



50%

Proportion of women
on the Board
of Directors

58.3%

Proportion of
independent members
on the Board
of Directors

91%

Attendance rate
at the Board
of Directors

4

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4.1 MANAGEMENT AND CONTROL OF THE COMPANY

4.1.1 Board of Directors

The Company is incorporated as *société anonyme* (limited liability company). The roles of Chairman and Chief Executive Officer have been combined since July 17, 2013, ensuring consistency, in a constantly changing environment, between the Company's strategy and operational management, thereby shortening the decision-making process.

The Company refers to the corporate Governance Code for listed companies published by the *Association française des entreprises privées* (AFEP, the French Association of Private Companies) and the *Mouvement des entreprises de France* (MEDEF, the Organization of French companies) (the AFEP-MEDEF Code). The AFEP-MEDEF Code is available for consultation on the AFEP website at the address provided below: www.afep.com.

In accordance with the AFEP-MEDEF Code, and pursuant to Article L. 225-37 of the French Commercial Code, the Company complies with all the recommendations of this Code.

4.1.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

A. Current composition of the Board

As of February 14, 2018, the reporting date for the 2017 fiscal year, the Board of Directors had twelve members, seven of whom were independent (58.3%) as defined by the AFEP-MEDEF Corporate Governance Code, and six were women (50%).

The positions of Chairman of the Board of Directors and Chief Executive Officer are combined and held by Éric Le Gentil. He is assisted by a Chief Operating Officer. Since August 30, 2016, these positions have been held by Vincent Ravat.

The table below is a condensed presentation of the composition of the Board of Directors at February 14, 2018, and the position of the Board during fiscal year 2017.

	Gender	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/Rate of attendance		
						Audit, Risks and Sustainable Development Committee	Investment Committee	Appointments and Compensation Committee
Executive corporate officer								
Éric Le Gentil	M	57	02/13/2013	2019	100%		M 100%	
Independent Directors								
Victoire Boissier	W	50	04/20/2016	04/26/2018	100%		M ⁽²⁾ 100%	
Bernard Bouloc (until 10/24/2017)	M	81	10/14/2005	2019	100%	M 100%		C 100%
Anne-Marie de Chalambert	W	74	07/23/2013	04/26/2018	89%		C 100%	M 100%
Élisabeth Cunin-Diéterlé	W	57	06/06/2012	2019	100%			M/C ⁽²⁾ 100%
Marie-Christine Levet	W	50	06/06/2012	2019	89%	C 100%		
Ingrid Nappi-Choulet	W	51	04/30/2014	2020	67%	M 75%		
Pascale Roque ⁽¹⁾ (from 10/24/2017)	W	56	10/24/2017	2019	100%	M ⁽³⁾		
Generali Vie			04/30/2014	04/26/2018				
Bruno Servant representative of the company	M	57	04/30/2014		100%		M 100%	

M: Member C: Chairman.

(1) Ratification of the appointment by cooption 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.

	Age (at Gender 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/Rate of attendance			
					Audit, Risks and Sustainable Development Committee	Investment Committee	Appointments and Compensation Committee	
Directors representing the majority shareholder								
La Forézienne de Participations		12/10/2010	04/26/2018					
Yves Desjacques, representative of the company (11/13/2017)	M	50	06/08/2012	62.5%				M 100%
David Lubek, representative of the company (since 11/13/2017)	M	44	11/13/2017	100%	M ⁽³⁾			
Jacques Dumas	M	67	08/22/2005	2020	100%	M ⁽⁴⁾ 100%		M ⁽³⁾
Casino, Guichard-Perrachon			08/19/1999	2020				
Antoine Giscard d'Estaing, representative of the company	M	56	04/06/2009	78%			M 100%	
Michel Savart	M	55	05/06/2010	2020	100%		M 80%	M 80%
Number of meetings					9	4	5	5
Rate of attendance					91%	75%	96%	96%

M: Member C: Chairman.

(3) Since December 21, 2017 - No meeting held between December 21 and 31, 2017.

(4) Until December 21, 2017.

Balanced representation

With 58.3% independent Directors and complete gender parity, the Company is in line with the highest international standards.

