



NOTICE OF MEETING

2018

TO THE ORDINARY AND EXTRAORDINARY GENERAL MEETING

Thursday April 26, 2018
at 10:30 AM CET

At: Mercialys' head office
148, rue de l'Université
75007 Paris, France

TABLE OF CONTENTS

Message from the Chairman and Chief Executive Officer

p. 4	1. Mercialys in 2017
p. 8	2. Governance
p. 17	3. Compensation policy
p. 25	4. Authorized share capital not issued
p. 26	5. Agenda
	6. Presentation and text of draft resolutions
p. 27	■ within the authority of the Ordinary Shareholders' Meeting
p. 32	■ within the authority of the Extraordinary Shareholders' Meeting
p. 34	7. How to take part in the General Meeting?
p. 39	8. Practical information
p. 40	9. E-notice
p. 43	10. Request for additional documents and information

*This registration document
can be consulted and downloaded
at the Company's website
www.mercialys.com*





Message from **Éric Le Gentil**

Chairman and Chief Executive Officer

"Mercialis' long-term outperformance is made possible by the excellent command of its competitive advantages."

Dear Shareholder,

I am pleased to invite you to Mercialis' General Shareholders' Meeting, which will be held on **Thursday, April 26, 2018** from 10:30 am in Paris, at Mercialis' head office.

The General Shareholders' Meeting is a privileged time for shareholders to get informed, meet and talk to the leadership team, focusing in particular on the Company's strategy, results and achievements.

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

I hope you will be able to attend this meeting in person. Still, should you be unable to do so, you have the option to vote before the General Shareholders' 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 find all the useful information for this General Shareholders' Meeting, and in particular the agenda, the presentation and the text of draft resolutions, as well as all the practical information needed to take part in this meeting.

I would like to thank you for your confidence, trust and interest in Mercialis, and I look forward to seeing you on Thursday, April 26, 2018.

Yours sincerely,

1. Mercialys in 2017

Key consolidated figures

<i>In millions of euros</i>	2017	2016	Change
Invoiced rents	183.5	187.6	-2.2%
Organic growth in invoiced rents <i>(excluding indexation)</i>	+2.6%	+3.5%	-
Rental revenues	185.3	189.8	-2.4%
EBITDA	155.1	160.5	-3.4%
Funds from operations (FFO)	114.0	114.4	-0.4%
Consolidated net income, attributable to owners of the parent	86.7	110.0	-21.2%

Another year of outperformance

Organic growth in invoiced rents remained on a strong upward trend in 2017, with +2.6% increase excluding indexation, a level significantly higher than the +2% objective. This trend remains robust and is the result, in particular, of a +14% reversion, a dynamic letting and merchandising mix diversification policy, as well as a targeted marketing strategy driven by digital tools.

The current financial vacancy rate was 2.5%, unchanged from December 31, 2016. Footfall and retailers' sales growth at Mercialys shopping centers both outperformed by +390bp the national index of the French Council of shopping centers (CNCC).

EBITDA stood at Euro 155.1 million, representing a 83.7% margin. The Funds From Operations (FFO), restated for disposals made in 2017, grew by +6.1%, representing a slight decline of -0.4% to €114 million including the impact of these changes in scope.

EPRA NNAV at end-2017 is up +1.4% compared to end-2016, to Euro 20.54 per share. Mercialys' financial structure remains very sound, with an LTV at 39.9% and an ICR at 5.2x.

Completion of twelve highly accretive projects

Nine large food stores transformation projects were completed during the year. This represents annualized additional rental income of Euro 1.9 million and further improves the marketability of the sites with the installation of eight new medium-sized stores and 18 differentiating shops over an area of more than 18,000 sq.m. For example, Vib's and Armand Thiery opened stores at the Fréjus site, Kiabi joined the offering of the Rennes shopping center, New Yorker moved into the Poitiers shopping center, while Fnac opted for the Saint-Étienne Monthieu shopping center. The yield on costs was 7.5%.

In addition, in the fourth quarter of 2017, Mercialys also completed three shopping center extensions at the Morlaix, Rennes and Saint-Étienne Monthieu sites. These new retail spaces, which cover an area of 16,000 sq.m, have accommodated an extra 68 retailers, 10 of which are new to the Mercialys portfolio. They represent Euro 3.3 million of additional annualized rents, or an average yield on costs of 7.0%.

Disposal of eight assets

In 2017, Mercialys also disposed of eight assets for a total of Euro 177 million including transfer taxes, resulting in a -130 bp reduction in LTV (excluding transfer taxes) to 39.9% at the end of December 2017.

In January 2017, the Company sold five service malls to the Casino Group for a total amount of Euro 38.9 million including transfer taxes and an exit yield of 5.8%. These sales involved geographically dispersed assets that are unsuitable for large-scale transformation projects owing to their individual size (less than 5,000 sq.m).

The same month, Mercialys also sold the transformed Toulouse Fenouillet hypermarket to the Casino Group for Euro

32.8 million including transfer taxes, with an exit yield of 5.0%. Mercialys had previously embarked on two projects to create additional retail space on surfaces formerly occupied by the hypermarket, thereby enhancing the site's appeal.

In July, Mercialys sold the Fontaine-lès-Dijon site to a fund created by Stam Europe for Helaba Invest for Euro 27.5 million including transfer taxes, generating an exit yield of 5.4%. This shopping center has been subjected to three waves of redevelopments and renovations since 2008.

An acquisition and a strong increase in the projects portfolio

In a more readable economic and political environment, Mercialis was also in a position to acquire a major 9,600 sq.m extension project for its Le Port site in Reunion island in December 2017, for almost Euro 28 million including transfer taxes.

Mercialis has also significantly increased in the second half of the year its project portfolio compared with June 30, 2017, identifying

Euro +239 million of additional development projects for the period 2018-2024. This now represents investments of Euro 825 million and additional rental income of Euro 50 million, resulting in a highly accretive average yield on cost of 6.7% and making a significant contribution to growth in FFO and NAV in the medium and long term.

Subsequent events

Asset disposals continue in early 2018. Mercialis signed a preliminary sales agreement in January for Euro 14.6 million including transfer taxes.

In addition, on February 20, 2018, Mercialis successfully placed a bond issue of Euro 300 million maturing in eight years.

This transaction covers the Company's general requirements and provides for the redemption of the Euro 479.7 million bond issue at maturity in March 2019.

It follows the issue of a private placement of Euro 150 million of bonds made last November.

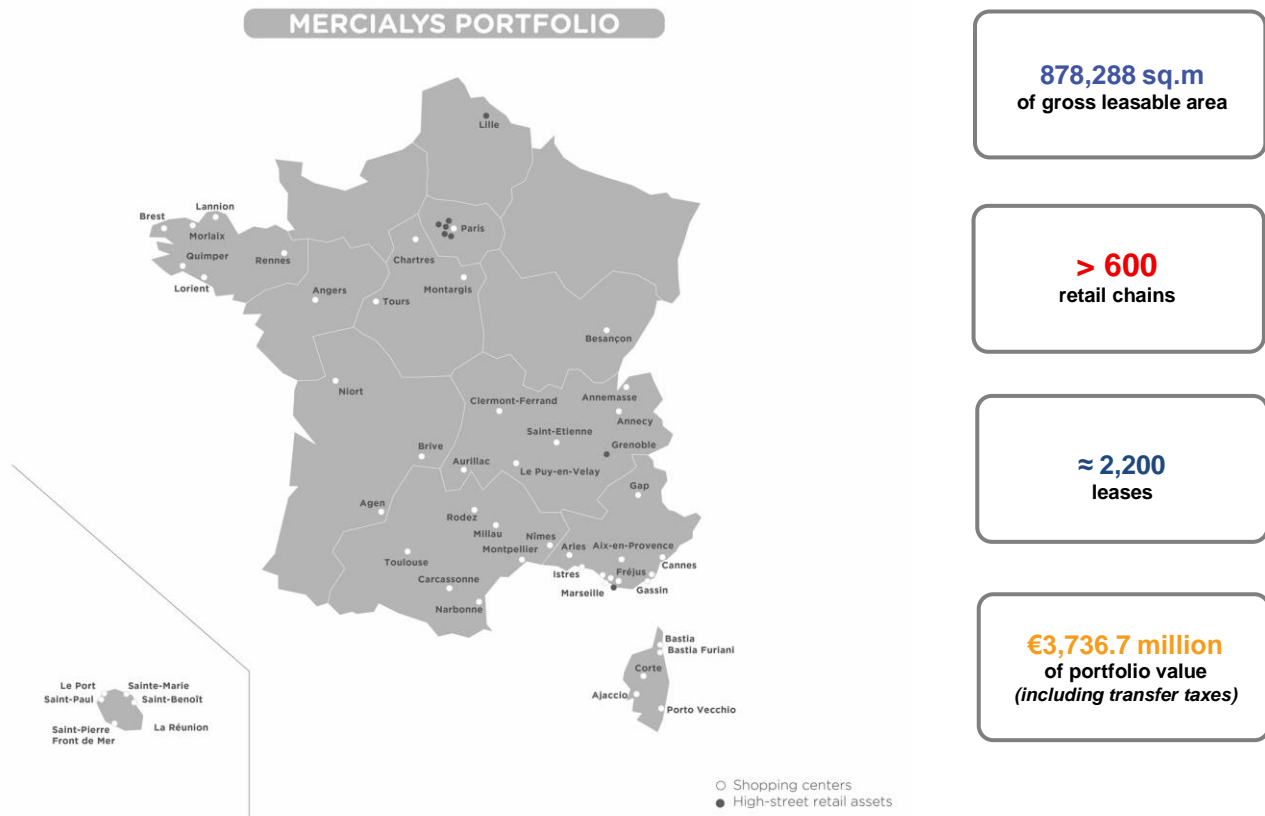
Mercialis Group

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

in millions of euros	2017 *	2016 *	Change
Rental revenues	135.6	142.7	-5.0%
Net income	287.2	114.2	+151.6%

* parent company accounts

The Group made by Mercialis SA and its subsidiaries owns and manages 63 real estate assets, including 57 shopping centers and high-street assets, mainly located in territories with a strong development potential, namely the coastal regions in southeastern and western France, Brittany and along the border with Switzerland.



Stock market and share capital

€18.45
Closing price as at December 31, 2017

Market capitalization:
Euro 1,698 million as at 12/31/2017

Sector:
Real estate investment and development

Entry into the SBF 120:
on 12/18/2009

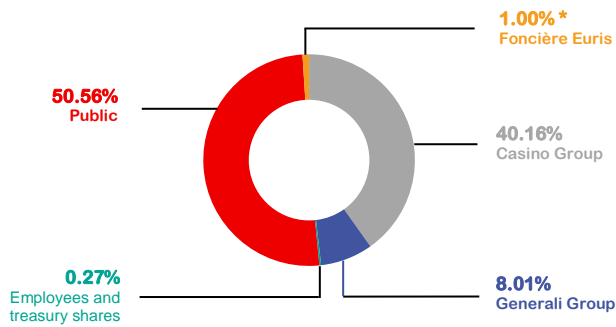
Main index:
CAC All Shares

Market: Euronext
compartment A

Place of listing:
Euronext Paris

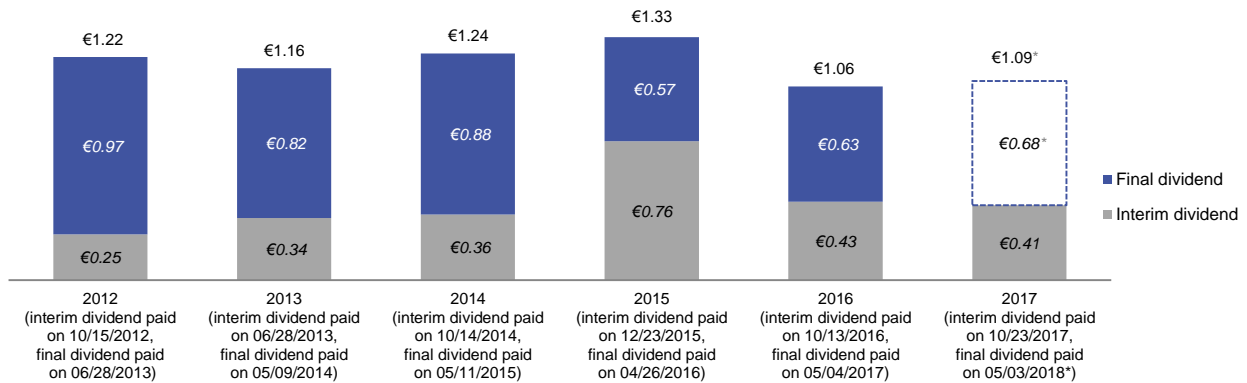
PEA (share savings plan)/SRD (deferred settlement service) eligibility:
no/yes

BREAKDOWN OF SHARE CAPITAL (as at December 31, 2017)



* Foncière Euris also holds an option of 0.99% through a derivative instrument with physical settlement. In addition, with Rallye it is economically exposed on 4.5% with cash settlement only.

Dividend (gross amounts)



* Subject to the approval of the 3th resolution

Consolidated earnings history

The strong growth in rental revenues and funds from operations (FFO) since 2013 reflects Mercialys team's expertise and the balanced investment policy rolled out over the period. The slight dip posted in 2017 is linked exclusively to the asset disposals carried out through the year, the organic growth in invoiced rents (+2.6%) and in underlying FFO (+6.1%) achieved by the Company remaining very healthy.

Its portfolio of development projects enables Mercialys to continuously strengthen its sites and improve the appeal of the merchandising mix, through redevelopments, extensions and the set-up of medium-sized stores. Mercialys benefits in this matter from still favorable financing conditions, allowing it to invest 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 2017.

