directors to increase the number of securities to be issued in the event of a capital increase carried out with or without preferential rights***

After reviewing the Board of Directors' report and the Statutory Auditors' report, the Extraordinary General Meeting delegates its authority to the Board of Directors, with the right to subdelegate these powers in accordance with legal requirements, pursuant to Article L.225-135-1 of the French Commercial Code, during all issues carried out under the seventeenth to twentieth resolutions of the present Meeting, in order to issue a higher number of shares or transferable securities than that initially set, within the allotted time and limits specified by the applicable regulations at the time of the issue (i.e. currently within thirty days of the subscription closing date, within a

limit of 15% of the initial issue and at the same price as that set for the initial issue) and subject to compliance with the ceiling specified in the resolution under which the issue was decided, and the overall ceiling specified in the twenty-fifth resolution.

This delegation is granted for a period of twenty-six months from the date of the present Meeting, and renders ineffective, where appropriate, for the unused amount, the previous delegation of the same kind granted by the General Meeting of May 5, 2015, in its sixteenth resolution.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

## RESOLUTION 22 - CAPITAL INCREASE BY CAPITALIZATION OF RESERVES, PROFITS, PREMIUMS, OR OTHERS

### Presentation

The General Meeting of May 5, 2015 had delegated its authority to increase the share capital by capitalization of reserves, profits, premiums or other amounts for which capitalization is allowed (*see table of financial authorizations page 42*).

Your Board of Directors did not use this delegation.

You are asked in the twenty-second resolution to renew this delegation for a period of 26 months, within the limit of the total nominal amount of €32 million (less than 35% of the share capital at December 31, 2016) (unchanged amount) which constitutes the overall ceiling for capital increases specified by the twenty-fifth resolution for all issues carried out under the seventeenth to the twenty-fourth resolutions.

You are also asked in the twenty-fifth resolution to suspend this delegation during public offerings except with the prior authorization of the General Meeting.

### TWENTY-SECOND RESOLUTION

#### ***Delegation of authority granted to the Board of Directors to increase the share capital by capitalization of reserves, profits, premiums or any other amounts for which capitalization is allowed***

After reviewing the Board of Directors' report, and subject to quorum and majority requirements for Ordinary General Meetings, the General Meeting, in accordance with Articles L.225-129 to L.225-130 of the French Commercial Code, delegates to the Board of Directors, with the right to subdelegate its powers in accordance with legal requirements, its power to decide to increase the share capital, on one or more occasions, at the times and using the methods that it shall decide, by capitalization of reserves, profits, premiums or other amounts for which capitalization is allowed, by issuing and allotting new bonus shares or increasing the par value of existing equity securities, or a combination of both methods.

The total amount of the capital increases resulting from issues carried out under this resolution must not exceed the nominal amount of thirty-two (32) million euros, not taking into account the amount required to protect, in accordance with the law, the rights of holders of transferable securities giving entitlement to equity interests.

The General Meeting grants the Board of Directors full powers, with the option of sub-delegation, to implement this resolution, namely for the purpose of :

- approving all terms and conditions of the operations authorized and, in particular, establishing the amount and nature of the reserves and premiums to be incorporated into the capital, establishing the number of new shares of stock to be issued or the amount by which the par value of the existing shares of stock comprising the share capital shall be increased, approving the date, even retroactively, from which the new shares of stock shall bear rights or that date from which the increase in par value shall take effect;
- taking all measures for protecting the rights of holders of securities giving access to the capital as of the day of the capital increase;
- approving the conditions of use of the rights forming fractional shares and, in particular, determining that these rights shall neither be negotiable nor transferable and that the corresponding shares of stock shall be sold, the sums resulting from the sale being allocated to the rights holders within the time frame stipulated by the regulations, i.e. currently no later than 30 days after registering in their account the full number of shares of stock assigned;
- recording the capital increase resulting from the issuance of the shares of stock, modifying the charter documents as a result,

applying for the admission of the shares on a regulated market and carrying out all required publication formalities;

- and, generally speaking, taking all measures and carrying out all formalities required for the completion of each capital increase.

This delegation is granted for a period of twenty-six months starting from the date of this Meeting and cancels, where applicable, any

unused portion of any prior delegation of the same nature granted by the General Meeting of May 5, 2015 in the seventeenth Resolution.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

## RESOLUTION 23 - CAPITAL INCREASE AS PART OF A PUBLIC OFFER INITIATED BY THE COMPANY

### Presentation

The Ordinary and Extraordinary General Shareholders' Meeting of May 5, 2015 delegated to your Board of Directors, for a period of 26 months, its power to issue shares or securities giving access to the Company's capital in the event of a public offer initiated by your Company for the shares of another listed company (*see table of financial authorizations page 42*).

Your Board of Directors has not made use of this delegation.

It is recommended that, under the twenty-third Resolution, you renew this delegation for a period of 26 months in order for the Company to avail itself of this option, which could prove necessary for continuing its development strategy.

The total par value of the securities that could be issued by virtue of this delegation may not exceed:

- €9.2 million (minus 10% of capital as of December 31, 2016), if it involves securities representing a share in the company's capital (compared to €9.3 million previously), and
- €200 million, if it involves debt securities.

It is also recommended to you that this delegation be suspended during the public offer period, barring any prior authorization of the General Shareholders' Meeting.

The twenty-fifth Resolution limits the total amount of shares of stock that can be issued, with and without preferential subscription rights, and of debt securities, that could be carried out on the basis of the seventeenth and twenty-fourth Resolutions.

### TWENTY-THIRD RESOLUTION

#### ***Delegation of power granted to the Board of Directors in order to issue, without preferential subscription rights, shares or securities giving access to the capital in the event of a public exchange offer initiated by the Company***

The Extraordinary General Shareholders' Meeting, after reviewing the Board of Directors' report and the Auditors' report, and ruling in accordance with Articles L.225-129 to L.225-129-6, L.225-148, L.228-91 et seq. of the French Commercial Code,

delegates to the Board of Directors, with the option of sub-delegation within the terms and conditions stipulated by law, the power to decide upon the issuance of shares of the Company and/or of any securities giving access by whatever means, immediately or in the future, to the Company's capital, as consideration for securities that are tendered to the Company under a public exchange offer, mixed or alternative, initiated by the Company in France or abroad, for the acquisition of securities of a company whose shares are admitted to trading on one of the regulated markets referred to in Article L.225-148 of the French Commercial Code.

The General Meeting resolves to eliminate, insofar as is necessary, the preferential subscription rights of the shareholders to these shares or securities.

The total par value of the Company's shares that may be issued immediately or in the future by virtue of this delegation may not exceed nine million two hundred thousand (9,200,000) euros plus, where applicable, the par value of the additional shares to be issued in order to preserve, in accordance with the legal and regulatory provisions and, where applicable, the contractual stipulations providing for other adjustment situations, the rights of holders of securities giving access to the Company's capital.