The Board regularly surveys its members about the ideal balance of its composition and of its specialized committees in order to assure its shareholders and the market that its duties are accomplished with the required independence and objectivity.

By co-opting Pascale Roque on October 24, 2017, to replace Bernard Bouloc, Mercialis confirmed its strong commitment to the independence of its governance and the diversity of its Board of Directors.

Balanced gender representation on the Board of Directors

The Board of Directors consists of six women out of twelve Directors, i.e., 50%.

As Anne-Marie de Chalambert has expressed her wish not to renew her directorship, a proposal will be submitted to the Annual General Meeting on April 26, 2018 for the appointment a new female independent director to maintain the gender balance.

Furthermore, each Committee is chaired by a female independent director.

Diversity policy

The Board of Directors endeavors to apply the principles of the AFEP-MEDEF Code concerning its composition. With the support of the Appointments and Compensation Committee, it periodically assesses its size, structure and composition, as it does for its Committees. New candidacies and proposals for reappointment take into account the findings of evaluations of the functioning of the Board and form the basis of recommendations from the Appointments and Compensation Committee.

The size of the Board is considered appropriate. The Board pursues its objective of maintaining the diversity and complementarity of its technical skills and experience, the balanced gender representation of women and men, and the percentage of independent Directors above the 50% threshold recommended by the AFEP-MEDEF Code for companies with dispersed ownership without controlling shareholders.

Reappointments and nominations of Directors are proposed with a view to maintaining these balances and ensuring the availability of a set of skills commensurate with the Company's activities and the tasks devolved to the Board Committees. Consideration is also given to their wish to be associated with the Company's development, their commitments to Mercialis' corporate social responsibility, and their availability, given the frequency of Board and Committee meetings.

The Board of Directors has also endeavored to achieve a balanced gender representation on its specialized committees. As at February 14, 2018, each Committee is chaired by a woman, while a majority of the members of the Audit, Risks and Sustainable Development Committee and the Appointments and Compensation Committee are women.

The diversity of the skills represented on the Board is presented in the section below.

Diverse, cross-functional and complementary skills

The Board of Directors also supports the diversity of its skills with a panel of experienced members with proven expertise in real estate, asset management, finance, legal, human resources, marketing, retail, as well as in economic research, corporate social responsibility (CSR), new technologies or the digital economy:

	Real estate/ Construction/ Urban planning	Research	Legal/ Human Resources	Finance/ Accounting	New technologies	Management of companies	Insurance	Retail/ hospitality	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...

A Board composed of 58.3% independent Directors

As regards the duties entrusted to it, the Appointments and Compensation Committee is tasked with monitoring the position of each of the Directors in terms of any relationships they might have with the Company or Group companies to ensure that there is nothing that might compromise their freedom of judgment or might lead to possible conflicts of interest with the Company.

In this capacity, the Appointments and Compensation Committee conducts an annual review of the composition of the Board of Directors and, more specifically, of the independence of Board members with regard to the criteria set out in the AFEP-MEDEF Corporate Governance Code:

- criterion 1: not to be an employee or executive corporate officer of the Company, nor an employee, executive corporate officer or director of a company consolidated by the Company, nor of the Company's parent company nor of a company consolidated by this parent company and not have been in such a position in the previous five years;
- criterion 2: not to be an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or an executive corporate officer of the Company (currently in office or having held such office in the previous five years) is a director;
- criterion 3: not to be a major customer, supplier, corporate banker, or financial banker of the Company or of its Group, or for whom the Company or its Group represents a significant part of its business;
- criterion 4: not to have a close family tie to a corporate officer of the Company;
- criterion 5: not to have been the Company's Statutory Auditor in the last five years;
- criterion 6: not to have been a director of the Company for more than twelve years (independent status is lost after twelve years);
- criterion 7: not to be, or to be controlled by or represent, a shareholder holding alone or in concert more than 10% of the voting rights at the Company's General Meetings.

Every year, the Board pays particular attention to the criterion of significant business ties (criterion 3). Where business dealings or relationships have been identified between the Company and the companies in which the Directors considered as independent hold positions or directorships, certain qualitative and/or quantitative factors are generally considered by the Board as confirming the independence of the directors concerned: for example, the insignificance of the amount from the viewpoint of each of the parties, or the gap in time between the relationship and the appointment.