Mercialys - Consolidated financial accounts	2017	2016	2015	2014 ⁽¹⁾	2013
Income statement (in millions of euros)					
Rental revenues	185.3	189.8	169.0	152.8	149.0
Net rental income	172.2	178.1	158.8	143.1	139.4
EBITDA	155.1	160.5	144.1	127.8	129.5
Net financial income/(expense)	-32.0	-31.3	-28.8	-23.9	-32.1
Consolidated net income	95.0	118.7	82.1	152.5	123.4
<i>attributable to non-controlling interests</i>	8.3	8.7	2.5	0.0	0.0
<i>attributable to owners of the parent</i>	86.7	110.0	79.6	152.5	123.4
Funds from operations (FFO)	114.0	114.4	108.5	102.6	96.2
Balance sheet and financial situation (in millions of euros)					
Fair value of property portfolio (including rights)	3,736.7	3,797.3	3,541.8	2,893.6	2,464.9
Net financial debt	1,427.0	1,485.8	1,361.1	1,017.6	741.9
Loan-to-value ratio (excluding rights %)	39.9%	41.2%	41.0%	37.4%	31.8%
Interest Cost ratio (ICR x)	5.2x	5.3x	5.1x	4.7x	4.2x
Average cost of drawn debt (%)	1.9%	2.0%	2.4%	3.1%	3.6%
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	92,049,169
Average number of shares fully-diluted (units)	91,830,447	91,856,715	91,767,764	91,826,157	91,865,817
Cash flow statement (in millions of euros)					
Net cash flow from operating activities	164.0	150.5	133.4	116.2	106.2
Net cash flow from investing activities	34.4	-144.6	-498.0	-256.4	114.9
Net cash flow from financing activities	-17.3	-3.6	256.6	250.7	-414.0
Net cash at end of year	196.5	15.3	13.0	121.0	10.5
Dividend/share (€/share)	1.09 ⁽²⁾	1.06	1.33	1.24	1.16
Other indicators					
Number of employees (under open-ended contracts)	98	96	91	81	70

⁽¹⁾ Restated in 2015 following the retrospective application of the interpretation of IFRIC 21

⁽²⁾ Dividend to be proposed at the 2018 general shareholders' meeting

2. 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.

Position of the members of the Board of Directors during 2017

With a 58.3% independence rate and full gender parity, the composition of Mercialys' Board of Director has been aligned with the best international standards all through 2017.

	Sex	Age (at 12/31)	First appointed on	Date of the Annual General Meeting at which the directorship expires	Rate of attendance at Board meetings	Membership of Committees / Attendance rate		
						Audit, Risks and Sustainable development Committee	Investment Committee	Appointments and Compensation Committee
Executive officer								
Éric Le Gentil		57	02/13/2013	2019	100%		M 100%	
Independent members								
Victoire Boissier		50	04/20/2016	04/26/2018	100%			M ² 100%
Bernard Bouloc (until 10/24/2017)		81	10/14/2005	2019	100%	M 100%		C 100%
Anne-Marie de Chalambert		74	07/23/2013	04/26/2018	89%		C 100%	M 100%
Élisabeth Cunin-Diéterlé		57	06/06/2012	2019	100%			M / C ² 100%
Marie-Christine Levet		50	06/06/2012	2019	89%	C 100%		
Ingrid Nappi-Choulet		51	04/30/2014	2020	67%	M 75%		
Pascale Roque ¹ (since 10/24/2017)		56	10/24/2017	2019	100%	M ³		
Generali Vie Bruno Servant, representative of the company		57	04/30/2014	04/26/2018	100%		M 100%	
Members representing the majority shareholder								
La Forézienne de Participations Yves Desjacques, representative of the company (until 11/13/2017)		50	06/08/2012	12/10/2010 04/26/2018	62.5%			M 100%
David Lubek, representative of the company (since 11/13/2017)		44	11/13/2017		100%	M ³		
Jacques Dumas		65	08/22/2005	2020	100%	M ⁴ 100%		M ³
Casino. Guichard-Perrachon Antoine Giscard d'Estaing, representative of the company		56	04/06/2009	08/19/1999 2020	78%		M 100%	
Michel Savart		55	05/06/2010	2020	100%		M 80%	M 80%
Number of meetings					9	4	5	5
Attendance rate					91%	75%	96%	96%

¹ Ratification of the appointment by cooptation presented to the Annual General Meeting of April 26, 2018

² Since October 24, 2017

³ Since December 21, 2017 – No meeting held between December 21 and 31, 2017

⁴ Until December 21, 2017

M: Member **C**: Chairman

Average age

56 years

Average seniority

6 years

Board of Directors rate of independence

58.3%
Independent members

Board of Directors gender balance

50% 50%

If the 8th to 12th resolutions are approved by the General Meeting on April 26, 2018, these rates would remain unchanged following the Meeting.

Diversity of the skills represented on the Board as at December 31, 2017

Besides a best-in-class composition, Mercialys' Board of Directors benefited from a wide range of expertise and competences, throughout the year 2017.

	Real estate / construction / city planning	Research	Legal / human resources	Finance / accounting	New technologies	Company management	Insurance	Retail / Hotel trade	Other *
Éric Le Gentil	■		■	■		■	■		■
Victoire Boissier	■			■		■		■	
Anne-Marie de Chalambert	■			■		■	■		
Élisabeth Cunin-Diéterlé	■		■	■		■			■
Jacques Dumas	■		■	■		■		■	
Antoine Giscard d'Estaing	■			■		■		■	
Marie-Christine Levet			■	■	■	■			
David Lubek	■			■		■	■	■	
Ingrid Nappi-Choulet	■	■		■					■
Pascale Roque	■		■	■		■		■	
Michel Savart	■		■	■		■		■	
Bruno Servant	■			■			■		■

* IT, Health, CSR...

Changes in 2017 to the composition of the Board of Directors

The table below provides a summary of the changes in 2017 to the composition of the Board of Directors.

Date	Departures	Appointments
Board of Directors of October 24, 2017	<ul style="list-style-type: none"> ■ Bernard Bouloc: Director, Member of the Audit and Risks Committee and Member and Chairman of the Appointments and Compensation Committee. 	<ul style="list-style-type: none"> ■ Pascale Roque: Independent Director; ■ Victoire Boissier: Member of the Appointments and Compensation Committee; ■ Elisabeth Cunin-Diéterlé: Chairman of the Appointments and Compensation Committee.
November 13, 2017	<ul style="list-style-type: none"> ■ Yves Desjacques: Permanent representative of La Forézienne de Participations and Member of the Appointments and Compensation Committee. 	<ul style="list-style-type: none"> ■ David Lubek: Permanent representative of La Forézienne de participations.
Board of Directors of December 21, 2017	<ul style="list-style-type: none"> ■ Jacques Dumas: Member of the Audit, Risks and Sustainable development Committee. 	<ul style="list-style-type: none"> ■ Jacques Dumas: Member of the Appointments and Compensation Committee replacing Yves Desjacques; ■ Pascale Roque: Member of the Audit, Risks and Sustainable development Committee; ■ David Lubek: Member of the Audit, Risks and Sustainable development Committee.

Specialized Committees as at December 31, 2017

The Board of Directors is supported in its work by three specialized Committees. The membership of these Committees consists only of directors.

Audit, risks and sustainable development Committee

Its duties are:

- to assist the Board of Directors in its task relating to the examination and approval of the full-year and half-year financial statements;
- to review the Group's full-year and half-year financial statements and associated reports before they are presented to the Board of Directors;
- to hear the Statutory Auditors and receive information about their auditing proceedings and their findings;
- to review and express an opinion on applications for the position of Statutory Auditor of the Company and its subsidiaries on the occasion of all appointments;
- to ensure the independence of the Statutory Auditors with whom it has regular contact and examine in this respect, all their relations with the Company and its subsidiaries and to express an opinion on the requested fees;
- to periodically examine the internal control procedures and, in general, the audit, accounting and administration procedures in effect in the Company and in the Group, in liaison with the Chief Executive Officer, Internal Audit Departments and the Statutory Auditors;
- to examine all transactions, facts or events that may have a significant impact on the position of Mercialys or its subsidiaries in terms of commitments and/or risk;
- to verify that the Company and its subsidiaries have the appropriate means (*audit, accounting, and legal*) to guard against risks and anomalies in the management of the business of the Company and of its subsidiaries;
- to approve the provision of services other than the certification of accounts in accordance with the legislation applicable.

At its meeting of October 24, 2017, the Board of Directors decided that this Committee would be responsible for reviewing all non-financial information and in particular information on development. The Audit and Risk Committee was therefore renamed the "Audit, Risks and Sustainable Development Committee".

4 MEMBERS
75% are independent
4 meetings in 2017

Investment Committee

Its duties are:

- to examine the investment strategy and ensure that planned acquisitions and disposals are consistent with this strategy; in this respect, the Committee shall be regularly informed of planned investments and disposals;
- to examine and issue an opinion on the annual investment budget;
- to study and issue an opinion on planned investments and disposals subject to prior authorization by the Board of Directors;
- to examine all negotiations (*annual or others*) concerning the Partnership Agreement signed with Casino concerning property development and acquisitions, on which it issues an opinion to the Board of Directors;
- to carry out all appropriate studies or assignments.

5 MEMBERS
40% are independent
5 meetings in 2017

Appointments and Compensation Committee

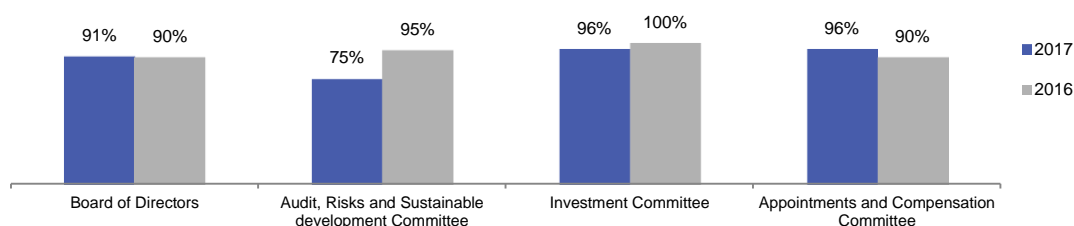
Its duties are:

- to prepare decisions on the compensation of the Chief Executive Officer and any Chief Operating Officer(s) and to propose, as required, qualitative and quantitative criteria for determining the variable portion of such compensation;
- to assess all the other benefits and compensation awarded to the Chief Executive Officer and any Chief Operating Officer(s);
- to consider proposed stock warrant, stock option and bonus share plans for employees and senior managers so that the Board of Directors may set the aggregate and/or individual number of warrants, options or shares awarded and the terms and conditions for awarding them;
- to examine the composition of the Board of Directors;
- to examine candidacies for directorships, having regard to the candidates' business experience and skills and the extent to which they are representative in economic, social and cultural terms;
- to consider candidacies for the position of Chief Executive Officer and, where applicable, Chief Operating Officer;
- to obtain disclosure of all useful information relating to the methods of recruitment, compensation and status of the senior executives of the Company and its subsidiaries;
- to make any proposals and issue any opinion on the directors' fees or other compensation and the benefits granted to Directors and non-voting Directors;
- to assess the position of each Director in light of any relationship they might have with the Company or with the Group's companies that might compromise their freedom of judgment or lead to potential conflicts of interest with the Company;
- to start regularly assessing the Board of Directors.

5 MEMBERS
60% are independent
5 meetings in 2017

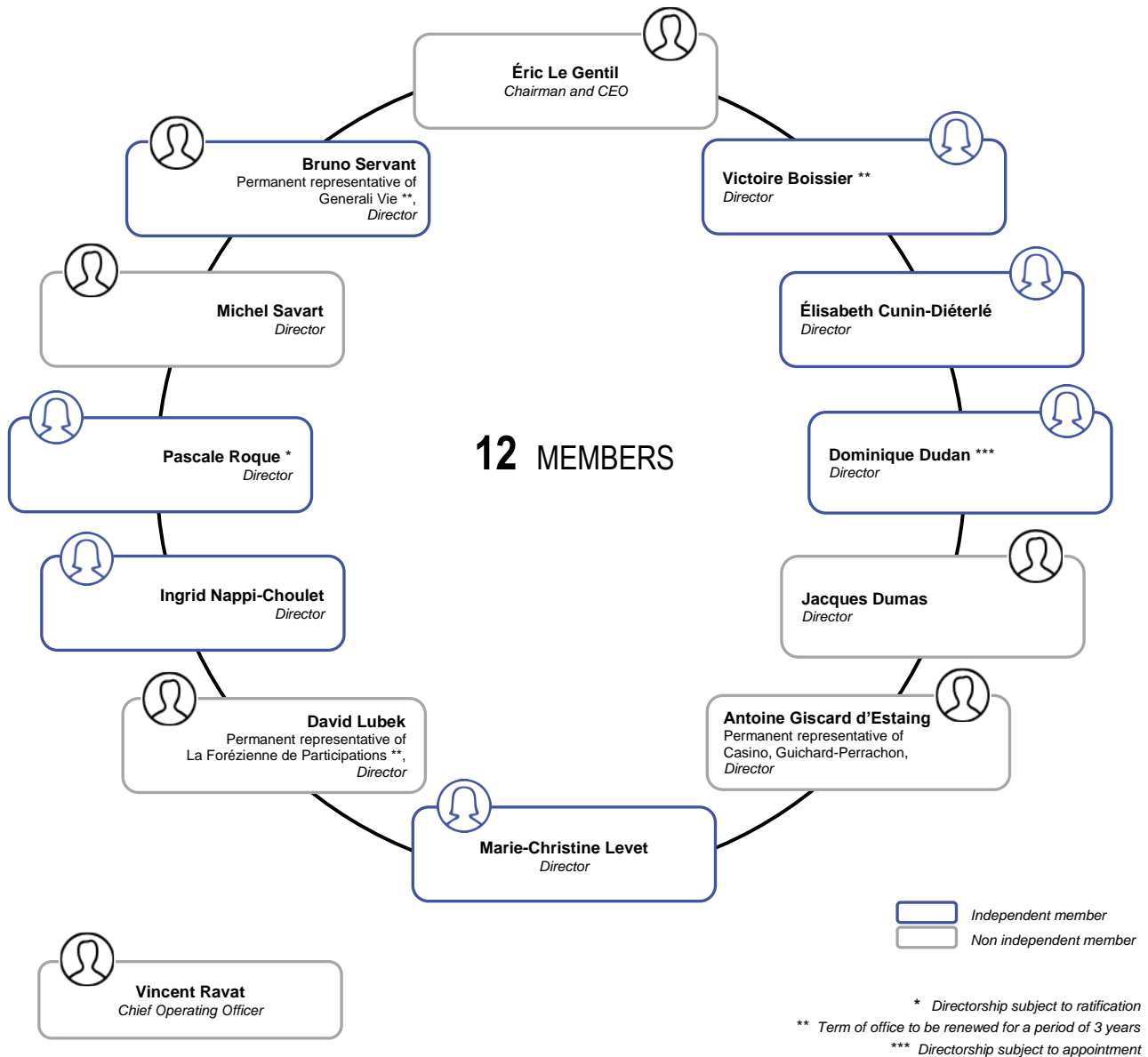
The activities carried out by these Committees are presented in chapter 4.1.4 of 2017 Registration Document.