The total par value of the debt securities of the Company that may be issued by virtue of this delegation may not exceed two hundred (200) million euros or the exchange value of this amount in any other

currency, or in any unit of account established by reference to multiple currencies.

This delegation means that the shareholders, to the benefit of the holders of securities that could be issued and giving access to the Company's capital, shall automatically waive their preferential rights to subscribe the shares of the Company's stock to which said securities may entitle the holder.

The Board of Directors shall have all powers with the right to sub-delegate in order to implement this delegation, including setting the exchange ratio as well as, if applicable, the amount of the equalization payment in cash to be paid, recording the number of securities contributed in the exchange, determining the dates, conditions of issuance, in particular the price, the vesting date, the procedure for paying up the shares, the nature and characteristics of the securities to be issued, suspending, where applicable, the exercise of the rights attached to the securities to be issued within the circumstances and limits stipulated by the regulatory and contractual provisions, as well as, where applicable, for their deferral, posting in the balance sheet's liabilities the capital contribution premium to which may be imputed, if applicable, all the costs and fees arising from the operation, recording the capital increases, modifying the charter documents as befits, carrying out any formalities and declarations, and requiring all authorizations proving necessary for carrying out and ensuring full performance of the operations authorized by this delegation, and in general, to do whatever is necessary.

This delegation is granted for a period of twenty-six months starting from the date of this Meeting and cancels, where applicable, any unused portion of any prior delegation of the same nature granted by the General Meeting of May 5, 2015 in the eighteenth Resolution.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

## RESOLUTION 24 - CAPITAL INCREASE IN EXCHANGE FOR CONTRIBUTION OF SHARES GRANTED TO THE COMPANY

### Presentation

The Ordinary and Extraordinary General Meeting of Shareholders of May 5, 2015 authorized the Board of Directors to issue shares or securities giving access to share capital in exchange for contributions in kind granted to the Company and comprising shares or securities giving access to share capital, for a period of 26 months and subject to a limit of 10% of the share capital ([see table of financial authorizations page 42](#)).

The Board of Directors did not make use of this delegation.

Under the twenty-fourth Resolution, you are asked to renew this authorization for a period of 26 months under the same terms so that this option is available to the Company if needed in order to pursue its development strategy.

It is also proposed that this delegation be suspended during a public offer unless previously authorized by the General Meeting.

The twenty-fifth Resolution limits the total value of shares or debt securities that may be issued on the basis of seventeenth and twenty-fourth Resolutions.

### TWENTY-FOURTH RESOLUTION

***Powers delegated to the Board of Directors for issuing shares or securities giving access to the Company's share capital, subject to a limit of 10% of the Company's share capital, in exchange for contributions in kind consisting of shares or securities giving access to share capital***

After reviewing the Board of Directors' report and the Statutory Auditors' report, the Extraordinary General Meeting, in accordance with Articles L.225 129 et seq. and L.225 147 of the French Commercial Code,

delegates full authority to the Board of Directors, with the option to subdelegate under the terms provided by the law, to decide to issue shares or securities that give access by any means, immediately and/or in the future, to Company share capital, in exchange for contributions in kind granted to the Company and comprising shares or securities giving access to share capital, where the provisions of Article L.225-148 of the French Commercial Code do not apply, subject to a limit of 10% of Company share capital assessed on the day that the responsible Board of Directors makes its decision, and based on the report by the Auditor(s) for the items referenced in paragraphs 1 and 2 of Article L.225-147 mentioned above, and decides as necessary to cancel the preferential subscription right of those holding shares covered by the contributions in kind to shares to be issued under this delegation.

This delegation automatically implies that the beneficiaries of securities that may be issued giving access to Company share capital

shall waive their preferential subscription rights to Company shares to which said securities may give entitlement.

The Board of Directors shall have full powers, with the option to subdelegate, to implement this Resolution, to set the terms and conditions for the authorized transactions, specifically in order to approve, based on the report by the Auditor(s) referred to in paragraphs 1 and 2 of Article L.225-147 above, the valuation of contributions and the granting of special privileges and their value (including, if the contributors agree, reducing the valuation of the contributions or the fee for special privileges), to set the terms, type and characteristics of shares and other securities to be issued, and to charge, as applicable, against issue premiums and specifically all expenses arising from the increase in capital, to recognize the final outcome of the capital increases achieved under this delegation, to amend the articles of association accordingly, to carry out all formalities and declarations and to request all authorizations that may be required to carry out these contributions, and in general to take all necessary measures.

This delegation is granted for a period of twenty-six months from the date of this Meeting and invalidates the similar delegation previously granted by the General Meeting of May 5, 2015 under the nineteenth Resolution, as regards the unused portion.

The Board of Directors may not, unless previously authorised by the General Shareholders' Meeting, use this delegation as from the date a third party files a tender offer for the Company's shares and until the end of the tender offer period.

## RESOLUTION 25 - OVERALL LIMITATION OF FINANCIAL AUTHORIZATIONS

### Presentation

The purpose of the twenty-fifth Resolution is to limit the total value of shares or debt securities that may be issued on the basis of the seventeenth and twenty-fourth Resolutions.

Accordingly, the total par value of capital increases that may be carried out, immediately and/or in future, may not exceed €32 million, corresponding to less than 35% of the share capital at December 31, 2016 (amount unchanged), on the understanding that the total amount of capital increases that may be made, immediately and/or in future, without preferential subscription rights on the basis of the eighteenth, the nineteenth, the twentieth, the twenty-first, the twenty-third and the twenty-fourth Resolutions, may not exceed €9.2 million (i.e. less than 10% of the share capital at December 31, 2016).

The total par value of debt securities issued shall not exceed €200 million.

### TWENTY-FIFTH RESOLUTION

***Overall limitation of financial authorizations granted to the Board of Directors***

After reviewing the Board of Directors' report, and subject to the adoption of the preceding the seventeenth to the twenty-fourth Resolutions, the Extraordinary General Meeting resolves that:

- the total par value of debt securities that may be issued on the basis of these Resolutions may not exceed €200 million or its equivalent value in another currency or composite monetary unit;
- the total par value of capital increases that may be carried out, immediately or in the future, on the basis of these Resolutions, may not exceed €32 million, on the understanding that the total amount of capital increases that may be carried out, immediately or in future, without preferential subscription rights, under eighteenth, the

nineteenth, the twentieth, the twenty-first, the twenty-third and the twenty-fourth Resolutions may not exceed €9,200,000, not taking into account the par value of future additional shares to protect the rights of holders of securities giving access to Company share capital.

The General Meeting notes that the total par value of €32 million does not include the par value of the shares:

- to be allocated to employees and corporate officers in the event of awarding future bonus shares as a result of capital increase under the twenty-sixth Resolution;
- to be issued, where applicable, to members of a Company savings plan on the basis of issues decided under the twenty-seventh Resolution.