Last year, seven Directors met all the independence criteria: Victoire Boissier, Anne-Marie de Chalambert, Élisabeth Cunin-Diéterlé, Marie-Christine Levet, Ingrid Nappi-Choulet, Pascale Roque, and Bruno Servant the representative of Generali Vie.

Concerning Élisabeth Cunin-Diéterlé, the Board confirmed its analysis that the business dealings between the Camaïeu group (of which she is an executive) and Mercialys were not likely to compromise the exercise of her judgment on the Board or to lead to conflicts of interests. Indeed, only 20 of the 653 stores operated by the Camaïeu group in France are located in Mercialys shopping centers. The rents paid by Camaïeu to Mercialys represent 1.17% of the total rents received by Mercialys. The flow of business between Mercialys and Camaïeu is therefore not significant.

Furthermore, remember that on the basis of the AFEP-MEDEF Code criteria revised in 2016, Bernard Bouloc lost his status as independent director in October 2017 since his directorship has reached a term of twelve years. He therefore resigned from his position, and the Board of Directors co-opted Pascale Roque, a new director who meets the aforesaid independence criteria.

The table below provides a summary analysis of the position of each of the Directors regarding the independence criteria of the AFEP-MEDEF Corporate Governance Code:

Directors	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7
Independent Directors							
Victoire Boissier	yes	yes	yes	yes	yes	yes	yes
Anne-Marie de Chalambert	yes	yes	yes	yes	yes	yes	yes
Élisabeth Cunin-Diéterlé	yes	yes	yes	yes	yes	yes	yes
Marie-Christine Levet	yes	yes	yes	yes	yes	yes	yes
Ingrid Nappi-Choulet	yes	yes	yes	yes	yes	yes	yes
Pascale Roque	yes	yes	yes	yes	yes	yes	yes
Bruno Servant, representative of Generali Vie	yes	yes	yes	yes	yes	yes	yes
Non-independent Directors							
Jacques Dumas	no	yes	yes	yes	yes	yes	no
Antoine Giscard d'Estaing, representative of Casino, Guichard-Perrachon	no	yes	yes	yes	yes	yes	no
Éric Le Gentil	no	yes	yes	yes	yes	yes	no
David Lubek, representative of Forézienne de Participations	no	yes	yes	yes	yes	yes	no
Michel Savart	no	yes	yes	yes	yes	yes	no

B. Directorships and positions held by members of the Board of Directors, the Chief Executive Officer and the Chief Operating Officer**Éric Le Gentil**

Chairman and Chief Executive Officer

Date of birth: June 20, 1960

French citizen

Business address: 148, rue de l'Université – 75007 Paris

Number of Mercialis shares held: 18,400

Expertise and experience

Éric Le Gentil is a graduate of the École Polytechnique, the Institut d'Études Politiques de Paris and of the Institut des Actuaire Français. He began his career in 1985 in insurance auditing. From 1986 to 1992, he held various positions within the French Ministry of Finance including that of advisor on insurance matters to Pierre Bérégovoy's cabinet. From 1992 to 1999, he held various roles at Athéna Assurances and AGF Assurances. He joined Generali France in 1999 as Chief Executive Officer of Generali Assurances Vie & Iard. In December 2004, he was appointed Chief Executive Officer of Generali France Assurances. He has been Chairman and Chief Executive Officer of Mercialis since July 17, 2013.

Main position

- Chairman and Chief Executive Officer of Mercialis (listed company).