Rate of attendance at meetings of the Board of Directors and specialized Committees



Composition of the Board of Directors following the 2018 General Shareholders' Meeting

(subject to the approval of the 8th to 12th resolutions)



The presentation of the Members of the Board of Directors is provided on the following pages ([pages 12 to 16](#)).

If the General Meeting on April 26, 2018 approves the ratification, renewals and appointment proposed, the Board of Directors will keep a majority of independent members (58.3%) and an equal numbers of men and women.

Director whose ratification of the cooptation is being submitted for approval at the General Meeting

Pascale Roque - Independent Director

Date of birth: February 14, 1961
French citizen

Business address: Groupe Pierre & Vacances
L'Artois - Espace Pont de Flandre - 11, rue de Cambrai - 75019 Paris, France
Number of Mercialys shares held: 900

EXPERTISE AND EXPERIENCE

Pascale Roque is a graduate of ESSEC. She began her career in 1985 at Air France, a group where she spent 15 years, and became involved in topics with major operational issues and organization transformation. In 2001, she joined the Accor hotel group, where she worked as the group's Director of international sales, then sales force and then call centers. In 2006, she was promoted to Chief Executive Officer of the Formule 1 and Etap Hôtel hotels. In 2009, she joined the Pierre & Vacances group as Chief Executive Officer of Résidences Pierre & Vacances and Maeva. In 2013, she became Chief Executive Officer of the B&B Hotels chain. Since 2016, Pascale Roque has been Chief Executive Officer of Pierre & Vacances Tourisme and member of the group executive committee.

MAIN POSITIONS

Chief Executive Officer of Pierre & Vacances Tourisme
Member of the Executive Committee of Pierre & Vacances group

DIRECTORSHIPS AND POSITION HELD WITHIN THE COMPANY

<i>Directorship/Position</i>	<i>Date appointed</i>	<i>Date when term expired</i>
Director	October 24, 2017	AGM of 2019
Independent member of the Audit, Risks and Sustainable development Committee	December 21, 2017	AGM of 2019

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2017 AND IN EFFECT AT FEBRUARY 14, 2018

None

OTHER DIRECTORSHIPS AND POSITIONS HELD DURING THE PAST FIVE YEARS *(other than the directorships and positions above)*

None

Pascale Roque's competences are presented on [page 9](#).

The ratification of the cooptation would allow to consolidate the Board's expertise in terms of management of the property portfolio.

Directors whose renewal is being submitted for approval at the General Meeting

Victoire Boissier - Independent Director

Date of birth: December 28, 1967
French citizen

Business address: 6, allée Jean Prouvé - 92110 Clichy, France
Number of Mercialis shares held: 800

EXPERTISE AND EXPERIENCE

With degrees from EM Lyon (*major in Finance*) and the INSEAD (*International Executive Program*), Victoire Boissier began her career in 1990 in the banking sector (*Barclays*) and then she joined Générale de Restauration. Between 1995 and 2008, she held a series of positions within Yum France: Financial Analyst, Manager of Strategic Planning, Senior Financial Manager and Chief Financial Officer. From 2009 to 2017, Victoire Boissier has held the position of Vice-President Finance within the Louvre Hotels Group and is a member of the Executive Committee. In 2017, she joined the Grandir/Les Petits Chaperons Rouges educational group, as Chief Operating Officer.

MAIN POSITION

Group Chief Operating Officer Finance with Grandir/Les Petits Chaperons Rouges

DIRECTORSHIPS AND POSITION HELD WITHIN THE COMPANY

<i>Directorship/Position</i>	<i>Date appointed</i>	<i>Date when term expired</i>
Director	April 20, 2016	AGM of April 26, 2018
Independent member of the Appointments and Compensation Committee	October 24, 2017	AGM of April 26, 2018

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2017 AND IN EFFECT AT FEBRUARY 14, 2018

Within and outside the Mercialis Group

None

OTHER DIRECTORSHIPS AND POSITIONS HELD DURING THE PAST FIVE YEARS (*other than the directorships and positions above*)

Director, Member of the Strategic Committee and the Accounts Committees of Gascogne (*listed company*);
Managing Partner of Achats Services*;
Member of the Executive Committee and Vice-President Finance of Louvre Hotels Group*.

* *Directorships and positions ended in 2017*

Victoire Boissier's competences are presented on [page 9](#).

In case of renewal of her directorship, the Board of Directors would keep on benefiting from her financial and strategical expertise, particularly in the field of real estate.

La Forézienne de Participations - Director

Simplified joint-stock company with share capital of €568,599,197
501 655 336 R.C.S. Saint-Etienne

Head office: 1, cours Antoine Guichard - 42000 Saint-Etienne, France
Number of Mercialis shares held: 36,042,460

DIRECTORSHIPS AND POSITION HELD WITHIN THE COMPANY

<i>Directorship/Position</i>	<i>Date appointed</i>	<i>Date when term expired</i>
Director	December 10, 2010	AGM of April 26, 2018

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2017 AND IN EFFECT AT FEBRUARY 14, 2018

Outside the Mercialis Group

Within the Casino Group

Chairman of Jekk ;
Director of Proxipierre and Shopping Property Fund 1.

Outside the Casino Group

None

OTHER DIRECTORSHIPS AND POSITIONS HELD DURING THE PAST FIVE YEARS (*other than the directorships and positions above*)

None

The Permanent representative of La Forézienne de participations is, since November 13, 2017, **David Lubek**. He is member of the Audit, Risks and Sustainable development Committee since December 21, 2017.

Subject to be renewed, the company has indicated its intention not to change the Permanent representative.

David Lubek, born on May 13, 1973, is a degree from the Ecole Polytechnique and ENSAE, holder of a post-graduate degree in economics (*EHESS*). He began his career as assistant economics professor at ENSAE. He joined the Ministry of Finance in 2000 at the Budget Department where occupied several managerial positions (research budget, budget execution synthesis). In 2006, he joined the Finance Auditing division where he was in charge of consulting and audit assignments for the public and private sectors. He joined Groupama in 2010 as Director of the group's general audit. He has been Director of management control for the Casino group since 2013.

La Forézienne de Participations is a representative of the reference shareholder.

Generali Vie – Independent Director

French corporation with share capital of €299,197,104
602 062 481 R.C.S. Paris

Head office: 2, rue Pillet-Will - 75009 Paris, France
Number of Mercialys shares held: 7,373,571

DIRECTORSHIPS AND POSITION HELD WITHIN THE COMPANY

<i>Directorship/Position</i>	<i>Date appointed</i>	<i>Date when term expired</i>
Director	April 30, 2014	AGM of April 26, 2018

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2017 AND IN EFFECT AT FEBRUARY 14, 2018**Outside the Mercialys Group****Within the Generali France Group**

Director of Generali IARD, Generali Luxembourg and GFA
Caraïbes.

Outside the Generali France Group

Director of Foncière Développement Logements (*listed company*),
Observation Sélection, Palatine Méditerranée, Reconnaissance
Europe, Risque & Sérénité, Fonds Nouvel Investissement 1, Fonds
Nouvel Investissement 2, Carte Blanche, Vigeo and Immeo (*a
company under German law*);
Director for the rental of Moncey - Beeotop ;
Member of the Supervisory Board of Foncière des Murs (*listed
company*) and Foncia Pierre Rendement ;
Non-voting Director of the Fonds logement Intermédiaire.

OTHER DIRECTORSHIPS AND POSITIONS HELD DURING THE PAST FIVE YEARS (other than the directorships and positions above)

Chairman of Haussmann Investissement*;
Non-voting Director of Mercialys (*listed company*);
Director of Cofitem-Cofimur, Europ Assistance Holding*, Expert et Finances*, Foncière de Paris SIIC (*listed company*), Generali Actions Plus,
Euro Actions, Euro sept/dix ans, Generali Gérance, Generali Trésorerie, SAI Les trois collines de Mougins, SICAV Fairview Small Caps, SICAV
Generali Actions diversifiées and Mercialys (*listed company*);
Member of the Supervisory Board of Foncière de Paris SIIC (*listed company*), Foncière des Régions, Generali Habitat and Rocher Pierre 1.

The Permanent representative of Generali Vie is, since April 30, 2014, **Bruno Servant**. He is member of the Investment Committee since
December 21, 2017.

Subject to be renewed, the company has indicated its intention not to change the Permanent representative.

Bruno Servant, born on February 26, 1960, holds a degree from ESSEC and the Institut d'Etudes Politiques de Paris, Public Service section,
and the Institut des Actuares. He began his career at Crédit Lyonnais in August 1985. In January 1986, he became portfolio manager at
Citibank, and in May 1988 he joined Banque Shearson Lehman Hutton. He joined Deutsche Bank in May 1990 where he was head of the
Institutional Investment Management department and Chairman of the Management Board of Deutsche Asset Management S.A. In September
2003, he became Chief Operating Officer of UBS Global Asset Management France SA. He then joined the Generali group in September 2007 as
Chief Operating Officer and Corporate Secretary of Generali Investments France. Since March 2012, he has been Investment Director at
Generali Vie.

* Directorships and positions ended in 2017

Generali Vie is the second largest shareholder of the Company after the Casino group.

Director whose appointment is being submitted for approval at the General Meeting

Dominique Dudan – Independent Director

Date of birth: January 19, 1954
French citizen

Business address: 1, rue de Condé – 75006 Paris, France

EXPERTISE AND EXPERIENCE

After scientific studies, Dominique Dudan joined the real estate industry. Admitted as a Member of the Royal Institution of Chartered Surveyors (MRICS), she has become a Fellow. Between 1996 and 2005, Dominique Dudan held the position of Head of development with Accor Hotels & Resorts. She later joined HSBC Reim as Head of Operations and member of the Management Board, and then BNP Paribas Reim as Executive Vice-President and Head of Regulated Real Estate Funds. In 2009, Dominique Dudan created her own firm, Artio Conseil, while holding the position of Chief Executive Officer of Arcole Asset Management. In 2011, Dominique Dudan became Chairman of Union Investment Real Estate France, a position she held until July 2015. She has been a member of the Board of Directors of Gecina since 2015, and a member of the Supervisory Board of Swiss Life Reim (France). Dominique Dudan is also a member of RICS France, of the MEDEF Economic commission for the Groupement de Professions de Services, of the Cercle des Femmes de l'Immobilier, of the Club de l'Immobilier d'Ile-de-France, of the Institut d'Etudes Immobilières et Foncières and of the VoxFemina association. She is a *Chevalier* of the French National Order of Merit.

MAIN POSITION

Member of the Board of Director

OTHER DIRECTORSHIPS AND POSITIONS HELD IN 2017 AND IN EFFECT AT FEBRUARY 14, 2018

Outside the Mercialys Group

Director and Member of the Audit and Risks Committee of Gecina
(listed company);

Member of the Supervisory Board and Member of the Audit and Risks
Committee of Swiss Life Reim (France);

Chairman of the Supervisory Board of Sofidy Pierre Europe (OPCI);

Senior Advisor for the real estate section of LBO France Gestion;
Chairman of Artio Conseil;

Manager of SCI du Terrier, SCI du 92 and SARL William's Hotel;

Co-Manager of Warburg-HIH Invest France;

Fellow of the Royal Institution of Chartered Surveyors and Member of
the RICS France.

OTHER DIRECTORSHIPS AND POSITIONS HELD DURING THE PAST FIVE YEARS (other than the directorships and positions above)

Chairman of Union Investment Real Estate France;

Co-manager of Warburg-HIH Invest France*;

Director and Vice-President of the *Observatoire Régional de l'Immobilier d'Entreprise en Ile-de-France (ORIE)**.

* Directorships and positions ended in January 2018

Highly recognised in the real estate sector, Dominique Dudan will bring her proven expertise to the Board of Directors.

Other Directors in office

Éric Le Gentil – Chairman and Chief Executive Officer

Date of birth: June 20, 1960
 Date elected: February 13, 2013
 End of term: 2019
 Number of Mercialis shares held: 18,400
 Main position: Chairman and CEO of Mercialis

Member of the Investment Committee

Élisabeth Cunin-Diéterlé – Independent Director

Date of birth: September 17, 1960
 Date elected: June 6, 2012
 End of term: 2019
 Number of Mercialis shares held: 1,000
 Main position: Chairman of the Camaïeu Group

Independent member of the Appointments and Compensation Committee (Chairman since October 24, 2017)

Jacques Dumas – Director

Date of birth: May 15, 1952
 Date elected: August 22, 2005
 End of term: 2020
 Number of Mercialis shares held: 508
 Main positions: Advisor to the Chairman of Casino, Guichard-Perrachon (*listed company*) and Executive Vice-President of Euris

Member of the Audit, Risks and Sustainable Development Committee until December 21, 2017 - Member of Appointments and Compensation Committee since December 21, 2017

Marie-Christine Levét – Independent Director

Date of birth: March 28, 1967
 Date elected: June 6, 2012
 End of term: 2019
 Number of Mercialis shares held: 1,000
 Main position: Company director

Independent member of the Audit, Risks and Sustainable Development Committee (Chairman)

Ingrid Nappi-Choulet – Independent Director

Date of birth: April 1, 1966
 Date elected: April 30, 2014
 End of term: 2020
 Number of Mercialis shares held: 950
 Main position: Professor and researcher

Independent member of the Audit, Risks and Sustainable Development Committee

Michel Savart - Administrateur

Date of birth: April 1, 1962
 Date elected: May 6, 2010
 End of term: 2020
 Number of Mercialis shares held: 500
 Main positions: Advisor to the Chairman of the Rallye/Casino Group and Chairman and CEO of Foncière Euris (*listed company*)

Member of the Investment Committee and of the Appointments and Compensation Committee

Casino. Guichard-Perrachon – Director

554 501 171 R.C.S. Saint-Etienne
 Date elected: August 19, 1999
 End of term: 2020
 Number of Mercialis shares held: 26,452

Antoine Giscard d'Estaing - Permanent representative

Date of birth: January 5, 1961
 Date elected: April 6, 2009
 Number of Mercialis shares held: 500
 Main positions: Chief Financial Officer and Member of the Executive Committee of the Casino group

Member of the Investment Committee

Chief Operating Officer, non-Director

Vincent Ravat – Chief Operating Officer

Date of birth: March 15, 1974
 Date elected: August 30, 2016
 Principal position: Chief Operating Officer of Mercialis

3. Compensation policy

The Mercialys principles for determining the compensation of the corporate executive officers submitted to the General Meeting on April 26, 2018 are those of the Afep-Medef Corporate Governance Code: completeness, balance among the compensation components, benchmark, consistency, intelligibility of the rules and measurements.