## RESOLUTION 26 - ALLOCATION OF BONUS COMPANY SHARES TO EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY

### Presentation

The Ordinary and Extraordinary General Meeting of Shareholders of April 20, 2016 authorized the Board of Directors to allocate bonus Company shares to employees of the Company and its affiliates, for a period of 18 months, in order to take advantage of the new provisions introduced into French legislation through the "Macron Law"; the Company's corporate officers may not be allocated bonus Company shares.

Under the authorization granted on April 20, 2016, the Board of Directors, following a favourable opinion from the Appointments and Remuneration Committee, established a share award plan during 2016 covering a total of 54,834 existing shares representing 0.06% of the capital on the authorization date. In accordance with the authorization granted, no allocation was awarded to corporate officers. The allocations made are shown in the Section 12.4.4 of the Registration Document.

Under the twenty-sixth Resolution, based on the recommendation of the Appointments and Remuneration Committee, you are requested to maintain this option and to renew the authorization to the Board of Directors for a period of 38 months, for the benefit of employees and corporate officers of the Company. Corporate officers may thus benefit from this authorization provided they meet performance criteria, in addition to being with Mercialis.

The proposed Resolution sets the total number of bonus shares that may be allocated over 38 months at 0.5% of the share capital (excluding adjustments), including 0.15% for corporate officers; this ceiling does not count within the overall capital increase ceiling set under the twenty-fifth Resolution.

By way of reminder, all bonus share award plans in effect relate to existing shares, with no dilutive effect on share capital, and the total number of existing shares that may be allocated under the awards granted and not yet definitively vested stands at 0.06% of share capital as of December 31, 2016.

The authorization states that, according to legal requirements, shares are definitely allocated to the beneficiaries at the end of a vesting period set by the Board of Directors. However, the period must not be less than one year and the shares must be held by their beneficiaries for a period set by the Board of Directors, on the understanding that the aggregate vesting and holding period must be no less than two years. However, insofar as the vesting period for all or part of one or more allocations is at least two years, the Board of Directors would be authorized not to impose a holding period for the shares in question.

Furthermore, if the invalidity of the beneficiary corresponds to classification in categories 2 or 3 set out in Article L.341-4 of the French Social Security Code, or the foreign equivalent, the Board of Directors would be authorized to arrange for the shares to be definitively allocated before the end of the outstanding vesting period.

## TWENTY-SIXTH RESOLUTION

### **Authorization granted to the Board of Directors to allocate existing or future bonus Company shares to employees and corporate officers of the Company and its affiliates; automatic waiver by shareholders of their preferential subscription rights**

After reviewing the Board of Directors' report and the Statutory Auditors' report, in accordance with Article L.225-197-1 et seq. of the French Commercial Code, the Extraordinary General Meeting:

- authorizes the Board of Directors, in accordance with and under the conditions stipulated by the provisions of Articles L.225 197 1 to L.225 197 5 of the French Commercial Code, to allocate existing or future bonus shares, on one or more occasions, to employees of the Company or to certain categories of said employees and to corporate officers, as well as to employees of companies or economic interest groups affiliated to the Company, as defined under the terms of Article L.225 197 2 of the Commercial Code;
- agrees that the total number of shares that may be allocated may not exceed 0.5% of the total number of shares representing the Company's share capital on this date, including 0.15% for corporate officers, not taking into account the adjustments likely to be applied to protect the rights of the beneficiaries in accordance with the legal and statutory provisions and any applicable contractual provisions;

- agrees that with regard to the Company's corporate officers, the vesting of shares in full shall be subject to fulfilling performance conditions, in addition to being with the Company or any company that it holds. The performance conditions shall be set by the Board of Directors according to several criteria, including at a minimum the Total Shareholder Return (TSR) compared with that of peer companies. They will be assessed over a minimum period of three consecutive financial years.

The General Meeting authorizes the Board of Directors to carry out, alternatively or cumulatively, within the limits determined in the previous paragraph:

- the allocation of shares stemming from Company buybacks under the conditions stipulated in Articles L.225-208 and L.225-209 of the French Commercial Code, and/or
- the allocation of future shares resulting from capital increase; in such cases, the General Meeting authorizes the Board of Directors to increase the share capital by the maximum nominal amount corresponding to the number of shares allocated and takes note that this authorization automatically implies that the beneficiaries of the bonus shares allocated shall waive their preferential subscription rights to the future shares.

The General Meeting resolves that the shares shall be definitely allocated to the beneficiaries at the end of an acquisition period set by the Board of Directors. However, the period must not be less than one year and the shares must be held by their beneficiaries for a period set by the Board of Directors, on the understanding that the aggregate acquisition and holding period must be no less than two years. However, the General Meeting authorizes the Board of Directors not to impose a holding period for the relevant shares insofar as the vesting period for all or part of one or more allocations is at least two years. For all practical purposes, it should be borne in mind that the Board of Directors will have the right to set different vesting and holding periods according to the regulations in force in beneficiaries' countries of residence. In addition, the General Shareholders' Meeting authorizes the Board of Directors to decide that, in the event that the beneficiary suffers a disability classifiable in the second or third category set forth in Article L.341 4 of the French Social Security Code, or their respective equivalents in other countries, the shares can be definitively delivered to him or her prior to the expiration of any remaining acquisition period.

The General Meeting agrees that the definitive allocation of shares to employees may be subject to one or more performance conditions to be determined by the Board of Directors.

The General Meeting grants full authority to the Board of Directors, which may subdelegate such powers in accordance with the law, subject to the limits set out above, to :

- determine the identity of the beneficiaries, or the categories of the beneficiaries of share allocations, bearing in mind that shares may not be allocated to employees and corporate officers individually holding more than 10% of the share capital, and that the allocation of bonus shares may not result in any individual beneficiary holding more than 10% of the share capital;
- distribute the share allocation rights on one or more occasions and at the times it considers appropriate;
- set the conditions and criteria for share allocation, including but not limited to length of service, maintaining a contract of employment or retaining corporate duties during the acquisition period, and any other financial conditions or conditions relating to individual or collective performance;

- determine, in accordance with legal conditions and limits, the final vesting period and, where appropriate, the required lock-in period;
- register, where appropriate, the bonus shares allocated in a registered account opened in the name of their holder, stipulating the lock-in period and its duration;
- cancel the lock-in period attached to the shares in cases of redundancy, retirement or invalidity corresponding to categories 2 or 3 stipulated in the provisions of Article L.341-4 of the French Social Security Code, or in the event of death;
- set aside as appropriate an unavailable reserve, allocated to the rights of the beneficiaries, for an amount equal to the total nominal value of shares likely to be issued through a capital increase, by deducting the necessary sums from all reserves freely available to the Company;
- determine the maturity date, even retroactively, of the new shares resulting from the allocation of bonus shares;
- make the necessary deductions from this unavailable reserve to release the nominal value of future shares to their beneficiaries;
- in the event of a capital increase, amend the articles of association accordingly and carry out all necessary formalities;
- carry out, as appropriate, during the acquisition period any adjustments to the number of bonus shares allocated in connection to transactions involving the Company's capital in order to protect the rights of beneficiaries; it is specified that any shares allocated by virtue of such adjustments will be deemed to have been allocated on the same day as the shares initially allocated.