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	February 13, 2013	AGM to be held in 2019
Chairman of the Board of Directors	February 13, 2013	AGM to be held in 2019
Chief Executive Officer	July 17, 2013	AGM to be held in 2019
Member of the Investment Committee	April 13, 2012	AGM to be held in 2019

Other directorships and positions held in 2017 and in effect at February 14, 2018**Within the Mercialis Group**

- Managing Partner of La Diane.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Permanent representative of Generali Vie on the Board of Directors of Mercialis (listed company) and member of the Appointments and Compensation Committee;
- Chief Executive Officer of Generali France Assurances;
- Chairman of the Board of Directors of Generali Réassurance Courtage (listed company);
- Vice-Chairman of Europ Assistance Holding;
- Director of Generali France Assurances, Generali Vie, Generali Iard and Generali Réassurance Courtage;
- Permanent representative of Europ Assistance Holding on the Boards of Directors of Europ Assistance (SA) and Europ Assistance France;
- Permanent representative of Generali Iard on the Boards of Directors of Europ Assistance Holding, GFA Caraïbes and Generali Investissement (SICAV);
- Permanent representative of Generali France Assurances on the Boards of Directors of e-cie vie and Prudence Créole;
- Permanent representative of Generali Vie on the Board of Directors of Cofitem-Cofimur (listed company);
- Member of the Supervisory Board and member of the Audit Committee of ANF Immobilier (listed company);
- Member and Chairman of the Executive Committee of Cofifo;
- Member of the Investment Advisory Board of Generali Investments S.p.A.;
- Member of the Management Board of Generali Fund Management and Generali Investments Managers SA;
- Member of the Board of Directors of Generali Real Estate S.p.A.;
- Director of the Association Amis et Mécènes de l'Opéra Comique – AMOC.

Vincent Ravat

Chief Operating Officer

Non-director

Date of birth: March 15, 1974

French citizen

Business address: 148, rue de l'Université - 75007 Paris

Number of Mercialis shares held: 6,771

Expertise and experience

Vincent Ravat joined Mercialis in January 2014 as Deputy CEO responsible for letting, operations, marketing & communication teams. Previously, he served from 2011 as Director of Operations France for Hammerson, a real estate development and management group, listed on the London Stock Exchange, operating in the United Kingdom and France. From 2000 to 2010, he held various positions in Asia, Switzerland, Spain and France, with the King Jouet and Distritoys SA groups, where he was a member of the Executive Committee. He is a graduate of ESC Rouen (now Neoma Business School) and Member of the Royal Institution of Chartered Surveyors (MRICS).

Main position

- Chief Operating Officer of Mercialis

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Chief Operating Officer	August 30, 2016	AGM to be held in 2019

Other directorships and positions held in 2017 and in effect at February 14, 2018

Within the Mercialis Group

- Chairman of Mercialis Exploitation.

Outside the Mercialis Group

- Director of the Institut pour la Ville & le Commerce;
- Director of the Conseil National des Centres Commerciaux (CNCC).

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Member of the Continental Europe Management Board of Hammerson plc;
 - Member of the French Management Board of Hammerson plc.
-

Victoire Boissier

Independent Director (directorship submitted for renewal):

Date of birth: December 28, 1967

French citizen

Business address: 6, allée Jean Prouvé – 92110 Clichy

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 positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	April 20, 2016	AGM of April 26, 2018
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

None

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Director, member of the Strategic Committee and the Accounts Committee 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.

Anne-Marie de Chalambert

Independent director (directorship not up for renewal)

Date of birth: June 07, 1943

French citizen

Business address: 148, rue de l'Université – 75007 Paris (residence for service)

Number of Mercialis shares held: 1,000

Expertise and experience

Anne-Marie de Chalambert began her career in 1962 as press spokesman at Pathé-Marconi. In 1969, she moved into property development as Marketing Manager of Valois. In 1980, she founded and was Chairman and Chief Executive Officer of VLGI (*Vente Location Gestion Immobilière*), a subsidiary of Banque Lazard. In 1996, she joined Generali as Manager Real Estate. She then became Chairman and Chief Executive Officer of Generali Immobilier, where she transformed Generali France's mainly residential portfolio into a portfolio consisting primarily of office properties, mostly in Paris and the Paris region. She was appointed Chairman of Generali Real Estate Europe in 2004, where she brings together the group's various European real estate teams and invests in communal projects. In 2009, she took up the role of Chairman of Generali Immobilier until March 2010. Since 2010, she has acted as a consultant to Institut Pasteur in its real estate strategy.

Main position

- Company director.