Information about the compensation and the benefits of the executive officers and corporate officers are set forth in Chapter 4.2.2 of the 2017 Registration Document.

Information about the components of the compensation due or awarded to the Chairman and Chief Executive Officer and the Chief Operating Officer for fiscal year 2017

(4th and 5th resolutions of the General Meeting on April 26, 2018)

Compensation package of the Chairman and Chief Executive Officer for 2017

Components of the compensation paid or awarded for the previous fiscal year	Amounts or accounting valuation submitted to the vote	Presentation
Fixed compensation	Euro 450,000 (amount paid)	Amount unchanged since March 1, 2015
Annual variable compensation	Euro 344,250 (amount awarded subject the approval of the 4 th resolution)	<p>The amount of the variable portion, expressed as a percentage, breaks down as follows:</p> <ul style="list-style-type: none"> ▪ 75% for the organic growth of rental revenue: Euro 33,700; ▪ 10% for FFO growth: Euro 45,000; ▪ 0% for the EBITDA margin; ▪ 10% for the prorated impact of 2017 openings: Euro 45,000; ▪ 9% for the IRR of projects opened in 2017: Euro 40,500; ▪ 0% for the current financial vacancy rate; ▪ 10% for the spread: Euro 45,000; ▪ 30% for the managerial objectives: Euro 135,000. <p>In total, the gross amount of the 2017 variable portion is Euro 344,250 or 76.50% of his fixed compensation.</p> <p>The detailed information is set forth in chapter 4, para. 4.2.2.1, B., 3, page 240 of the 2017 Registration Document.</p>
Multi-year variable compensation	Euro 182,812	<p>Éric Le Gentil benefits from two long term variable incentive plans set up by the Board of Directors meetings of March 23, 2015 and March 11, 2016 on the advice of the Appointments and Compensation Committee. These long term variable incentive plans will only be paid at the end of a period of three years, subject to the condition of continued employment, and to two specific conditions of presence, in respect of which the methodology and analysis of the performance conditions are described in chapter 4, para. 4.2.2.1, B, 4, page 240 of the 2017 Registration Document.</p> <p>With respect to the long term variable compensation decided by the Board of Directors on March 23, 2015, Éric Le Gentil will receive the sum of Euro 182,812 subject to the approval of the fourth resolution presented to the Annual General Meeting. He is required to reinvest 75% of the incentive thus acquired, after deducting social security contributions and income tax at the maximum marginal rate, and to hold the corresponding shares throughout the term of his directorship.</p>
Exceptional compensation	Not applicable	In accordance with the 2017 compensation policy, as approved at the Ordinary General Meeting of April 27, 2017, Éric Le Gentil will not receive any exceptional compensation for 2017.
Bonus share allotment	Bonus share allotment valued at Euro 97,116 (accounting valuation of the instruments awarded for the previous fiscal year)	<p>Pursuant to the authorization granted by the Extraordinary General Meeting of April 27, 2017 (26th resolution), the Board of Directors' meeting of 27 April, 2017 decided to allot 19,269 shares to Éric Le Gentil, which may be increased to 28,904 if the performance criteria are exceeded. This allotment represents 0.02% of the share capital.</p> <p>The performance methods and criteria are described at chapter 4, para. 4.2.2.1, A, 1, c), pages 236 and 237, and the valuation in chapter 4, para. 4.2.2.1, B, 6, page 242 of the 2017 Registration Document.</p>

Eléments de la rémunération versés ou attribués au titre de l'exercice antérieur	Montants ou valorisation comptable soumis au vote	Présentation
Directors' fees	Euro 50,000 (amount paid)	As a director, Éric Le Gentil gets director's fees. The gross amount of individual directors' fees has been set at Euro 15,000 per year, comprising a fixed portion of Euro 5,000 a year and a variable portion of Euro 10,000 a year awarded on the basis of attendance at Board meetings. An additional Directors' fee of Euro 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 Euro 4,000 gross a year and a variable portion of Euro 11,000 gross a year.
Benefits of all kinds	Euro 14,301 (accounting valuation)	The Chairman and Chief Executive Officer participates in the insurance plan in effect in the Company for all employees and benefits from the executive unemployment insurance.
Severance pay	Not applicable	No commitment to pay a severance allowance for the termination of duties.
Non-compete allowance	-	If his position were terminated, the Chairman and 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 employment in the Company, up to a maximum of one year; it being understood that the Company may reduce or waive the application period. In exchange, the Chairman and Chief Executive Officer would be paid a monthly compensation equivalent to one-twelfth of 50% of his annual fixed compensation.
Supplementary pension scheme	Not applicable	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 of any kind.

Compensation package of the Chairman and Chief Executive Officer for 2017

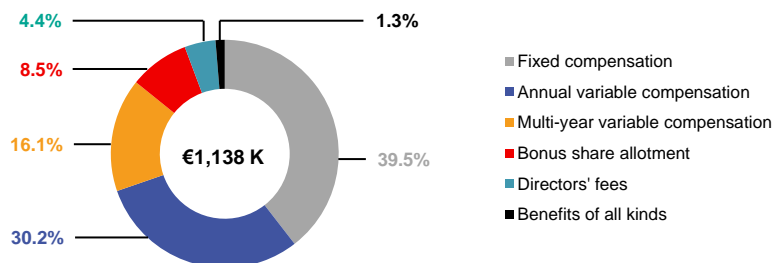
Components of the compensation paid or awarded for the previous fiscal year	Amounts or accounting valuation submitted to the vote	Presentation
Fixed compensation	Euro 300,000 (amount paid)	Compensation set up with effect from March 1, 2017, unchanged in 2018.
Annual variable compensation	Euro 172,800 (amount awarded subject to the approval of the 5 th resolution)	The amount of the variable portion, expressed as a percentage, breaks down as follows: <ul style="list-style-type: none"> ▪ 6% for the organic growth of rental revenues: Euro 18,000; ▪ 8% for FFO growth: Euro 24,000; ▪ 0% for the EBITDA margin; ▪ 8% for the prorated impact of 2017 openings: Euro 24,000; ▪ 7.2% for the IRR of projects opened in 2017: Euro 21,600; ▪ 0% for the current financial vacancy rate; ▪ 8% for the spread: Euro 24,000; ▪ 20.40% for the managerial objectives: Euro 61,200. In total, the gross amount of the 2017 variable portion is Euro 172,800 or 57.6% of his fixed compensation. The detailed information is set forth at chapter 4, para. 4.2.2.1, C, 3, page 244 of the 2017 Registration Document.
Multi-year variable compensation	Not applicable	Vincent Ravat does not receive a multi-year incentive.
Exceptional compensation	Not applicable	In accordance with the 2017 compensation policy, as approved by the Ordinary General Meeting of April 27, 2017, no exceptional compensation was paid for 2017.

Components of the compensation paid or awarded for the previous fiscal year	Amounts or accounting valuation submitted to the vote	Presentation
Allotment of bonus shares	Bonus share allotment valued at Euro 43,163 <i>(accounting valuation of the instruments awarded for the previous fiscal year)</i>	Pursuant to the authorization granted by the Extraordinary General Meeting of April 27, 2017 (26 th resolution), the Board of Directors' meeting of April 27, 2017 decided to allot 8,564 shares to Vincent Ravat, which may be increased to 12,846 if the performance criteria are exceeded. This allotment represents 0.01% of the share capital. The performance methods and criteria are described in chapter 4, para. 4.2.2.1, A, 2, c), pages 238 and 239, and the valuation in chapter 4, para. 4.2.2.1, C, 5, page 245 of the 2017 Registration Document.
Directors' fees	Not applicable	Not awarded
Benefits of all kinds	Euro 13,337 <i>(accounting valuation)</i>	The Chief Operating Officer 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 a severance allowance for the termination of duties.
Non-compete allowance	-	If his position were terminated, the Chief Operating Officer would be bound by a non-compete and non-solicitation obligation that would apply for a period not to exceed the time of employment in the Company, up to a maximum of one year; it being understood that the Company may reduce or waive the application period. In exchange, the Chief Operating Officer would be paid a monthly compensation equivalent to one-twelfth of 50% of his annual fixed compensation.
Supplementary pension scheme	Not applicable	The Chief Operating Officer does not benefit from any additional 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.

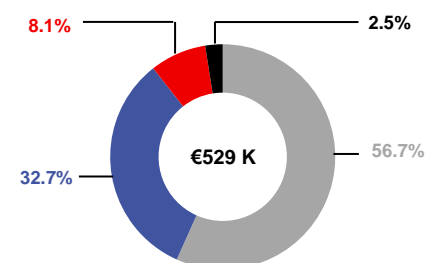
Overview of the structure of the compensation of the Chairman and Chief Executive Officer and of the Chief Operating Officer for fiscal year 2017

(subject to the approval of the 4th and 5th resolutions of the General Meeting on April 26, 2018)

Éric Le Gentil, Chairman and Chief Executive Officer



Vincent Ravat, Chief Operating Officer



Chairman and Chief Executive Officer compensation decreased in the fiscal year 2017. It was Euro 1,334,000 in the fiscal year 2016.

Principles and criteria for determining, distributing and awarding the compensation components of the Chairman and Chief Executive Officer and of the Chief Operating Officer for fiscal year 2018

(6th and 7th resolutions of the General Meeting on April 26, 2018)

Pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable for 2018 to the Chairman and Chief Executive Officer and the Chief Operating Officer for their corporate directorships, were submitted for adoption by the Annual General Meeting on April 26, 2018.

In this connection, the Board of Directors, at its meeting on March 7, 2018, established, on the basis of the recommendations of the Appointments and Compensation Committee, the principles for determining the structure of the compensation of the Chairman and Chief Executive Officer and the Chief Operating Officer for 2018.

Principles

The Board of Directors refers to the principles of the Afep-Medef Code for determining the compensation of the corporate executive officers: completeness, balance among the compensation components, benchmark, consistency, 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 and with 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 and Chief Executive Officer

▪ Fixed compensation

Fixed at Euro 450,000 on March 1, 2015, this compensation will remain unchanged in 2018.

▪ Annual variable compensation

In order to firmly place Corporate Social Responsibility (CSR) at the core of the Group's strategic priorities, it is proposed to change the mechanism for the 2018 variable compensation paid in 2019 to the corporate officers.

This change involves incorporating a quantifiable CSR target and reducing the percentage for managerial targets, taking out the measurement of the social and societal criterion.

The variable compensation will therefore be structured around two types of objectives:

- quantitative objectives, weighted at 80% (vs 70% in 2017) of which 1 CSR objective at 10%; and
- managerial targets, which is reduced to 20% (vs 30% in 2017).

The results of the compensation benchmarking performed in 2017 with the Mercer consultancy firm show that:

- the fixed compensation for the Chairman and Chief Executive Officer ranks in the 1st quartile of the market median;

- the target bonus is less competitive, as it ranks below the 1st quartile of the market.

In order to reduce the difference in level with respect to market practices, and to motivate and retain the Chairman and Chief Executive Officer, it was decided that the target variable compensation of the Chairman and Chief Executive Officer would be changed and would be raised to the level of the 1st quartile, that is 70% vs the current 50%.

The variable compensation may therefore represent 70% of his fixed annual compensation if the fixed objectives are achieved and may be up to 140% (vs 100% in 2017) of his fixed annual compensation if the objectives are exceeded.

It is determined on the basis of having achieved 80% (vs 70% in 2017), of the quantitative objectives and of having achieved 20% (vs 30% in 2017) of the managerial targets.

The selected criteria, and their weighting in determining the variable compensation, are as follows:

		% of the fixed compensation		
		Minimum	Target	Maximum
Quantitative objectives Mercialis (80% of the total variable compensation)	FFO growth excluding the carrying cost of the 2019 debt refinancing	0%	14%	28%
	Organic growth in rental revenues (excluding indexation)	0%	7%	14%
	EBITDA margin	0%	7%	14%
	Improvement in CSR classifications: GRESB and EPRA	0%	7%	14%
	Spread of footfall at Mercialis shopping centers vs the French Council of Shopping Centers total market	0%	7%	14%
	Current financial vacancy rate	0%	7%	14%
	Annualized rental income from 2018 openings	0%	7%	14%
Managerial objectives (20% of the total variable compensation)		0%	14%	28%
Total variable compensation as % of fixed compensation		0%	70%	140%

For each quantitative criterion, a minimum threshold of achievement is set, as is a target level corresponding to the objectives of Mercialys for a performance that meets objectives, and a performance level that exceeds the target. Variable compensation is calculated in a linear fashion between the minimum threshold and the maximum threshold.

Pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, payment of the variable portion of the compensation due for the 2018 fiscal year, after determining its amount based on the achievement of the objectives defined above, is conditional on approval by the Company's Ordinary General Meeting to be held in 2019.

▪ Long term compensation

Remember that Éric Le Gentil benefits from a long term variable incentive plan, established on the advice of Appointments and Compensation Committee, by the Board of Directors' meeting of March 11, 2016. This compensation will only be paid to Mr. Le Gentil after a period of three years, *i.e.* in 2019, subject to his continuing employment in the company, and to two performance conditions, as described in para. 4.2.2.1.B, 4, of the 2017 Registration Document. In 2017, the Board resolved to adopt the principle of a bonus share award in order to associate the Chairman and Chief Executive Officer over the long term with the Company's performance, subject to compliance with the provisions of Article L.225-197-6 of the French Commercial Code. This award would replace the previously granted long term variable incentive plan. This principle of awarding bonus shares has been renewed for 2018.

So, that bonus shares may only be awarded to corporate officers if the Company grants to its employees, and to at least 90% of the employees of its subsidiaries, one of the following benefits:

- stock options and/or stock warrants;
- bonus shares;
- the introduction of a profit sharing arrangement or of an exceptional participation agreement. For companies that already have such agreements, the first allocation authorized by the Ordinary General Meeting held after the Law of December 3, 2018, assumes that each of them (*the listed company, and its concerned subsidiaries*) changes the manner of calculating one of these agreements or pays an additional profit share or profit sharing supplement.

This award would represent a target of 75% of his fixed salary (*i.e.* Euro 337,500) and could represent up to 112.50% of his fixed salary (*i.e.* Euro 506,250) in the event of outperformance.