In accordance with the provisions of Articles L.225 197 4 and L.225 197 5 of the French Commercial Code, a special report will be drawn up each year to inform the Ordinary Shareholders' Meeting of the transactions carried out under this authorization.

The General Meeting sets the period during which the Board of Directors may make use of this authorization at thirty-eight months. It terminates the authorization for the same purpose granted by the General Meeting held on April 20, 2016 (nineteenth Resolution), as regards the unused portion.

## RESOLUTION 27 - CAPITAL INCREASE RESERVED FOR MEMBERS OF AN EMPLOYEE SAVINGS PLAN

### Presentation

The Ordinary and Extraordinary Shareholders' Meeting of May 5, 2015 authorized your Board of Directors, for a period of 26 months, to increase the share capital or sell treasury shares for the benefit of members of an employee savings plan of the Company and of its related companies (*see table of financial authorizations page 42*).

Your Board of Directors did not use this authorization.

Under the twenty-seventh Resolution, it is proposed to you to renew this authorization, for a period of 26 months.

The total number of shares that may be issued pursuant to this resolution remains unchanged at 2% of the share capital on the date of the General Shareholders' Meeting (excluding adjustments) and is not included in the overall capital increase set out in the twenty-fifth Resolution.

You are asked to cancel the preferential subscription right of the shareholders to the shares and securities giving access to the capital that may be issued under this authorization. The subscription price for the shares in accordance with the provisions of Article L.3332-19 of the Labour Code may not be less than the average of the quoted prices for the 20 trading days preceding the date of the decision fixing the opening date of the subscription period, less a discount not exceeding 20% or 30% if the plan's lock-in period is greater than or equal to 10 years. However, if the Board so deems appropriate, it may decide to reduce or eliminate the discount so granted in order to take account of the applicable legal, regulatory and tax provisions set down in foreign law.

The Board of Directors may also decide to grant bonus shares or other securities giving access to the share capital of the Company, taking into account that the total benefit resulting from such allocation and, where applicable, the increase and discount on the subscription price, may not exceed legal or regulatory limits.

**TWENTY-SEVENTH RESOLUTION*****Delegation of authority granted to the Board of Directors to increase the share capital or sell treasury shares with cancellation of preferential subscription rights for shareholders in favour of members of an employee savings plan***

The Extraordinary General Shareholders' Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report and acting in accordance with the provisions of Articles L.3332-1 et seq. of the French Labour Code and Article L.225-138-1 of the French Commercial Code, delegates to the Board of Directors, under the conditions provided for by law, with the option of sub-delegation, pursuant to Articles L.225-129-2 and L.225-129-6 of the French Commercial Code, its powers to such effect, on its own decisions, in order to increase the share capital of the Company, on one or several occasions, by issuing share units or securities giving access to the Company's share capital, reserved for members of an employee savings plan of the Company and its related companies under the conditions set out in Article L.233-16 of the French Commercial Code and those in Article L.3332-18 et seq. of the French Labour Code.

The total number of shares that may be issued pursuant to this authorisation may not exceed 2% of the total number of shares representing the share capital of the Company at the date of this General Shareholders' Meeting, increased, where appropriate, by shares to be issued in order to supplement the rights of the beneficiaries, in accordance with the applicable legal and regulatory provisions, specifying that this ceiling is independent of the ceiling referred to in the eighteenth Resolution and of the overall ceiling provided for in the twenty-fifth Resolution.

The subscription price of the shares fixed in accordance with the provisions of Article L.3332-19 of the Labour Code may be no less than 20%, or 30% if the plan's lock-in period is greater than or equal to 10 years, at an average of the quoted prices of the Company's shares during the 20 trading days preceding the date of the decision setting the subscription opening date, nor greater than this average, taking into account that the General Shareholders' Meeting expressly authorises the Board of Directors, if it so deems appropriate, to reduce or eliminate the aforementioned discount in order to take account, in particular, of the applicable legal, regulatory and tax provisions set out in foreign law.

The General Shareholders' Meeting may also decide that the Board of Directors may choose to grant bonus shares or other securities giving access to the share capital of the Company, taking into account that the total benefit resulting from such allocation and, where applicable, the increase and discount on the subscription price may not exceed legal or regulatory limits.

The General Shareholders' Meeting expressly resolves to cancel, for the benefit of the beneficiaries of the capital increases that may be implemented under this authorization, the preferential subscription right of the shareholders to the share units or other securities giving access to the capital that will be issued as well as to the Company shares to which the securities issued pursuant to this authorization may provide entitlement; said shareholders also waive, in the event of

an allotment of bonus shares or other securities giving access to the capital, any right to such share units or securities, including the part of the reserves, profits or premiums that would be incorporated in the capital

The General Shareholders' Meeting authorizes the Board of Directors to transfer the shares acquired by the Company in accordance with the provisions of Article L.225-206 et seq. of the French Commercial Code, on one or several occasions and at its sole discretion, up to the limit of 2% of the securities issued by the Company to employees who are members of an employee savings plan of the Company and of related companies under the conditions set out in Article L.233-16 of the French Commercial Code and Articles L.3332-18 et seq. of the French Labour Code.

The General Shareholders' Meeting authorizes the Board of Directors, in accordance with the conditions of Article L.225-135-1 of the French Commercial Code, to issue a number of shares greater than the initial number set at the same price for the initial issue within the ceiling provided for above.

The General Shareholders' Meeting grants full powers to the Board of Directors, including the power to delegate or sub-delegate under the conditions provided for by law, to implement this authorization and carry out the issue or issues within the limits set above, on the dates, within the deadlines and in accordance with the terms and conditions that it shall determine in accordance with legal requirements and those under the articles of association, and in particular:

- to determine whether the issues could take place directly for the benefit of the beneficiaries or through collective bodies and fix the scope of the capital increase reserved for the members of a savings plan;
- to determine the amounts of the capital increases, terms and conditions of issue, characteristics of the share units and, where applicable, other capital securities, dates and duration of the subscription period, potential modes and time frames for subscribers to release their securities, conditions of length of service to be met by subscribers for new shares;
- based on these decisions alone, after each capital increase, to charge the costs of the capital increases to the amount of the related premiums and deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new capital;
- to note the amount of the capital increases up to the amount of the shares that will be effectively subscribed and amend the articles of association accordingly based on the direct or deferred capital increases;
- and generally, to enter into all agreements, take all measures and carry out all formalities necessary for the issuance, listing and handling of the securities authorized to be issued.

The authorization is granted for a period of twenty-six months from the date of this General Meeting and any unused part of the previous delegation of the same kind granted by the General Shareholders' Meeting of May 5, 2015 in the twenty-fifth Resolution shall lapse.