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	July 23, 2013	AGM of April 26, 2018
Chairman and independent member of the Investment Committee	July 23, 2013	AGM of April 26, 2018
Independent member of the Appointments and Compensation Committee	July 23, 2013	AGM of April 26, 2018

Other directorships and positions held in 2017 and in effect at February 14, 2018

Outside the Mercialis Group

- Director of Foncière Lyonnaise SA (listed company);
- Member of the Compensation and Selection Committee and member of the Accounting and Audit Committee and member of the independent Directors' committee of Société Foncière Lyonnaise SA (listed company);
- Chairman of AMCH;
- Member of the Investment Committee of the Institut Pasteur.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Director, member of the Appointments and Compensation Committee and of the Investment Committee of Nexity SA (traded company).
-

Élisabeth Cunin-Diéterlé

Independent director

Date of birth: September 17, 1960

French citizen

Business address: Groupe Camaïeu – 211, avenue Jules Brame – 59100 Roubaix

Number of Mercialys shares held: 1,000

Expertise and experience

Élisabeth Cunin-Diéterlé holds degrees from the École Polytechnique, ENSAE and the Institut d'Études Politiques de Paris. She began her career within McKinsey. She then moved to the retail sector, first with Dia, then with Étam. She became Chief Executive Officer of André in 2001 and then of Étam Lingerie in 2005. In 2011, Élisabeth Cunin-Diéterlé became Chairman of Comptoir des Cotonniers and Princesse Tam-Tam, brands owned by Japanese group Fast Retailing, which also owns Uniqlo. In October 2013, she joined the Camaïeu Group as Chairman.

Main position

- Chairman of the Camaïeu Group.

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	June 06, 2012	AGM to be held in 2019
Independent member of the Appointments and Compensation Committee	November 27, 2013	AGM to be held in 2019
President of the Appointments and Compensation Committee	October 24, 2017	AGM to be held in 2019

Other directorships and positions held in 2017 and in effect at February 14, 2018**Outside the Mercialys Group**

- President of Camaïeu International and Financière Brame;
- Permanent representative of Camaïeu International on the Board of Directors of Mode Développement Belgique SA (Belgium);
- Permanent representative of Camaïeu International, general partner of Camaïeu Monaco & Cie;
- Executive Manager of Camaïeu Asia;
- Executive Director within Camaïeu Apparel (Shanghai) Co Ltd.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Chairman of Créations Nelson, Comptoir des Cotonniers France, Petit Véhicule, AMB;
- Chairman and member of the Management Board of Financière Brame;
- Chief Executive Officer of Camaïeu International;
- Director of Comptoir des Cotonniers Belgium, Comptoir des Cotonniers United Kingdom, and Princesse Tam-Tam Belgium;
- Chairman of the Board of Directors of Comptoir des Cotonniers Switzerland;
- Manager of Comptoir des Cotonniers Germany, Comptoir des Cotonniers Spain, Comptoir des Cotonniers Italy, Princesse Tam-Tam Germany, Princesse Tam-Tam, Spain, Petit Véhicule Italy.

Jacques Dumas

Director

Date of birth: May 15, 1952

French citizen

Business address: 148, rue de l'Université – 75007 Paris

Number of Mercialis shares held: 508

Expertise and experience

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

Main positions

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

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	August 22, 2005	2020 AGM
Member of the Appointments and Compensation Committee	December 21, 2017	2020 AGM

Other directorships and positions held in 2017 and in effect at February 14, 2018

Outside the Mercialis Group

Within the Euris Group

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

Outside the Euris Group

- Managing Partner of Cognacq-Parmentier and Longchamp-Thiers.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Chairman of GreenYellow;
- Vice-Chairman and member of the Supervisory Board of Monoprix SA;
- Permanent representative of Cobivia on the Board of Directors of Casino, Guichard-Perrachon* (listed company);
- Permanent representative of Casino, Guichard-Perrachon on the Board of Directors of Monoprix SA;
- Permanent representative of Casino, Guichard-Perrachon on the Supervisory Board of Monoprix SA;
- Permanent representative of Distribution Casino France on the Board of Directors of Distribution Franprix;
- Permanent representative of Messidor SNC on the Board of Directors of Cdiscount;
- Member of the Appointments and Compensation Committee of Rallye (listed company);
- Member of the Audit, Risks and Sustainable Development Committee of Mercialis (listed company).