The bonus shares awarded would only be fully vested by the Chairman and Chief Executive Officer at the end of a three-year vesting period, subject to conditions of continued employment and of company performance, the latter being assessed on all three years, on the basis of the following criteria and evaluation grids:

- Relative performance of the Mercialys share, dividend included (*Total Shareholder Return – TSR*), compared to the performance of the companies composing the EPRA/NAREIT Eurozone index at January 1, 2018, measured between January 1, 2018 and December 31, 2020, for 50% of the allotted shares:

Ranking of the three-year average annual TSR of Mercialys compared with the companies comprising the index	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%

- Organic growth of rental revenues, including casual leasing, excluding indexation, measured in annual average over three years between January 1, 2018 and December 31, 2020, for 25% of the initial allocation.

At the end of the three-year period, the number of shares vested under this performance criterion will be determined in accordance with the average obtained, based on the grid presented below:

Three-year annual average of organic growth in rental revenues	Multiplier
2.00%	0%
2.30%	100%
2.60% or more	150%

The multiplier moves in a straight line between the defined limits.

- FFO growth (*excluding the carrying costs of the 2019 debt financing, for fiscal year 2018*) measured as the three-year annual average between January 1, 2018 and December 31, 2020, for the remaining 25% of the initial allocation.

At the end of the three-year period, the number of shares vested under this performance criterion will be determined in accordance with the average obtained, based on the grid presented below:

Three-year annual average of FFO growth	Multiplier
2.00%	0%
3.00%	100%
4.00% ou plus	150%

The multiplier moves in a straight line between the defined limits.

The bonus shares awarded in 2018 will become the property of the beneficiary after a vesting period of at least three years which will end in 2021.

At the end of this three-year vesting period, the Chairman and Chief Executive Officer will be required to hold 50% of his shares for a period of two years after they are fully vested, and to hold the remaining 50% until the termination of his position.

Furthermore, in accordance with the provisions of the final subparagraph of Article 24.3.3 of the Afep-Medef Code, revised in November 2016, the Chairman and Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the period for holding the shares.

Other compensation components

The Chairman and Chief Executive Officer does not benefit from any additional pension plan. He participates in the mandatory group supplementary pension plan (*ARRCO and AGIRC*) in the pension plan in force 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 severance allowance shall be paid to the Chairman and Chief Executive Officer as a result of the termination of, or change in, his position.

The Chairman and Chief Executive Officer may also benefit from an allowance relating to a non-compete clause. Indeed, if his position is terminated, the Chairman and Chief Executive Officer will 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 being specified that the Company may reduce or waive the application period. In return, the Chairman and Chief Executive Officer will be paid a monthly compensation equivalent to one-twelfth of 50% of his annual fixed compensation.

In addition, the Chairman and Chief Executive Officer receives, for his service on the Board of Directors, directors' fees comprising a fixed and a variable component determined on the basis of attendance at Board meetings. For 2017, these fees totaled Euro 50,000.

Compensation components of the Chief Operating Officer

Fixed compensation

The annual fixed compensation of the Chief Operating Officer was set at Euro 270,000 on his appointment on August 30, 2016, with effect from September 1, 2016, on the basis of the benchmarking conducted by a specialized firm. At the Appointments and Compensation Committee meeting of August 30, 2016, it was duly recorded that the Chief Operating Officer's compensation would change in time to reflect the successful assumption of his position. Given the successful assumption of his position, the Board of Directors, at its meeting held on February 14, 2017 and on the recommendation of the Appointments and Compensation Committee,

decided to raise his annual fixed compensation to Euro 300,000 with effect from March 1, 2017, *i.e.* an increase of 11%. This amount will remain unchanged in 2018.

The annual fixed and variable compensation of the Chief Operating Officer is divided in two: two-thirds paid by Mercialys and one-third by Mercialys Gestion, a wholly owned subsidiary of Mercialys, because he keeps his salaried positions as Manager of Lettings within Mercialys Gestion.

Annual variable compensation

In order to firmly place Corporate Social Responsibility (CSR) at the core of the Group's strategic priorities, it is proposed to change the mechanism for the 2018 variable compensation paid in 2019 to the corporate officers.

This change involves incorporating a quantifiable CSR target and reducing the percentage for managerial targets, taking out the measurement of the social and societal criterion.

The variable compensation will therefore be structured around two types of objectives:

- quantitative objectives, weighted at 80% (*vs 70% in 2017*) of which 1 CSR objective at 10%; and

- managerial targets, which is reduced to 20% (*vs 30% in 2017*).

The variable compensation of the Chief Operating Officer may represent 40% of his fixed annual compensation if the defined objectives are achieved and may equal up to 80% of his fixed annual compensation if these objectives are exceeded.

It is determined on the basis of having achieved 80% (*vs 70% in 2017*) of the quantitative objectives and of having achieved 20% (*vs 30% in 2017*) of the managerial targets.

The selected criteria, and their weighting in determining the variable compensation, are as follows:

		% of the fixed compensation		
		Minimum	Target	Maximum
Quantitative objectives Mercialys (80% of the total variable compensation)	FFO growth excluding carrying cost of 2019 debt refinancing	0%	4%	8%
	Organic growth in rental revenues (<i>excluding indexation</i>)	0%	4%	8%
	EBITDA margin	0%	4%	8%
	Improvement in CSR rankings: GRESB and EPRA	0%	4%	8%
	Spread of footfall at Mercialys shopping centers versus the French Council of Shopping Centers total market	0%	4%	8%
	Current financial vacancy rate	0%	4%	8%
	Annualized rental income from 2018 openings	0%	4%	8%
	Number of qualified customers in the Mercialys databases	0%	4%	8%
Managerial targets (20% of the total variable compensation)		0%	8%	16%
Total variable compensation as% of fixed compensation		0%	40%	80%

For each quantitative criterion, a minimum threshold of achievement is set, as is a target level corresponding to the objectives of Mercialys for a performance that meets objectives, and a performance level that exceeds the target. Variable compensation is calculated in a linear fashion between the minimum threshold and the maximum threshold.

Pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, payment of the variable portion of the compensation due for the 2018 fiscal year, after determining its amount based on the achievement of the objectives defined above, is conditional on approval by the Company's Ordinary General Meeting to be held in 2019.

▪ Long term compensation

In order to permanently associate the Chief Operating Officer with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L.225-197-6 of the French Commercial Code (as cited above for the Chairman and Chief Executive Officer), on the principle of bonus share awards.

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

The awarded bonus shares will only be fully vested by the Chief Operating Officer at the end of a three-year vesting period, subject to conditions of employment and company performance, the latter being assessed on all three years on the basis of the following criteria and evaluation grids:

- Relative performance of the Mercialys share, dividend included (Total Shareholder Return – TSR), compared to the performance of the companies composing the EPRA/NAREIT Eurozone index at January 1, 2018, measured between January 1, 2018 and December 31, 2020, for 50% of the allotted shares:

Ranking of the three-year average annual TSR of Mercialys compared with the companies comprising the index	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%

- Organic growth of rental revenues, including casual leasing, excluding indexation, measured in annual average over three years between January 1, 2018 and December 31, 2020, for 25% of the initial allocation.

At the end of the three-year period, the number of shares vested under this performance criterion will be determined in accordance with the average obtained, based on the grid presented below:

Three-year average annual organic growth in rental revenues	Multiplier
2.00%	0%
2.30%	100%
2.60% ou plus	150%

▪ Other compensation components

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

No severance allowance shall be paid to the Chief Operating Officer resulting from the termination of, or change in, his position.

The multiplier moves in a straight line between the defined limits.

- FFO growth (excluding debt financing carrying costs for 2019, for the 2018 fiscal year) measured as the annual average over three years between January 1, 2018 and December 31, 2020 for the remaining 25% of the initial allocation.

At the end of the three-year period, the number of shares vested under this performance criterion will be determined in accordance with the average obtained, based on the grid presented below:

Three-year annual average of FFO growth	Multiplier
2.00%	0%
3.00%	100%
4.00% or more	150%

The multiplier moves in a straight line between the defined limits.

The bonus shares awarded in 2018 will become the property of the beneficiary after a vesting period of at least three years which will end in 2021.

At the end of this three-year vesting period, the Chief Operating Officer will be required to keep 50% of his shares for a period of two years after they are fully vested, and to hold the remaining 50% until the termination of his position.

Moreover, in accordance with the provisions of the final paragraph of Article 24.3.3 of the Afep-Medef Code, revised in November 2016, the Chief Operating Officer undertakes not to make use of risk hedging transactions until the end of the period for holding the shares.

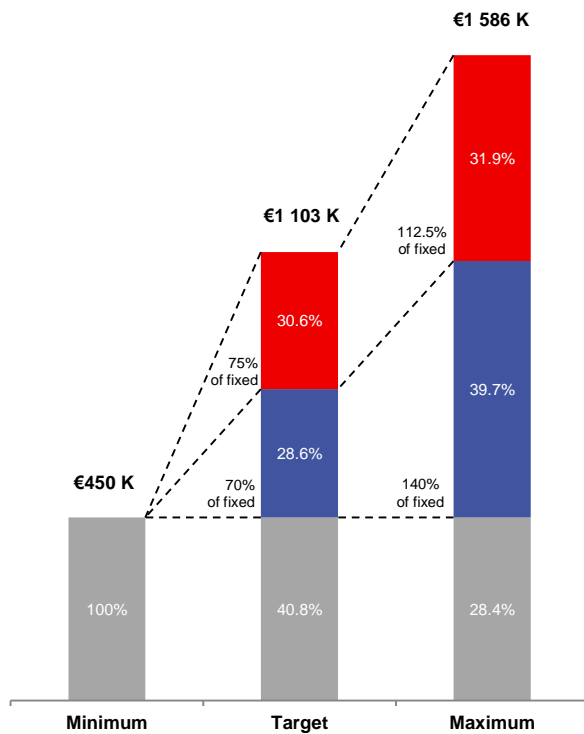
Furthermore, remember that Vincent Ravat is the beneficiary of bonus share plans which were awarded to him as a Mercialys employee, prior to his appointment as Chief Operating Officer.

The Chief Operating Officer may also benefit from an indemnity relating to a non-compete clause. In effect, in the event of the termination of his position, the Chief Operating Officer will 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 return, the Chief Operating Officer would be paid a monthly compensation equivalent to one-twelfth of 50% of his annual fixed compensation.

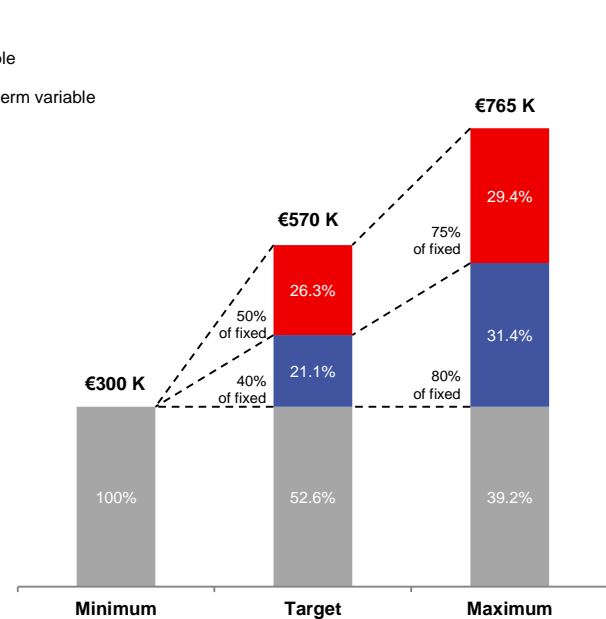
Overview of the structure of the compensation of the Chairman and Chief Executive Officer and of the Chief Operating Officer for fiscal year 2018

(subject to the approval of the 6th and 7th resolutions of the General Meeting on April 26, 2018)

Éric Le Gentil, Chairman and Chief Executive Officer



Vincent Ravat, Chief Operating Officer



- **Stable fixed compensation** since March 1, 2015 (15% below the median of the market)
- **Annual variable compensation:** increase of the quantitative criteria (80% vs 70%)
- **Long term compensation:** bonus share allotment:
 - vesting period: 3 years
 - continued employment condition: yes
 - performance conditions assessed over 3 years and not per third:
 - absolute performance: 25% of the allocation
 - relative performance: 75% of the allocation
 - retention obligation:
 - at least 2 years: 100% of the allocated shares
 - until the end of the mandate: 50% of the allocated shares

- **Fixed compensation** amounting to Euro 300,000 since March 1, 2017 (20% below the median of the market)
- **Annual variable compensation:** increase of the quantitative criteria (80% vs 70%)
- **Long term compensation:** bonus share allotment:
 - vesting period: 3 years
 - continued employment condition: yes
 - performance conditions assessed over 3 years and not per third:
 - absolute performance: 25% of the allocation
 - relative performance: 75% of the allocation
 - retention obligation:
 - at least 2 years: 100% of the allocated shares
 - until the end of the mandate: 50% of the allocated shares

4. Authorized share capital not issued

The Board of Directors benefits from the following authorizations to issue securities giving access to share capital, granted by the Annual General Meeting of April 27, 2017:

Operation	Maximum amount	Term	Expiry
a) Capital increase with PSR ⁽¹⁾ maintained through the issuing of shares, or securities giving access to share capital, or debt securities.	Euro 32 million ^{(2) (3)}	26 months	June 26, 2019
b) Capital increase with cancellation of PSR ⁽¹⁾ through the issuing of shares, or securities giving access to share capital or debt securities, via public offering.	Euro 9.2 million ^{(2) (3)}	26 months	June 26, 2019
c) Capital increase with cancellation of PSR ⁽¹⁾ through the issuing of shares, or securities giving access to share capital or debt securities, by an offering as stated in II of the article L.411-2 of the French Monetary and Financial Code.	Euro 9.2 million ^{(2) (3)}	26 months	June 26, 2019
d) Capital increase through the incorporation of reserves, profits, premiums or other amounts that may be capitalized.	Euro 32 million ⁽³⁾	26 months	June 26, 2019
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 ⁽¹⁾ .	10% of the share capital ⁽³⁾	26 months	June 26, 2019
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 ⁽¹⁾ .	Euro 9.2 million ^{(2) (3)}	26 months	June 26, 2019
g) Capital increase reserved for employees subscribed to a savings plan of the Company or any of its affiliates with cancellation of PSR ⁽¹⁾ .	2% of the total number of shares in the Company's share capital at April 27, 2017 (i.e. 1,840,983 shares)	26 months	June 26, 2019
j) Bonus share awards to the Company's salaried employees and to the Company's corporate officers, and to the salaried employees of its affiliates.	0.5% of the total number of shares in the Company's share capital at April 27, 2017 (i.e. 460,245 shares) including 0.15% for the corporate officers (138,073 shares)	38 months	June 26, 2020

⁽¹⁾ PSR = preferential subscription right.