**RESOLUTION 28 - CANCELLATION THROUGH CAPITAL REDUCTION OF THE SHARES ACQUIRED BY THE COMPANY****Presentation**

The Ordinary and Extraordinary Shareholders' Meeting of May 5, 2015 authorized your Board of Directors, for a period of 26 months, to reduce the share capital by cancelling, up to a limit of 10% of the share capital existing at the date of issuance (i.e. adjusted according to any transactions carried out regarding the share capital), the shares that the Company would acquire pursuant to an authorization granted by the Ordinary General Shareholders' Meeting for periods of 24 months.

The Board of Directors did not use this authorization.

Under the twenty-seventh Resolution, it is proposed to you to renew this authorization, for a period of 26 months, and under the same conditions.

## TWENTY-EIGHTH RESOLUTION

### **Authorization granted to the Board of Directors to reduce the share capital through the cancellation of treasury shares**

The Extraordinary General Shareholders' Meeting after reviewing the Board of Directors' report and the Statutory Auditors' report, authorizes the Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code, at any time, on one or several occasions, to the reduction of the share capital through cancellation, up to a limit of 10% of the share capital existing on the date of cancellation (i.e. adjusted for transactions in the share capital since the entry into force of this resolution), of the shares acquired by the Company pursuant to an authorization given by the Ordinary General Shareholders' Meeting, for periods of twenty-four months.

The General Shareholders' Meeting grants full powers to the Board of Directors, including the option of sub-delegation under the conditions provided for by law, to carry out this operation or operations to reduce the share capital within the limits set above and, in particular, realize and charge the difference between the acquisition price of the shares and their nominal value to the reserve or premium of their choice, amend the articles of association accordingly and carry out any necessary formality.

The authorization is granted for a period of twenty-six months from the date of this General Meeting and any part of the previous delegation of the same kind granted by the General Shareholders' Meeting of May 5, 2015 in twenty-first Resolution that remains unused shall lapse.

## RESOLUTIONS 29 AND 30 - UPDATE OF THE ARTICLES OF ASSOCIATION

Presentation

Under the twenty-ninth Resolution, it is proposed to amend the wording of the second paragraphs of Article 4 and subsection IV of Article 25 of the articles of association as follows to bring them into line with the legal provisions in force:

Old version	New version
<p><b>Article 4 - Registered office</b></p> <p>The registered office is located at 148 Rue de l'Université, Paris (75007).</p> <p><u>It may be transferred to any other place in the same department or to a neighbouring department by decision of the Board of Directors subject to ratification at the next General Shareholders' Meeting, and to any other place by virtue of a resolution of the Extraordinary General Shareholders' Meeting.</u></p> <p>In the case of a transfer decided by the Board of Directors, the Board is authorized to amend the articles of association accordingly.</p>	<p><b>Article 4 - Registered office</b></p> <p>The registered office is located at 148 Rue de l'Université, Paris (75007). It may be transferred to any other place <u>in accordance with the legal provisions in force.</u></p> <p>In the case of a transfer decided by the Board of Directors, the Board is authorized to amend the articles of association accordingly.</p>
<p><b>Article 25 - Composition of the General Shareholders' Meeting</b></p> <p>(...)</p> <p>IV. If the Board of Directors so decides, shareholders may participate in meetings and vote by video conference or any other means of telecommunications, including the Internet, that allows for them to be identified in accordance with current regulations and the conditions decided by the Board of Directors.</p> <p>On the decision of the Board of Directors, the shareholders may submit the voting forms remotely or by proxy electronically, in accordance with the applicable regulations. The forms can be entered and signed directly on the website set up by the centralizing institution in charge of the General Shareholders' Meeting. The electronic signature of the form may be effected by any process in accordance with the provisions in <u>the first line of paragraph two of Article 1316-4 of the French Civil Code</u>, or any other legal provision that may subsequently replace it, such as use of an identifier and a password.</p> <p>This form of electronic voting and the acknowledgment of receipt given therein shall be regarded as irrevocable, written confirmation that is binding on all, except in the case of a transfer of securities notified under the conditions provided for in paragraph two of Article R 225-85 IV of the French Commercial Code or by any other legal or regulatory provision that may subsequently replace it.</p> <p>The power of attorney expressed by this electronic means, as well as the acknowledgment of receipt given therein, shall be regarded as a revocable written confirmation that is binding on all persons under the conditions defined by law.</p>	<p><b>Article 25 - Composition of the General Shareholders' Meeting</b></p> <p>(...)</p> <p>IV. If the Board of Directors so decides, shareholders may participate in meetings and vote by video conference or any other means of telecommunications, including the Internet, that allows for them to be identified in accordance with current regulations and the conditions decided by the Board of Directors.</p> <p>On the decision of the Board of Directors, the shareholders may submit the voting forms remotely or by proxy electronically, in accordance with the applicable regulations. The forms can be entered and signed directly on the website set up by the centralizing institution in charge of the General Shareholders' Meeting. The electronic signature of the form may be effected by any process in accordance with the provisions of <u>paragraph two of Article 225-79 of the French Commercial Code</u>, or any other legal provision that may subsequently replace it, such as use of an identifier and a password.</p> <p>This form of electronic voting and the acknowledgment of receipt given therein shall be regarded as an irrevocable, written confirmation that is binding on all, except in the case of a transfer of securities notified under the conditions provided for in paragraph two of Article R 225-85 IV of the French Commercial Code or by any other legal or regulatory provision that may subsequently replace it.</p> <p>The power of attorney expressed by this electronic means, as well as the acknowledgment of receipt given therein, shall be regarded as a revocable written confirmation that is binding on all persons under the conditions defined by law.</p>

In addition, under the thirtieth Resolution, it is proposed to delegate to your Board of Directors, in accordance with Article L 225-36 of the French Commercial Code, any power to make any necessary changes to adapt the articles of association to any laws and regulations. In accordance with the law, these amendments would be subject to ratification by the Extraordinary General Shareholders' Meeting.

## TWENTY-NINTH RESOLUTION

### **Amendment of Articles 4 and 25 of the articles of association**

The extraordinary general shareholders' Meeting, after reviewing the Board of Directors' report, hereby modifies the wording:



- of paragraph two of Article 4 of the articles of association, which will henceforth read as follows:

« Article 4 – Registered office

(...)

*It may be transferred to any other place in accordance with the legal provisions in force.*

(...) »

- of paragraph two of subsection IV of article 25 of the articles of association, which will henceforth read as follows:

« Article 25 - Composition of the General Shareholders' Meeting

(...)