* Directorships and positions ended during 2017.

Marie-Christine Levet

Independent director

Date of birth: March 28, 1967

French citizen

Business address: 148, rue de l'Université – 75007 Paris (residence for service)

Number of Mercialis shares held: 1,000

Expertise and experience

Marie-Christine Levet is a graduate of the École des Hautes Études Commerciales and an MBA of INSEAD. She began her career at Accenture before joining Disney and then Pepsico in marketing and strategy roles. She then obtained solid experience in the internet and telecoms sectors. In 1997, she founded Lycos France and moved it up the ranks to become France's number two internet portal in 2000. She was Chairman of Club-Internet from 2001 to July 2007. From 2004 to 2005, she was also Chairman of the AFA (the French Association of ISPs), representing the interests of all players in the market to the public authorities. From 2008 to 2010, she managed the hi-tech IT newsgroup Tests as well as the internet activities of the NextRadioTV group. From 2010 to 2013, she was a partner in investment fund Jaina Capital, specializing in the financing of new innovative businesses. Marie-Christine Levet is currently a partner at Educapital, an investment fund specialized in education and training, which she created in 2017.

Main position

- Company director.

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	June 06, 2012	AGM to be held in 2019
President and independent member of the Audit, Risks and Sustainable Development Committee	April 30, 2014	AGM to be held in 2019

Other directorships and positions held in 2017 and in effect at February 14, 2018**Outside the Mercialis Group**

- Director and President of the Audit Committee of Iliad, Econocom and Maisons du Monde (listed companies);
- Director So Local (listed company).

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Independent member of the Investment Committee of Mercialis (listed company);
- Partner in investment fund Jaina Capital;
- Director and Member of the Audit Committee of BPIFrance Financement;
- Director of FINP, the Google Digital Innovation Fund for French publishers;
- Director and then member of the Supervisory Board and Member of the Appointments and Compensation Committee of Avanquest (listed company);
- Director, member of the Appointments and Compensation Committee and of the Audit Committee of Hipay Group* (traded company);
- Non-voting director of BPIFrance Financement*.

* Directorship and position ended in 2017.

Ingrid Nappi-Choulet

Independent Director

Date of birth: April 1, 1966

French citizen

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

Number of Mercialis shares held: 950

Expertise and experience

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

Main position

- Professor and researcher.

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	April 30, 2014	2020 AGM
Independent member of the Audit, Risks and Sustainable Development Committee	May 05, 2015	2020 AGM

Other directorships and positions held in 2017 and in effect at February 14, 2018

Outside the Mercialis Group

- Member of the Conseil immobilier de l'État (French government property council);
- Director of the Observatoire Régional du Foncier Île-de-France.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Director of ADI - Association des Directeurs Immobiliers.
-

Pascale Roque

Independent director (directorship to be renewed)

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

Number of Mercialis 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, member of the group executive committee.

Main position

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

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	October 24, 2017	AGM to be held in 2019
Independent member of the Audit, Risks and Sustainable Development Committee	December 21, 2017	AGM to be held in 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 listed above)

None

Michel Savart

Director

Date of birth: April 1, 1962

French citizen

Business address: Foncière Euris – 83, rue du Faubourg-Saint-Honoré – 75008 Paris

Number of Mercialis shares held: 500

Expertise and experience

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

Main positions

- Advisor to the Chairman of the Rallye/Casino group;
- Chairman and Chief Executive Officer of Foncière Euris (listed company).

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	May 06, 2010	2020 AGM
Member of the Appointments and Compensation Committee	October 22, 2010	2020 AGM
Member of the Investment Committee	October 22, 2010	2020 AGM

Other directorships and positions held in 2017 and in effect at February 14, 2018

Outside the Mercialis Group

Within the Euris Group

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

Outside the Euris Group

- Chairman of Aubriot Investissements;
 - Managing Partner of Montmorency.
-

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

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

* Directorships and positions ended in 2017.