⁽²⁾ The total par value of the debt securities that may be issued on the basis of this delegation may not exceed Euro 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.

⁽³⁾ The total par value of the debt securities that may be issued on the basis of delegations a), b), c), d), e) and f) may not exceed Euro 200 million or the equivalent value in another currency or composite monetary unit. The total par value of share capital increases that may be made, immediately and/or in the future on the basis of delegations a), b), c), d), e) and f) may not exceed Euro 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 Euro 9.2 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.

None of the authorizations granted was used during 2017 with the exception of those relating to the allocation of bonus shares (see para. 7.2.5 of the 2017 Reference Document). In 2017, the Board of Directors allocated 85,697 bonus shares.

As no authorization is expiring, there will be no resolution concerning these authorizations at the Annual General Meeting of April 26, 2018, with the exception of the resolution on free bonus share awards.

The tax and social regime for bonus share awards has been amended by the French finance law for 2018 and the social security financing law for 2018. However, it only applies to bonus share awards made pursuant to an authorization granted by decision of an Extraordinary General Meeting subsequent to the publication of these laws. Therefore, to enable the Company to benefit from the new tax and social regime, the Annual General Meeting of April 26, 2018 is being asked to vote on a resolution aimed at terminating the authorization granted by the Extraordinary General Meeting of April 27, 2017 (for the unused portion) and to replace it with a new authorization. The characteristics of the authorization remain unchanged except for the term of the authorization which is granted for the remaining period of the initial authorization, namely for 26 months.

The Board of Directors is also authorized to reduce the Company's share capital by canceling treasury stock representing up to 10% of existing share capital at the date of cancellation, per period of twenty-four months. No use has been made of this authorization, which was granted for a period of twenty-six months from April 27, 2017, i.e. until June 26, 2019.

5. Agenda

Board of Directors' report and Statutory Auditors' report

Within the competence of the Ordinary General Meeting

- Approval of the corporate accounts for the fiscal year ended December 31, 2017
[\(1st resolution\)](#)
- Approval of the Consolidated financial statements for the year ended December 31, 2017
[\(2nd resolution\)](#)
- Appropriation of income - Setting of the dividend
[\(3th résolution\)](#)
- Approval of the fixed, variable and exceptional components of the compensation package and the benefits in kind paid or awarded in respect of 2017 to the Chairman and Chief Executive Officer
[\(4th resolution\)](#)
- Approval of the fixed, variable and exceptional components of the compensation package and the benefits in kind paid or awarded in respect of 2017 to the Chief Operating Officer
[\(5th resolution\)](#)
- Approval of the principles and criteria for determining, distributing and awarding the compensation components of the Chairman and Chief Executive Officer and the Chief Operating Officer in respect of fiscal year 2018
[\(6th and 7th resolutions\)](#)
- Ratification of the appointment of Pascale Roque
[\(8th resolution\)](#)
- Renewal, for a period of three years, of the directorship of Victoire Boissier, of La Forézienne de Participations and of Generali Vie
[\(9th to 11th resolutions\)](#)
- Appointment of Dominique Dudan as Director
[\(12th resolution\)](#)
- Regulated agreement: approval of Addendum no.1 to the document amending the Advisory Services Framework Agreement signed with L'Immobilière Groupe Casino and Plouescadis
[\(13th resolution\)](#)
- Authorization for the Company to purchase its own shares
[\(14th resolution\)](#)

Within the competence of the Extraordinary General Meeting

- 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
[\(15th resolution\)](#)
- Powers for completion of formalities
[\(16th resolution\)](#)

6. Presentation and text of the draft resolutions

Resolutions within the competence of the Ordinary General Meeting

RESOLUTIONS 1 AND 2 - APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR

Presentation

In connection with the first and second resolutions, the shareholders are invited to approve the Company's corporate accounts and then its consolidated financial statements as at December 31, 2017, as well as the transactions reflected in these accounts.

The financial statements for the period do not take account of the non-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, chapter 3, pages 159 and 189 of the 2017 Registration Document*).

FIRST RESOLUTION

Approval of the corporate accounts for the fiscal year ended December 31, 2017

The Ordinary General Meeting, after reviewing the Board of Directors' report and the Statutory Auditors' report, approves the financial statements for the fiscal year ended December 31, 2017, as presented to it, together with all the transactions they reflect or are mentioned in these reports. The accounts for this fiscal year end with profit of Euro 287,280,180.51.

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

It also notes the transfer to the "Retained earnings" account, in accordance with the resolution adopted by the Annual General Meeting of April 20, 2017, of the dividends allocated for the 2016 fiscal year to the shares held by the Company on the dividend payment date and totaling Euro 311,001.09.

SECOND RESOLUTION

Approval of the consolidated financial statements for the fiscal year ended December 31, 2017

The Ordinary General 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, 2017, as presented to it, 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 Euro 86.666 million.

RESOLUTION 3 - APPROPRIATION OF INCOME - SETTING THE DIVIDEND

Presentation

With the third resolution, the Board of Directors requests your approval for the distribution of a dividend of Euro 1.09 per share. The proposed dividend corresponds to 88% of the 2017 FFO, in accordance with the objective announced by Mercialis (range of 85% to 95% of the 2017 FFO and at least unchanged compared with 2016), up by 2.8% compared to 2016.

Taking into account the interim dividend of Euro 0.41 per share paid on October 23, 2017, the final dividend amounts to Euro 0.68 per share.

The ex-dividend date for the final dividend is April 30, 2018. The payment date will be May 03, 2018.

THIRD RESOLUTION

Appropriation of income - Setting the dividend

The Ordinary General Meeting, after reviewing the Board of Directors' report, resolves to allocate income for the fiscal year ended December 31, 2017, as follows:

Profit for the year		Euro 287,280,180.51
Retained earnings	(+)	Euro 112,725,649.20
Distributable income	(=)	Euro 400,005,829.71
Dividend	(-)	Euro 100,333,594.21
Appropriation to "Retained earnings"	(=)	Euro 299,672,235.50

Each share will receive a dividend of Euro 1.09.

The Ordinary General Meeting hereby notes that:

- the amount of the dividend it has determined (Euro 1.09) includes the interim dividend of Euro 0.41 per share paid on October 23, 2017;
- consequently, the final dividend amounts to Euro 0.68 per share and will be paid on May 3, 2018.

The distribution under the exempt sector represents 100% of the amount of the dividend.

Distributions of dividends from exempt profits of listed real estate investment companies (SIIC) do not qualify for the 40% deduction mentioned in Article 158-3.2 of the French General Tax Code. Only distributions of dividends from the non-exempt profits of SIICs are eligible for this reduction.

The General Meeting notes that the dividends distributed 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
December 31, 2016			
Interim dividend (paid in 2016)	Euro 0.43	None	Euro 0.43
Final dividend (paid in 2017)	Euro 0.63	None	Euro 0.63
Total	Euro 1.06	None	Euro 1.06
December 31, 2015			
Interim dividend (paid in 2015)	Euro 0.76	None	Euro 0.76
Final dividend (paid in 2016)	Euro 0.57	None	Euro 0.57
Total	Euro 1.33	None	Euro 1.33
December 31, 2014			
Interim dividend (paid in 2014)	Euro 0.36	None	Euro 0.36
Final dividend (paid in 2015)	Euro 0.88	None	Euro 0.88
Total	Euro 1.24	None	Euro 1.24

RESOLUTION 4 - APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE COMPENSATION PACKAGE AND THE BENEFITS IN KIND PAID OR AWARDED IN RESPECT OF 2017 TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Presentation

While the Afep-Medef Code provided for an advisory vote of the shareholders on the compensation due or awarded to the Chairman and Chief Executive Officer for the previous fiscal year, the Law of December 9, 2016 relating to transparency, the fight against corruption and the modernization of economic life (known as the «Sapin Law II») introduced a vote binding on the shareholders (Article L.225-100 II of the French Commercial Code).

Under the fourth resolution, pursuant to Article L. 225-100 II of the French Commercial Code, you are hereby requested to approve the fixed, variable and exceptional components of the compensation package and benefits in kind paid or awarded in respect of fiscal year 2017 to Éric Le Gentil, in connection with his duties as Chairman and Chief Executive Officer, as detailed and commented upon in the table enclosed on pages 17 and 18 of this brochure, all these items are also presented in the part of the Board of Directors' report on corporate governance in chapter 4, para. 4.2.2.1, B, p. 239, of the 2017 Registration Document.

We recall that the fixed compensation of Éric Le Gentil has been the same since March 1, 2015. His annual variable compensation has increased by 7% compared to 2016 particularly in view of his having exceeded three objectives (versus two in 2016), namely: exceeding the prorated impact of openings in 2017; exceeding the IRR of the projects started in 2017; and exceeding the footfall spread of Mercialis shopping centers compared with the French Council of shopping centers (CNCC) total market. The variable compensation therefore amounts to Euro 344,250 and he does not receive any exceptional compensation in respect of fiscal year 2017.

As required by Articles L.225-37-2 and L.225-100 of the French Commercial Code, the payment of the variable portion of the Chairman and Chief Executive Officer's compensation for 2017 is thus contingent on the approval of this resolution by the Annual General Meeting.

We recall that the principles and criteria used for determining, allocating and awarding the components of the Chairman and Chief Executive Officer's compensation for 2017 were subject, as required by Article L.225-37-2 of the French Commercial Code, to the vote of the Annual General Meeting held on April 27, 2017, which approved them (by a majority of 70.85%). The components of variable compensation payment of which was conditional on the approval of the Annual General Meeting, had in this context been determined in accordance with the law. (see chapter 4, para.4.2.2.1, A, page 236, of the 2017 Registration Document).

FOURTH RESOLUTION

Approval of the fixed, variable and exceptional components of the compensation package and the benefits in kind paid or awarded in respect of 2017 to the Chairman and Chief Executive Officer

The Ordinary General Meeting, pursuant to Articles L.225-37-2 and L.225-100 of the French Commercial Code, after reviewing the Board of Directors' report on corporate governance attached to the management report, approves the fixed, variable and exceptional components of the compensation package and the benefits in kind paid or awarded in respect of fiscal year 2017 to the Chairman and Chief Executive Officer, in connection with his mandate, as presented in the said report.

RESOLUTION 5 - APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE COMPENSATION PACKAGE AND THE BENEFITS IN KIND PAID OR AWARDED IN 2017 TO THE CHIEF OPERATING OFFICER

Presentation

While the AFEP-MEDEF Code provided for an advisory vote of the shareholders on the compensation due or awarded to the Chairman and Chief Executive Officer for the previous fiscal year, the Law of December 9, 2016 relating to transparency, the fight against corruption and the modernization of economic life (known as the «Sapin Law II») introduced a vote binding on the shareholders (Article L.225-100 II of the French Commercial Code).

Under the fifth resolution, pursuant to Article L.225-100 II of the French Commercial Code, you are hereby requested to approve the fixed, variable and exceptional components of the compensation package and benefits in kind paid or awarded in respect of fiscal year 2017 to Vincent Ravat, for his duties as Chief Operating Officer, as detailed and commented upon in the table on pages 18 and 19 of this brochure,

all these components are also presented in the Board of Directors' report on corporate governance in chapter 4, para. 4.2.2.1, C, p. 243, of the 2017 Registration Document.

We recall that Vincent Ravat was appointed Chief Operating Officer on August 30, 2016. In this capacity, the compensation paid or awarded for 2017 is therefore not comparable to the compensation paid or awarded for 2016.

The fixed compensation of Vincent Ravat was set at Euro 300,000 starting from March 1, 2017, two thirds of which is paid by Mercialys and one third by Mercialys Gestion, a wholly owned subsidiary of Mercialys within which Vincent Ravat holds the position of Director in charge of operations, letting and marketing. His annual variable compensation amounts to Euro 172,800 and he receives no exceptional compensation for 2017.

Pursuant to Articles L.225-37-2 and L. 225-100 of the French Commercial Code, the payment of the variable portion of the Chief Operating Officer's compensation for 2017 is thus conditional on the approval of the present resolution by the Annual General Meeting.

We recall that the principles and criteria used for determining, allocating and awarding the components of the Chief Operating Officer's compensation for 2017 were subject, as required by Article L.225-37-2 of the French Commercial Code, to the vote of the Annual General Meeting held on April 27, 2017, which approved them (*by a majority of 72.56%*). The components of variable compensation payment of which was conditional on the approval of the Annual General Meeting, had in this context been determined in accordance with the law (*see chapter 4, para. 4.2.2.1, A, page 236, of the 2017 Registration Document*).

FIFTH RESOLUTION

Approval of the fixed, variable and exceptional components of the compensation package and the benefits in kind paid or awarded in respect of 2017 to the Chief Operating Officer

The Ordinary General Meeting, pursuant to Articles L.225-37-2 and L.225-100 of the French Commercial Code, after reviewing the Board of Directors' report on corporate governance attached to the management report, approves the fixed, variable and exceptional components of the compensation package and the benefits in kind paid or awarded in respect of fiscal year 2017 to the Chief Operating Officer, in connection with his mandate, as presented in the said report.

RESOLUTIONS 6 AND 7 - APPROVAL OF THE PRINCIPLES AND CRITERIA FOR DETERMINING, DISTRIBUTING AND AWARDING THE COMPENSATION COMPONENTS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER AND OF THE CHIEF OPERATING OFFICER FOR FISCAL YEAR 2018

Presentation

Pursuant to Article L.225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and the benefits of any kind, attributable to the Chairman and Chief Executive Officer and the Chief Operating Officer for their corporate positions, must be submitted at least annually for the approval of the Annual General Meeting.

Under the sixth and seventh resolutions, you are hereby requested to approve the principles and components of the compensation of Éric Le Gentil, Chairman and Chief Executive Officer and of Vincent Ravat, Chief Operating Officer, determined by the Board of Directors' meeting of March 7, 2018 on the recommendation of the Appointments and Compensation Committee as presented on [pages 20 to 23](#) of this brochure, and in chapter 4, para. 4.2.3, p. 246, of the 2017 Registration Document.

SIXTH RESOLUTION

Approval of the principles and criteria for determining, distributing and awarding the compensation components of the Chairman and Chief Executive Officer in respect of fiscal year 2018

The Ordinary General Meeting, pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, after reviewing the Board of Directors' report on corporate governance attached to the management report, approves the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and the benefits of any kind attributable to the Chairman and Chief Executive Officer, by reason of his position, as detailed in the said report.