*On the decision of the Board of Directors, the shareholders may submit the voting forms remotely or by proxy electronically, in accordance with the applicable regulations. The forms can be entered and signed directly on the website set up by the centralizing institution in charge of the general shareholders' Meeting. The electronic signature of the form may be effected by*

*any process in accordance with the provisions in paragraph two of article 225-79 of the French commercial Code, or any other legal provision that may subsequently replace it, such as use of an identifier and a password.*

(...) »

### THIRTIETH RESOLUTION

#### ***Delegation of authority to the Board of Directors to make any necessary changes to bring the articles of association into line with all laws and regulations***

The extraordinary general shareholders' Meeting, after reviewing the Board of Directors' report and in accordance with article L.225-36 of the French commercial Code, delegates to the Board of Directors all powers to make any necessary changes to the articles of association of the Company so as to bring them in line with all laws and regulations, subject to ratification of these amendments by the extraordinary general shareholders' Meeting.

## RESOLUTION 31 - POWER FOR CARRYING OUT FORMALITIES

Presentation

The thirty-first Resolution is a standard resolution that permits legal publications and formalities to be carried out.

### THIRTY-FIRST RESOLUTION

#### ***Powers for completion of formalities***

The general shareholders' Meeting grants full powers to any bearer of an original version, a copy or an extract of the minutes of this general Meeting to perform the filing, disclosure or other formal requirements prescribed by law.

## 6. Table of financial authorizations

	Opération	Montant maximal	Durée	Échéance
a)	Capital increase with PSR <sup>(1)</sup> maintained through the issuing of shares or securities giving access to share capital or debt securities	€ 32 million <sup>(2) (3)</sup>	26 months	July 4, 2017
b)	Capital increase with cancellation of PSR <sup>(1)</sup> through the issuing of shares or securities giving access to share capital or debt securities via public offering	€ 9.3 million <sup>(2) (3)</sup>	26 months	July 4, 2017
c)	Capital increase with cancellation of PSR <sup>(1)</sup> through the issuing of shares or securities giving access to share capital or debt securities by an offering as stated in Article L. 411 2 of the French Monetary and Financial Code.	€ 9.3 million <sup>(2) (3)</sup>	26 months	July 4, 2017
d)	Capital increase through the incorporation of reserves, profits, premiums or other amounts that can be capitalized	€ 32 million <sup>(3)</sup>	26 months	July 4, 2017
e)	Capital increase through the issuing of shares or securities giving access to share capital in exchange for contributions in kind granted to the Company and comprising shares or securities giving access to share capital, with cancellation of PSR <sup>(1)</sup>	10% of share capital <sup>(3)</sup>	26 months	July 4, 2017
f)	Issuing of shares or securities giving access to share capital in the event of a public offering for the shares of another listed company with cancellation of PSR <sup>(1)</sup>	€ 9.3 million <sup>(3)</sup>	26 months	July 4, 2017
g)	Capital increase reserved for employees subscribed to a savings plan of the Company or any of its affiliates with cancellation of PSR <sup>(1)</sup>	2% of the Company's share capital on May 5, 2015 (i.e. 1,840,983 shares)	26 months	July 4, 2017
h)	Allocation of stock purchase options to employees and corporate officers of the Company and its affiliates	1% of the Company's share capital on May 5, 2015 (i.e. 920,491 shares), of which 0.2% for corporate officers (i.e. 184,098 shares)	26 months	July 4, 2017
i)	Allocation of stock subscription options to employees and corporate officers of the Company and its affiliates	1% of the Company's share capital on May 5, 2015 (i.e. 920,491 shares), of which 0.2% for corporate officers (i.e. 184,098 shares)	26 months	July 4, 2017
j)	Allocation of bonus shares to salaried employees of the Company and its affiliates	0.5% of the Company's share capital on April 20, 2016 (i.e. 460,245 shares)	18 months	October 19, 2017

<sup>(1)</sup> PSR = preferential subscription rights

<sup>(2)</sup> The amount of debt securities that may be issued immediately or in the future on the basis of this authorization is limited to € 200 million or its equivalent in another currency or composite currency.

<sup>(3)</sup> The total par value of debt securities that may be issued immediately or in the future on the basis of resolutions a), b), c), d), e) and f) may not exceed € 200 million or the equivalent value in another currency or composite monetary unit, plus any redemption premium above par. The total par value of capital increases that may be carried out immediately and/or in the future on the basis of resolutions a), b), c), d), e), and f) may not exceed € 32 million, it being specified that the total amount of capital increases that may be made, immediately and/or in the future, without preferential subscription rights, may not exceed € 9.3 million, not taking account of the par value of additional shares to be issued to protect the rights of holders of securities in accordance with the law.

# 7. How to take part in the General Meeting?

All shareholders, irrespective of the number of shares held, may attend the General Meeting in person, be represented, or vote by post or online.

## Prerequisites for taking part in the General Meeting

To take part in the General Meeting, shareholders must be able to provide proof of their status as shareholders with their shares registered in an account by,

**no later than 0:00 (CET)  
on Tuesday, April 25, 2017**

- either in their name in registered securities accounts held for the Company by **BNP Paribas Securities Services**, for registered shareholders,
- or in the bearer securities accounts held by the authorized intermediary responsible for managing their securities accounts, for bearer shareholders.

For bearer shareholders, the registration of securities in the bearer securities accounts held by their authorized intermediary is acknowledged with a shareholding certificate issued by the intermediary.

A certificate must also be issued to shareholders who wish to attend the General Meeting in person and have not received their admission card **by Tuesday, April 25, 2017**.

Shareholders may sell all or part of their shares at any time. However, if the transaction is settled before 0:00 (CET) on the second business day preceding the General Meeting.

**i.e. before 0:00 (CET)  
on Tuesday, April 25, 2017**

the Company may therefore void or amend, as applicable, the shareholding certificate, admission card, proxy form and postal or online votes. To this end, the intermediary mentioned in Article L.211-3 of the French monetary and financial code (*Code monétaire et financier*) informs the Company or its agent of the sale and provides it with the information required.

No transfer of ownership carried out after 0:00 (CET) on the second business day preceding the General Meeting, regardless of the means used, will be reported by the intermediary mentioned in Article L.211-3 of the French monetary and financial code or taken into consideration by the Company, notwithstanding any agreement to the contrary.

## Ways to take part in the General Meeting

To exercise their voting rights, shareholders have several options:

- **attending** the General Meeting **in person**,
- **voting by post or online**, or
- appointing the General Meeting's Chairman or any named individual or legal entity, whether or not they are shareholders, to represent them.

Instructions concerning shareholders' participation may be submitted before the General Meeting:

- either using the paper form proxy or postal voting ([see page 45](#)),

- or online on the secure Votaccess platform ([see page 46](#)).

Shareholders who have already requested their admission card or shareholding certificate to attend the General Meeting in person, cast postal votes, voted online or sent in proxy forms, by any means whatsoever, may no longer choose another form of taking part in the General Meeting.

If you decide to submit your instructions for taking part in the General Meeting online, you must not return your "paper" voting form, and vice versa.