SEVENTH RESOLUTION

Approval of the principles and criteria for determining, distributing and awarding the compensation components of the Chief Operating Officer in respect of fiscal year 2018

The Ordinary General Meeting, pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, after reviewing the Board of Directors' report on corporate governance, attached to the management report, approves the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and the benefits of any kind to which the Chief Operating Officer is entitled in connection with his position, as detailed in the said report.

RESOLUTION 8 - RATIFICATION OF THE APPOINTMENT OF PASCALE ROQUE

Presentation

Under the eighth resolution, you are being asked to ratify the appointment of Pascale Roque, temporarily appointed by the Board Meeting of October 24, 2017 to replace Bernard Bouloc, for the remaining period of his directorship.

Pascale Roque is an independent director, in accordance with the recommendations of the Afep-Medef Code.

EIGHTH RESOLUTION

Ratification of the appointment of Pascale Roque as Director

The Ordinary General Meeting hereby ratifies the temporary appointment made by the Board of Directors, at its meeting on October 24, 2017, of Pascale Roque, as Director, to replace Bernard Bouloc, for the remaining period of his directorship, *i.e.*, until the Ordinary Shareholders' Meeting to be held in 2019 to approve the financial statements for the fiscal year ended December 31, 2018.

RESOLUTIONS 9 TO 12 - RENEWAL OF THE DIRECTORSHIPS OF THREE DIRECTORS AND THE APPOINTMENT OF AN INDEPENDENT DIRECTOR

Presentation

The Board of Directors is currently composed of 12 Directors. Under the ninth, tenth and eleventh resolutions, you are being asked, on the recommendation of the Appointments and Compensation Committee, to renew, for a period of three years, the directorships of Victoire Boissier, of La Forézienne de Participations, and of Generali Vie (*see presentations pages 13 and 14*).

Under the twelfth resolution, you are being asked to approve the appointment of a new independent director, Dominique Dudan. After completing her scientific studies, she joined the real estate sector. Admitted as a Member of the Royal Institution of Chartered Surveyors (RICS), of which she is now a Fellow. Between 1996 and 2005, Dominique Dudan held the position of Development Manager with Accor Hotels & Resorts. She then joined, first, HSBC Reim as Operations Manager and member of the Management Board and then BNP Paribas Reim, as Executive Vice-President and Head of regulated real estate funds. In 2009, Dominique Dudan created her own organization, Artio Conseil, while holding the position of Chief Executive Officer of Arcole Asset Management. In January 2011, Dominique Dudan became President of Union Investment Real Estate France, a position she held until July 2015. Since 2015 she has been a Senior Advisor at LBO France Gestion and a director of Gecina, and, since 2017, a member of the Supervisory Board of Swiss Life Reim (France). Dominique Dudan is also a member of RICS France, of the MEDEF Economic commission for the Groupement de Professions de Services, of the Cercle des Femmes de l'Immobilier, of the Club de l'Immobilier d'Ile-de-France, of the Institut d'Etudes Immobilières et Foncières and of the VoxFemina association. She is a Chevalier of the French National Order of Merit (*see presentation page 15*).

If you approve these proposals, the Board will maintain its equal gender representation, since it will include 50% of women, and 58.3% of independent Directors.

NINTH RESOLUTION

Renewal of the directorship of Victoire Boissier

After reviewing the Board of Directors' report and acknowledging that Victoire Boissier's directorship is expiring at the end of this Meeting, the Ordinary General Meeting resolves to renew the directorship of Victoire Boissier for a period of three years, *i.e.* until the end of the Ordinary General Meeting that will be held in 2021 to approve the financial statements for the fiscal year ended December 31, 2020.

TENTH RESOLUTION

Renewal of the directorship of La Forézienne de Participations

After reviewing the Board of Directors' report and acknowledging that the directorship of La Forézienne de Participations is expiring at the end of this Meeting, the Ordinary General Meeting resolves to renew the directorship of La Forézienne de Participations for a period of three years, *i.e.* until the end of the Ordinary General Meeting that will be held in 2021 to approve the financial statements for the fiscal year ended December 31, 2020.

ELEVENTH RESOLUTION

Renewal of the directorship of Generali Vie

After reviewing the Board of Directors' report and acknowledging that the directorship of Generali Vie is expiring at the end of this Meeting, the Ordinary General Meeting resolves to renew the directorship of Generali Vie for a period of three years, *i.e.* until the end of the Ordinary General Meeting that will be held in 2021 to approve the financial statements for the fiscal year ended December 31, 2020.

TWELFTH RESOLUTION

Appointment of Dominique Dudan as Director

After reviewing the Board of Directors' report, the Ordinary General Meeting resolves to appoint Dominique Dudan as Director for a period of three years, *i.e.* until the Ordinary General Meeting convened in 2021 to approve the financial statements for the fiscal year ended December 31, 2020.

RESOLUTION 13 – REGULATED AGREEMENT WITH L'IMMOBILIÈRE GROUPE CASINO AND PLOUESCADIS

Presentation

Under the thirteenth resolution, the Board of Directors is asking you to approve Addendum no. 1 to the document amending the Advisory Services Framework Agreement of March 23, 2015 for advice granted by Mercialys to L'Immobilière Groupe Casino and Plouescadis.

In connection with this agreement, and in its capacity as service provider, Mercialys has undertaken to provide advisory services for the completion of shopping center enhancement projects. These services may include asset management tasks, letting assignments on sites in operation or on planned sites (*excluding projects completed in connection with the Partnership Agreement between Mercialys and Casino*), as well as wider marketing activities or strategic operations initiated and announced prior to the launch of the offering.

The purpose of Addendum no. 1 is to grant the subsidiaries directly controlled by L'Immobilière Groupe Casino and Plouescadis the benefit of the services delivered by Mercialys and to update the financial terms of the Agreement which, for fiscal year 2017, amounts to Euro 280,000 (*compared with Euro 208,000 previously*). This change has become necessary because of the volume of projects implemented on behalf of L'Immobilière Groupe Casino and Plouescadis. This addendum entered into force on January 1, 2017.

Therefore, for fiscal year 2017, Mercialys received remuneration of Euro 280,000 excluding tax, compared with Euro 208,000 excluding tax in 2016.

THIRTEENTH RESOLUTION

Regulated agreement: approval of Addendum no. 1 to the document amending the Advisory Services Framework Agreement signed with L'Immobilière Groupe Casino and with Plouescadis

The Ordinary General Meeting, after reviewing the Statutory Auditors' special report on the agreements referred to in Article L.225-38 of the French Commercial Code, approves Addendum no. 1, to the document amending of the Advisory Services Framework Agreement signed with L'Immobilière Groupe Casino and with Plouescadis which entered into force on January 1, 2017.

RESOLUTION 14 - PURCHASE BY THE COMPANY OF ITS OWN SHARES

Presentation

The fourteenth 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 Euro 25 per share and the maximum number of shares that may be purchased would be limited to 10% of the number of shares comprising the Company's share capital on the date of the Annual General Meeting. For example, on the basis of the capital at January 31, 2018, after deducting the 202,115 shares held in treasury, the maximum theoretical amount which the Company could devote to share purchases would be Euro 225 million, corresponding to 9,002,801 shares.

In connection with the authorization granted by the Annual General Meeting of April 27, 2017 and on the basis of the information at January 31, 2018, the Company bought 2,021,552 shares, and sold 2,079,869 shares.

At January 31, 2018, the Company held 202,115 shares (0.22% of share capital), including 44,427 shares allocated for the purpose of covering any stock option plans, savings plans or bonus share plans, and 157,688 shares under the liquidity agreement.

Details of the objectives of the share buyback program are provided below in the fourteenth resolution, and in the description of the share buyback program in chapter 7, para. 7.1.2.3, page 295, of the 2017 Registration Document.

In the event of a public tender offer 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 transactions undertaken and announced before the launch of the tender offer.

FOURTEENTH RESOLUTION

Authorization for the Company to purchase its own shares

The Ordinary General 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 *Autorité des Marchés Financiers (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, in connection with a liquidity contract compliant with a code of conduct recognized by the 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 award of bonus shares under the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code, or any other stock based compensation 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 a 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 all or in part in order to optimize net earnings per share in connection with a share capital reduction transaction in the manner provided for by the law;
- to implement any market practice that becomes authorized by the AMF and, more generally, to carry out any transaction compliant with applicable 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 in the manner authorized by the competent market authorities, provided that such means do not contribute to a significant increase in share price 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 Euro 25 (excluding purchase costs) per share of 1 (one) euro par value.

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, 9,002,801 shares based on the share capital as of January 31, 2018, after deducting the 202,115 shares held in treasury, for a maximum amount of Euro 225 million, on the understanding that when the Company's shares are purchased under a liquidity agreement, the number of these shares taken into account in calculating 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 period of authorization. However, the number of shares purchased by the Company to be held and subsequently used as payment or exchange in connection with 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 comprising 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 General Meeting of April 27, 2017.

In the event of a public tender offer 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 transactions undertaken and announced before the launch of the public tender 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 into any agreements in order, particularly, to keep records of the buying and selling of shares, to allocate or reallocate the shares acquired for the various purposes in question, in the applicable legal and regulatory manner, to make any declarations to the AMF and carry out any other formalities, and, in general, to take all necessary measures.

Resolutions within the competence of the Extraordinary General Meeting

RESOLUTION 15 - ALLOCATION OF BONUS COMPANY SHARES TO EMPLOYEES AND CORPORATE OFFICERS OF THE COMPANY

Presentation

The Combined Annual and Extraordinary Meeting of April 27, 2017, in its twenty-sixth resolution, authorized your Board of Directors, for a period of 38 months to award bonus shares of the Company to employees of the Company and its affiliates and to the Company's corporate officers. Corporate officers may thus benefit from this authorization provided they meet performance criteria, in addition to being employed by Mercialys.

However, in order for the Company to benefit from the new regime introduced by the 2018 Finance Act, you are being asked under the 15th resolution, on the recommendation of the Appointments and Compensation Committee, to cancel the authorization granted by the Annual General Meeting of April 27, 2017 under its twenty-sixth resolution for the unused portion, and to replace it with a new authorization, for a period reduced to 26 months (*the only change*).

No change has been made to the maximum amount of shares that may be awarded under bonus share award plans as set by the twenty-sixth resolution of the Annual General Meeting of April 27, 2017.

The proposed resolution thus maintains the total number of bonus shares that may be distributed over 26 months at 0.5% of the share capital as of the General Meeting date of April 27, 2017 (*excluding adjustments*). This ceiling includes the bonus shares granted under the twenty-sixth resolution of the Annual General Meeting of April 27, 2017.

We recall that all bonus share award plans currently in force exclusively concern existing shares, without dilutive impact on the share capital. The total number of existing shares that may be definitively allocated under allocations granted but not yet vested is set at 0.15% of the share capital at December 31, 2017.

Just as the authorization granted by the General Meeting of April 27, 2017, the authorization states that, according to legal requirements, shares are definitely allocated to their 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 not be 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 a beneficiary corresponds to classification in categories 2 or 3 provided for 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 to the beneficiary before the end of the outstanding vesting period.

FIFTEENTH 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 in the manner 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 French Commercial Code;
- resolves 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 regulatory provisions and any applicable contractual provisions;
- resolves 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 employed by the Company or any company associated with it. These performance conditions shall be set by the Board of Directors in accordance with several criteria, including, as a minimum, the Total Shareholder Return (TSR) compared with that of peer companies. They will be assessed over a minimum period of three consecutive business years.

The Annual General Meeting resolves 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 allocation of shares resulting from Company's buybacks in the manner stipulated in Articles L.225-208 and L.225-209 of the French Commercial Code; and/or
- the allocation of shares to be issued through an increase in capital; in this case, the Annual 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 shares to be issued.

The Annual General Meeting resolves that the shares shall be 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, the Annual General Meeting authorizes the Board of Directors not to impose any 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 Annual General 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 may be definitively delivered to him or her prior to the expiration of any remaining acquisition period.

The Annual General Meeting resolves 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 Annual 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 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;
- to distribute the share allocation rights on one or more occasions and at the times it considers appropriate;
- to 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 vesting period, and any other financial condition, or conditions relating to individual or collective performance;
- to determine, in accordance with legal conditions and limits, the final vesting period and, where appropriate, the required holding period;
- to register, where appropriate, the allocated bonus shares in a registered account opened in the name of their holder, stipulating the holding period and their term;
- to cancel the holding 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;

- to 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 an increase in capital, by deducting the necessary sums from all reserves freely available to the Company;
- to determine the date of taking possession, even retroactively, of the new shares resulting from the allocation of bonus shares;
- make the necessary deductions from this unavailable reserve in order to release the nominal value of the shares to be issued to their beneficiaries;
- in the event of a capital increase, to amend the articles of association accordingly and carry out all necessary formalities;
- carry out, as appropriate, during the vesting 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 General Meeting of the transactions carried out under this authorization.

The Annual General Meeting sets the period during which the Board of Directors may make use of this authorization at twenty-six months. It terminates the authorization for the same purpose granted by the Annual General Meeting held on April 27, 2017 (26th resolution), as regards the unused portion.

RESOLUTION 16 - POWERS FOR FORMALITIES

Presentation

The sixteenth resolution is a standard resolution that permits legal publication and formalities to be carried out.

SIXTEENTH RESOLUTION

Powers for completion of formalities

The Ordinary General 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.

7. How to take part in the General Meeting?

All shareholders who hold shares on a registered or bearer basis by 0:00 AM CET on **Tuesday, April 24, 2018**, may take part in the General Meeting on **Thursday, April 26, 2018**.

Submitting instructions

BY POST



Deadline for receiving voting forms

Monday, April 23, 2018

ONLINE



Deadline for taking part on VOTACCESS

Wednesday, April 25, 2018 at 3:00 PM CET *

* 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.

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 AM CET
on **Tuesday, April 24, 2018**

- 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, 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 24, 2018**.

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

i.e. before 0:00 AM CET
on **Tuesday, April 24, 2018**

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 AM 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 remotely** with the voting form (*by post or online*);
- **appointing the General Meeting's Chairman** to represent them; or
- **appointing any named individual or legal entity**, whether or not they are shareholders, to represent them.



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, may no longer choose another form of taking part in the Shareholders' Meeting (*Article R.225-85 of the French commercial code*).

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

- **online** on the secure VOTACCESS platform (*see page 35*);
- either using the **paper form** proxy or postal voting (*see page 37*).



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 admission to the Meeting

You attend the Meeting and vote personally:

The shareholder must have:

- the **admission card** made out in their name (*process for requesting a card set forth below*); and
- a **proof of his ID**.