## Conditions for attending the General Meeting

To be able to attend the General Meeting, **shareholders or their representatives** (*proxy appointed by shareholders before the General Meeting online or using the paper form*) must have an **admission card made out in their name, which is required** to be able to attend and vote at the General Meeting (*conditions indicated hereafter*).

If **you do not have an admission card** on the day of the General meeting, before signing in you will need to go to the sign-in desk marked "without cards" ("*sans carte*") in the General Meeting

entrance hall and provide **proof of ID** and, for bearer shareholders, a **shareholding certificate** issued by the account-keeping institution.

Any person not identified on the **admission card** presented at reception will be required to produce their **proxy form**, as well as showing **proof of ID**.

To help the meeting run smoothly, we advise that you arrive at reception from 9:30 am onwards and take your **admission card** and **proof of ID** to the sign-in desk, where you should sign the attendance register.

## Key dates for the General Meeting

O Only shareholders who hold shares on a registered or bearer basis by 0:00 (CET) on **Tuesday, April 25, 2017** may take part in the General Meeting on **Thursday, April 27, 2017**.

### Submitting instructions

#### **BY POST**

**Monday, April 24, 2017**

Deadline for receiving voting forms

#### **ONLINE**

**Wednesday, April 26, 2017** at 3 pm (CET)\*

Deadline for taking part on *VOTACCESS*

\* To avoid potential bottleneck situations on *VOTACCESS*, shareholders are advised to not wait until the last day before the General Meeting to enter their instructions.

## Submitting instructions for participation with the voting form

### Your shares are held in a direct or administered registered account:

You will need to indicate your choice on the postal or proxy voting form included with the meeting brochure and return it, dated and signed, to **BNP Paribas Securities Services** using the prepaid envelope provided.

### Your shares are held in bearer account:

You will first need to obtain the postal or proxy voting form:

- either from your account-keeping institution,
- or from the Company's website [www.mercialys.com](http://www.mercialys.com), in the following section:

*"Investors / Shareholders / Annual general meetings / Annual general meeting, April 27, 2017".*

The completed and signed form, accompanied by a shareholding certificate issued by the account-keeping institution, will need to be sent to:

**BNP Paribas Securities Services**  
CTS Assemblées Générales  
Grands Moulins de Pantin - 9. Rue du Débarcadère  
93761 PANTIN Cedex, France.

In accordance with legal and regulatory provisions, the postal voting form must reach **BNP Paribas Securities Services** or the Company's registered office **by Monday, April 24, 2017**.

For any forms returned without any specific indications, the Chairman of the General Meeting will vote in favor of adopting the proposed resolutions approved by the Board of Directors.

## How to fill out the voting form?

### You would like to attend the General Meeting in person:

To obtain **your admission card, which is required** to attend the General Meeting, you will need to return the enclosed postal or proxy voting form, after shading box "A" in the top left-hand corner of the form.

### You would like to vote by post:

You will need to shade the box marked "*I am voting by post*" and, unless you indicate otherwise on your form, you will be considered to have voted "*for*" all the resolutions.

If you would like to vote "*against*" or abstain from voting on one or more resolutions, you must shade the box for the resolution for which you wish to cast such a vote.

If you would like to vote on proposed resolutions that have not been approved by the Board of Directors, you will need to shade the corresponding box for your choices.

Furthermore, if any new resolutions or amendments are presented during the meeting, you have the option to indicate your choice by shading the relevant box.

### You would like to appoint a representative (Proxy):

- If you would like to be represented by the **Chairman of the General Meeting**, you will need to shade the box marked "*I hereby appoint the Chairman of the Meeting as proxy*",
- If you would like to appoint any **other representative (any named individual or legal entity regardless of whether or not they are shareholders)**, you will need to shade the box marked "*I hereby appoint*:" and indicate the name and details of your representative. Representatives will be required to show proof of ID at the sign-in desk.

Proxies may be dismissed by following the same procedures as those required for appointing representatives.

You would like to attend the General Meeting:  
Tick here

**IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**  
**Quelle que soit l'option choisie, noircir comme ceci** la ou les cases correspondantes, dater et signer au bas du formulaire - **Whichever option is used, shade boxes like this, date and sign at the bottom of the form**

A.  Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire / **I wish to attend the shareholders' meeting and request an admission card : date and sign at the bottom of the form.**  
 B.  J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / **I prefer to use the postal voting form or the proxy form as specified below.**

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**MERCIALYS**  
 SA au capital de 92 049 169,00 €  
 Siège social : 148, Rue de l'Université  
 75007 PARIS  
 424 064 707 RCS PARIS

**ASSEMBLÉE GÉNÉRALE ORDINAIRE ET EXTRAORDINAIRE**  
 Convoquée le 27 avril 2017 à 10h30  
 Maison de la Chimie - 28, Rue Saint-Dominique - 75007 PARIS  
**ORDINARY AND EXTRAORDINARY GENERAL MEETING**  
 To be held on April 27th, 2017 at 10:30 a.m.  
 Maison de la Chimie - 28, Rue Saint-Dominique - 75007 PARIS

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account

Nombre d'actions / Number of shares

Porteur / Bearer

Vote simple / Single vote

Vote double / Double vote

Nombre de voix - Number of voting rights

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**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
 Cf. au verso (2) - See reverse (2)

Je vote  OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
**I vote YES all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this, for which I vote NO or I abstain.**

1	2	3	4	5	6	7	8	9	A	Non/No Abst/Abs	Oui/Yes	F	Non/No Abst/Abs
10	11	12	13	14	15	16	17	18	B			G	
19	20	21	22	23	24	25	26	27	C			H	
28	29	30	31	32	33	34	35	36	D			J	
37	38	39	40	41	42	43	44	45	E			K	

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 Cf. au verso (3)  
**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
 See reverse (3)

**ATTENTION :** s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.  
**CAUTION :** if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, prénom, adresse de l'actionnaire (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'apoc de ce formulaire). Cf. au verso (1)  
 Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

**JE DONNE POUVOIR A :** Cf. au verso (4)  
**I HEREBY APPOINT :** See reverse (4)  
 M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

Date & Signature

sur 1<sup>ère</sup> convocation / on 1<sup>st</sup> notification 24 avril 2017 / April 24th, 2017 sur 2<sup>ème</sup> convocation / on 2<sup>nd</sup> notification  
 à / to BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin - 93761 PANTIN Cedex

You would like to vote by post:  
Tick here and follow the instructions

Only to be completed if you have been informed that proposed resolutions have been submitted

You would like to appoint the Chairman of the General Meeting to represent you: follow the instructions

You would like to be represented by your spouse or any other person: tick here and indicate this person's details of this person

## Submitting instructions for participation online

You have the option of submit your instructions for taking part in the General Meeting online on the secure VOTACCESS platform, which can be accessed via:

- the Planetshares website, for **registered shareholders**; or
- The website of the account-keeping institution (*if this is a member of the VOTACCESS system*), for **bearer shareholders**.

Communications are encrypted to ensure that your instructions remain confidential.

On this platform, as with the paper voting form, you can:

- request and print out an admission card;
- vote on the resolutions ;
- appoint the Chairman of the General Meeting to represent you;
- appoint any other named individual or legal entity, whether or not they are shareholders, to represent you; or
- dismiss them and appoint a new representative;

and also access the documents and information relating to the General Meeting.

The VOTACCESS platform will be accessible from Monday April 10, 2017 until the day before the General Meeting, i.e. until **3 pm (CET) on Wednesday, April 26, 2017**.

### Step 1: connect up

#### Your shares are held in a direct or administered registered account:

You need to log in to the following site:

<https://planetshares.bnpparibas.com>

- **If your shares are held in a direct registered account:** use your usual access codes (*login and access code indicated on all letters sent by BNP, as well as your password*) that you already use to consult your registered account.

Shareholders who have opted for “**e-notice**” will receive an email with a link to directly access the Planetshares site.

- **If your shares are held in an administered registered account:** use your login indicated in the top right-hand section of your paper voting form included with this meeting brochure.

If you do not have your password (*first-time log in or password forgotten*), you will need to follow the on-screen instructions in order to obtain one.

Once on the Planetshares site homepage, you can click on “**Taking part in the Annual General Meeting**” to access the VOTACCESS platform, where you will be able to submit your instructions.

A dedicated helpline is available to you: +33 (0)1 40 14 31 00 (*standard rate charges*), from Monday to Friday, 8:45 am to 6 pm.

### Sept 2: select your instructions

On the VOTACCESS platform’s homepage, you will need to click on the button “**I am voting or requesting an admission card**”.

Then, you will need to **record your instructions**.

#### Your shares are held in a bearer account:

The Company offers the option for bearer shareholders to enter their instructions for participation online.

Only bearer shareholders whose account-keeping institution is part of the VOTACCESS system and offers them this service for this General Meeting will be able to access it.

You will need to log in to the online portal of the institution in charge of managing your account, with your usual access codes, then click on the icon displayed on the line relating to your Mercialis shares to access the VOTACCESS site and submit your instructions.

Access to the VOTACCESS platform via the online portal of the shareholder’s account-keeping institution may be subject to specific terms of use set by this institution. Bearer shareholders who are interested in this service are therefore invited to contact their account-keeping institution to find out about any such terms of use.

Follow the on-screen instructions to:

- request your admission card (*required to attend and vote at the General Meeting*),
- vote online,
- appoint or dismiss a representative (*Chairman of the General Meeting or any other named party*).

However, for bearer shareholders whose account-keeping institution is not connected to the VOTACCESS site, notice of the appointment and dismissal of a representative may be given electronically, in accordance with Article R.225-79 of the French commercial code.

Shareholders will then need to:

- send an email to:  
[paris.bp2s.france.cts.mandats@bnpparibas.com](mailto:paris.bp2s.france.cts.mandats@bnpparibas.com).

This email must contain the following information:

- Company name (*Mercialys*),
- General Meeting date (*April 27, 2017*),
- Surname, first name, address and bank details of the shareholder, as well as the surname, first name and, if possible, the address of their representative,

- ask the financial intermediary managing their securities account to send written confirmation to:

**BNP Paribas Securities Services**  
CTS Assemblées Générales  
Grands Moulins de Pantin - 9. Rue du Débarcadère  
93761 PANTIN Cedex, *France*.

To be taken into account, confirmation of requests submitted electronically to appoint or dismiss representatives will need to be received at least one day before the General Meeting, i.e. **by 3 pm (CET) on Wednesday, April 26, 2017**.

Only notices for the appointment or dismissal of representatives may be sent to the abovementioned email address; no other requests or notifications concerning any other purpose will be taken into consideration or processed.

## 8. Practical information

Mercialys invites its shareholders to help reduce the sending of “paper” documents by choosing the **e-notice** option and submitting **their instructions for taking part in the General Meeting online** ([see page 46](#)).

### E-notice

Mercialys offers its **direct registered** shareholders the option to benefit from the free “e-notice” service.

If this has not already been done, you may choose this e-notification option at any time.

However, to be taken into account, your request to sign up for the e-notification service must reach **BNP Paribas Securities Services** at least 35 days before the General Meeting date.

### To choose the electronic notification option:

Sign in to the <https://planetshares.bnpparibas.com> site with your usual codes (*login – access code*) and your password, and register for this service in the “My information / My services” section.

Full explanations and the steps to follow are presented on the Company’s website [www.mercialys.com](http://www.mercialys.com), in the following section “Investors / Shareholders / E-notice”.

### All the documentation in digital format

You will be able to access all the documents and information relating to the General Meeting:

- on the Company website [www.mercialys.com](http://www.mercialys.com), under “Investors / Shareholders / Annual general meetings / Annual general meeting, April 27, 2017”, or
- on the VOTACCESS platform, accessible via the site <https://planetshares.bnpparibas.com> ([see the conditions presented on page 46](#)).

More specifically, you will be able to find the meeting notice published in the French official gazette (BALO) on March 22, 2017, which presents detailed information on how to take part in and vote at the General Meeting on April 27, 2017.

### How to get to Maison de la Chimie 28, rue Saint-Dominique, 75007 Paris

#### Metro stations:

Lines 8 and 13 (*Invalides*)  
Line 12 (*Assemblée Nationale*)

#### RER:

Line C (*Invalides*)

#### Bus:

Line 69 (*Espplanade des Invalides*)  
Lines 63, 73, 83, 84 and 94 (*Assemblée Nationales*)

#### Parking:

Invalides (*rue de Constantine*)



For any further information, please call +33 (0)1 53 65 24 39 or +33 (0)6 49 49 19 13.



# 9. Request for documents and information

**BNP Paribas Securities Services**  
CTS Assemblées Générales  
Grands Moulins de Pantin  
9. Rue du Débarcadère  
93761 PANTIN Cedex, France

## Ordinary and Extraordinary General Meeting of April 27, 2017

*Think ECOlogy...* The documents and information covered under Article R.225-83 of the French commercial code are available on [www.mercialys.com](http://www.mercialys.com), in the following section: "*Investors / Shareholders / Annual general meetings / Annual general meeting, April 27, 2017*"

It is however possible, under the provisions of Article R.225-88 of the French Commercial Code, for you to receive all documents and information, by post, by returning this application form to **BNP Paribas Securities Services**.

Name: .....

Complete address: .....

Postal code: ..... City: .....

Owner of: ..... Mercialys registered shares  
..... Mercialys bearer shares (*attach the shareholding certificate delivered by the depositary of your shares*)

Signed in ..... on .....2017

*Signature*





# Notes

# MERCIALYS

French corporation (société anonyme) with share capital of €92.049.169

Head office: 148, rue de l'Université.

75007 Paris, France

Registered in the Paris Trade and Companies Register (RCS) under no. 424 064 707



[www.mercialys.com](http://www.mercialys.com)