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 reception desk staffed by BNP Paribas Securities Services and provide **proof of ID**, and, for bearer shareholders, a **shareholding certificate** issued by the account-keeping institution.

If you are represented by a Proxy:

The **shareholder's proxy**, the person to whom or which the shareholder has given **a proxy before the Meeting**, via VOTACCESS or by using a paper form, must report to the reception desk staffed by BNP Paribas Securities Services on the day of the Meeting, together with **proof of ID**.

Any person appearing on the day of the Meeting at the sign-in desk with an **admission Card not bearing his, her, or its name** must produce the **proxy** given to him, her or it as well as **proof of ID**.

Take part in the General Meeting online

Via the secure platform VOTACCESS, you may, as with a paper form:

- request your admission card then download it (*to be shown on the day of the Shareholders' Meeting, either printed out on paper, or on a smartphone or tablet*);
- vote on each of the resolutions;

- appoint the Chairman of the General Meeting to represent you; or
- appoint any other named individual or legal entity, whether or not they are shareholders, to represent you (*proxies may be dismissed by following the same procedures as those required for appointing representatives*).

You can also access the documents and information relating to the Shareholders' Meeting.

The VOTACCESS platform will be accessible from Monday, April 9, 2018 until the day before the General Meeting, *i.e.* until 3:00 PM CET on **Wednesday, April 25, 2018**.

Step 1: connect up

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

- 1 You need to log in to the following website:

<https://planetshares.bnpparibas.com>

If e-notice: the email notice contains allowing for direct access to PLANETSHARES.

- **Your shares are held in a direct registered account:** use the normal access codes as well as the password which you already use to access your registered securities account.

Your username and access codes are indicated on the email notice (*if an e-notice*) or paper form enclosed with the notice brochure (*if notice by post*).

- **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 the 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.

- 2 On the PLANETSHARES home page, click on **"Take part in the vote"**; you will be directed toward Votaccess.

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 are 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 Mercialys 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.



Dedicated helpline: +33 1 40 14 31 00 (*standard rate charges*),
from Monday to Friday, 8:45 AM to 6:00 PM CET

Step 2: select your instructions

Choose your way to take part and follow the instructions

MERCIALYS

ORDINARY AND EXTRAORDINARY GENERAL MEETING - APRIL 26TH 2018

Log out
Online help
English

Give proxy to the chairman
Vote on the resolutions
Request an attendance card
Give proxy to a mentioned person

Consult the documentation
Balance by associated ISIN codes

Combined general meeting on 26 April 2018 at 10:30 AM CET

145, RUE DE L'UNIVERSITE
75007 PARIS
FR

ELECTRONIC VOTE DEADLINE
The 25/04/2018 at 03:00 PM CET

YOUR BALANCE
100 bearer securities / shares
100 voting rights of which
0 exercised voting rights

ACCOUNT OWNER DETAILS
PREVIEW TEST
66 RUE VILETTE
69003 LYON



However, for bearer shareholders whose account-keeping institution is not connected to VOTACCESS, 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

This email must contain the following information:

- Company name (*Mercialys*);
- General Meeting date (*April 26, 2018*);
- 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
CTO - Service Assemblées
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 25, 2018**.

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.

Take part in the General Meeting with the **voting form**



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

You will need to indicate your choice by shading appropriate box 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, in the following section:

« *Investors / Shareholders / Annual general meetings / Annual general meeting, April 26, 2018* ».

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
CTO - Service Assemblée
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 head office **by Monday, April 23, 2018**.

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?

Registered shareholder
Find here your access codes to PLANETSHARES

Request the admission card for attending the General Meeting *shad here*

Vote by post *shad here and follow instructions*

Appoint the Chairman of the General Meeting to represent you *shad here and follow instructions*

To be represented by a proxy ^① *shad here and indicate name and address of your proxy*

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 - Which ever option is used, shade box(es) like this , date and sign at the bottom of the form
Annex 1 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.
Annex 2 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.

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
Convocquée le jeudi 26 avril 2018 à 10h30
au siège social de la Société : 148, rue de l'Université - 75007 PARIS
ORDINARY AND EXTRAORDINARY GENERAL MEETING
To be held on Thursday, April 26th, 2018 at 10:30 a.m.
at the head office : 148, rue de l'Université - 75007 PARIS

CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY
Identifiant - Account
Nominatif Registered
Porteur Bearer
Vote simple Single vote
Vote double Double vote
Nombre d'actions Number of shares
Nombre de voix - Number of voting rights

JE VOTE PAR CORRESPONDANCE // 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 Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en notifiant 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 abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en justifiant comme ceci la case correspondante à mon choix.
On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this .

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)

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

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valables 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'aide 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)

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

Si des amendements ou résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting
- Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf.....
- Je m'abstiens / Abstention (équivalent à un vote contre) / I abstain from voting (is equivalent to vote NO)
- Je donne procuration Cf. au verso (5) à M, Mme ou Mlle, Raison Sociale pour voter en mon nom.....
- I appoint procurator Cf. au verso (5) M, Mrs or Miss, Corporate Name to vote on my behalf.....

Pour être prise en considération, toute formule doit parvenir au plus tard :
In order to be considered, this completed form must be returned at the latest :
sur 1^{ère} convocation / on 1st notification sur 2^{ème} convocation / on 2nd notification
23 avril 2018 / April 23th, 2018

à / to BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin - 93761 PANTIN Cedex

Date & Signature

Date and sign here regardless of your choice

^① Any request to revoke and appoint a new proxy must be received by BNP Paribas Securities Services, by post to the attention of "Service Assemblées" (no later than Monday, April 23, 2018) or by email at paris.bp2s.france.cts.mandats@bnpparibas.com (no later than Wednesday, April 25, 2018).

Request for inclusion of points or proposed resolutions on the Agenda and written questions

Request for inclusion of points or proposed resolutions on the Agenda

One or more shareholders representing at least the fraction of the share capital set forth in applicable law and regulations may request inclusion on the Agenda for the Meeting of points or resolution proposals on the terms and conditions provided in Articles L.225-105 and R.225-71 to R.225-73 of the French code of commerce.

The request for the inclusion of points or proposed resolutions on the Agenda must reach the Company's head office no later than the 25th calendar day that precedes the date of the General Shareholders' Meeting but sent not less than 20 calendar days after publication of the notice of meeting in the *Bulletin des Annonces Légales Obligatoires (BALO)*:

- by registered letter, return receipt requested, to the attention of the Chairman of the Board of Directors, at the following address: Mercialys - 148, rue de l'Université - 75007 Paris - France ; or
- by e-mail at the following address: finance@mercialys.com.

The request must be accompanied by:

- the point or points to be put onto the Agenda with a brief explanation of the reasons in support; or
- the text of the proposed resolutions, which may be supported by a brief explanation of the reasons for it and, if appropriate, the information set forth in Article R.225-71, section 9 of the French commercial code; and
- a certificate of registration in an account, either in the accounts for registered shares managed for the Company by BNP Paribas Securities Services, or in the account for shares in bearer form managed by an authorised intermediary ensuring management of the securities account, proving possession or representation by the persons making the request of the fraction of the share capital required under Article R.225-71 of the French commercial code.

Review of the point or of the resolution will be subject to transmission by the persons making the request of a new certificate proving registration of the shares in the same accounts on the 2nd business day preceding the Shareholders' Meeting at 0:00 AM CET, **i.e. Tuesday, April 24, 2018** at 0:00 AM CET.

Written questions for the Board of Directors

Any shareholder has the right to submit written questions to the Company's Board of Directors.

Written questions will be accepted from the date on which the documents submitted to the General Shareholders' Meeting are posted on the Company's webpage, *i.e.* no later than Thursday, April 5, 2018, and must be sent no later than the 4th business day preceding the date of the Meeting, *i.e.* Friday, April 20, 2018 (*Article R.225-84, section 1 of the French commercial code*).

Such questions should be sent:

- by registered letter, return receipt requested, to the attention of the Chairman of the Board of Directors at the following address: Mercialys - 148, rue de l'Université - 75007 Paris - France ; or
- by email at the following address: finance@mercialys.com.

To be taken into consideration, they must be accompanied by a shareholding certificate either in the accounts for registered shares managed for the Company by BNP Paribas Securities Services, or in the account for shares in bearer form managed by an authorized intermediary ensuring management of the securities account.

A single response may be made to the questions having the same content, or that involve the same subject.

The Board of Directors is required to respond to you during the Shareholders' Meeting. But the response to a written question shall be deemed to have been made when it is posted on the Company's website www.mercialys.com, under the heading for questions and answers.



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

- on the Company website www.mercialys.com, under « *Investors / Shareholders / Annual general meetings / Annual general meeting, April 26, 2018* »; or
- on the VOTACCESS platform, accessible via the website <https://planetshares.bnpparibas.com> (*see the conditions presented on page 35*).

More specifically, you will be able to find the meeting notice published in the *Bulletin des Annonces Légales Obligatoires (BALO)* on March 19, 2018, which presents detailed information on how to take part in and vote at the General Meeting on April 26, 2018.

All information and documents are available in French and in English.

8. Practical information

Conduct of the General Shareholders' Meeting

Reception as well as the sign-in desk will open at 9:30 AM CET.

For security reasons, visual inspection will be conducted by security agents who will ask you to open your bags. Any backpacks or other bags will have to be deposited at the counter provided for that purpose.

This year, Mercialys, as part of its CSR policy and wishing to modernize the signature's technical, chose to use the digital signage device which consists of a signature made manually on the touch screen of a tablet.

The vote will take place through an **electronic voting device** which will be made available at the entrance to the meeting room. At the conclusion of the Meeting, the voting device should be returned to the hostesses.

The shareholders are advised that, for purposes of this Shareholders' Meeting, the latest time for signing the attendance sheet will be the moment that the Meeting begins. In the event of late arrival, shareholders will not be able to vote during the Meeting.

To get to the General Meeting, at Mercialys' head office 148, rue de l'Université - 75007 Paris, France

Metro - station "Invalides":

Line 8 : "Balard" to "Créteil"

Line 13 : "Châtillon-Montrouge" to "Asnières-Gennevilliers" or "Saint-Denis Université"

RER - station "Invalides":

Line C

Line B at two stations

Bus:

Lines 24, 28, 42, 63, 72, 73, 80, 83, 84, 92

Parking:

Tour-Maubourg (45, quai d'Orsay)



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

9. E-notice

Mercialys offers its **direct registered** shareholders, the option to benefit from the free "e-notice" service: you receive every year your meeting notification by email.

will also contain a direct link to the PLANETSHARES platform as well as your usual codes (*login – access code*) making it possible to access the secure VOTACCESS platform where you can transmit your instructions for participating in the General Shareholders' Meeting and consult all the documentation relating to it.

If you haven't already done so, you may opt to receive an e-notice at any time.

But, to be taken into consideration, subscription to the e-notice service must be received by **BNP Paribas Securities Services** no later than 35 days before the date of the General Shareholders' Meeting with respect to which you wish to receive an e-notice.

Thus, to opt as of now for an e-notice for General Shareholder Meetings subsequent to the one to be held on April 26, 2018, please refer to the mechanisms described below.

How to choose the « e-notice » online?

Log onto the website <https://planetshares.bnpparibas.com>, with your usual codes (*login – access code*) and your password, and register for this service (*see below*).

If necessary, you can find full explanations and the steps to follow on the Company's website www.mercialys.com, under « *Investors/ Shareholders/ E-notice* ».

Either on the homepage "DASHBOARD"

Or in the section "MY PROFILE / MY E-SERVICES"

DASHBOARD

E-SERVICES ACTIVATION
Reminder of available e-services not subscribed by the shareholder

Planetshares

BNP PARIBAS

Activate e-services

MY PROFILE

E-SERVICES
Management of the subscription to e-Services: electronic convocation and electronic documents

My e-services

Convocation by email to General Shareholders meetings

E-mail address
marie.petit@bnpparibas.com

I would like to subscribe to the electronic convocation service and receive all convocations for the next general shareholders' meetings to the email mentioned below.

Concerning the retained language choice for the documents about the general shareholders meetings, and in particular for the convocations, I note that this one remains at the discretion of the transmitting company.

If I do no longer wish to receive the convocation to General Shareholders' Meetings by email, I send a letter or an email to BNP Paribas Securities Services (PARIS_BP25_CTS_ASSEMBLEES@bnpparibas.com) within the deadlines mentioned in the article "R225-63 Code de Commerce".

Validate

Manage your subscriptions to electronic services

E-mail address
marie.petit@compagniepts.com

I note this email address will be used for reset online password.

I would like to be informed by e-mail of my Stock exchange executions. I specify my language choice for e-mails contents.

I want to subscribe to all e-services (availability of documents in the electronic format such as statements, operations advices, CA advices, reports...) and no longer receive a paper version.

Portfolio Statements

Taxation statements

Operations advices

I hereby note that:

How to choose the « e-notice » by post?

All you have to do is complete the reply coupon below by legibly writing your last name, first name, date of birth, number of shares, and email address, then returning it to BNP Paris Securities Services.

MERCIALYS

BNP Paribas Securities Services
 CTO - Service Assemblées
 Grands Moulins de Pantin
 9. rue du Débarcadère
 93761 PANTIN Cedex - France

Request to opt for e-notice

I wish to receive an “e-notice” for future General Shareholder Meetings starting with the one on April 26, 2018.

Ms., Mr.:

Date of birth:

Shareholder in direct registered form, owner of: shares

Please find below my email address (*please print in capital letters*):

.....@.....

In on2018

Signature



10. Request for additional documents and information

BNP Paribas Securities Services
CTO - Service Assemblées
Grands Moulins de Pantin
9. rue du Débarcadère
93761 PANTIN Cedex - France

MERCIALYS

Ordinary and Extraordinary General Meeting of April 26, 2018



The documents and information covered under Article R.225-83 of the French commercial code are available on www.mercialys.com, in the following section: « *Investors / Shareholders / Annual general meetings / Annual general meeting, April 26, 2018* »

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**.

Ms., Mr.:

Complete address:

Postal code: City:

Owner of: Mercialys registered shares

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

In on2018

Signature



CONTACTS

contact@mercialys.com

Finance

+33 1 53 70 23 85 / finance@mercialys.com

Retail letting

+33 1 53 70 23 23 / commercialisation@mercialys.com

Casual Leasing

+33 1 53 70 55 48 / contact@mercialys.com

Marketing & communication

+33 1 53 65 24 54 / communication@mercialys.com

Corporate social responsibility

+33 1 53 70 51 03 / rse@mercialys.com

MERCIALYS

French corporation (*société anonyme*) with share capital of Euro 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