Casino, Guichard-Perrachon

Director

French limited liability company with share capital of Euro 169,825,403.88

Head office: 1, cours Antoine Guichard - 42000 Saint-Étienne

554 501 171 R.C.S. Saint-Étienne

Number of Mercialys shares held: 26,452

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
Director	August 19, 1999	2020 AGM

Other directorships and positions held in 2017 and in effect at February 14, 2018**Outside the Mercialys Group****Within the Casino group**

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

Outside the Casino group

- Director of Loire Télé.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- President of Investeur 103;
- Member of the Supervisory Board of Monoprix SA;
- Director of Loire Télé SAEML, Monoprix SA, Ségisor and Tevir.

Antoine Giscard d'Estaing

Appointed on April 6, 2009

Permanent representative of Casino, Guichard-Perrachon

Date of birth: January 05, 1961

French citizen

Business address: 148, rue de l'Université - 75007 Paris

Number of Mercialis shares held: 500

Expertise and experience

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

Main positions

- Chief Financial Officer and member of the Executive Committee of the Casino group.

Other directorships and positions held in 2017 and in effect at February 14, 2018

Within the Mercialis Group

- Member of the Investment Committee of Mercialis (listed company).

Outside the Mercialis Group

Within the Casino group

- Member of the Supervisory Committee of GreenYellow and Monoprix;
- Chairman and Chief Executive Officer and Director of Casino Finance;
- Chairman and Member of the Supervisory Committee of Cnova Pay;
- Chairman of the Board of Directors and Non-Executive Director of Cnova N.V. (listed company - Netherlands).

Outside the Casino group

- Director, Chairman and Member of the Audit Committee and Member of the Appointments and Compensation Committee of NRJ Group (listed company).

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Chairman of the Board of Directors and Director of Banque du Groupe Casino*;
- Vice-Chairman and Chief Operating Officer of Casino Finance*;
- Chairman of Casino Finance and GreenYellow*;
- Chairman and member of the Supervisory Board of Monoprix SA;
- Permanent representative of Germinal SNC on the Board of Directors of Monoprix SA;
- Permanent representative of Germinal SNC on the Supervisory Board of Monoprix SA;
- Director of the Board of Directors and Member of the Financial Committee of Companhia Brasileira de Distribuição (listed company - Brazil).

* Directorships and positions ended in 2017.

La Forézienne de Participations

Director (directorship submitted for renewal)

Simplified joint-stock company with share capital of Euro 568,599,197

Head office: 1, cours Antoine Guichard - 42000 Saint-Étienne

501 655 336 R.C.S. Saint-Étienne

Number of Mercialys shares held: 36,042,460

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
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 Mercialys Group****Within the Casino group**

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

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

None

David Lubek

Appointed on November 13, 2017

Permanent representative of La Forézienne de Participations

Date of birth: May 13, 1973

French citizen

Business address: 148, rue de l'Université - 75007 Paris

Expertise and experience

Graduate of École Polytechnique and ENSAE, holder of a post-graduate degree in economics (EHESS), David Lubek 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.

Main positions

- Manager of management control for the Casino group.

Other directorships and positions held in 2017 and in effect at February 14, 2018

Within the Mercialys Group

- Member of the Audit, Risks and Sustainable Development Committee of Mercialys (listed company).

Outside the Mercialys Group

Within the Casino group

- Permanent representative of Casino, Guichard Perrachon on the Supervisory Board of Monoprix SA.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- None
-

Generali Vie

Independent director (directorship submitted for renewal)

French corporation with share capital of Euro 299,197,104

Head office: 2, rue Pillet-Will - 75009 Paris

602 062 481 R.C.S. Paris

Number of Mercialys shares held: 7,373,571

Directorships and positions held within the Company

Directorship/Position	Date appointed	Date when term expired
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**

- Chairman of Haussmann Investissement;
- Director of Europ Assistance Holding, Expert et Finances, Generali IARD and Generali Luxembourg and GFA Caraïbes.

Outside the Generali France Group

- Director of Foncière Développement Logements (listed company), SICAV Objectif Sélection, SICAV Palatine Méditerranée, SICAV Reconnaissance Europe, SICAV Novi 1, SICAV Novi 2 and Vigeo;
- Member of the Supervisory Board of Foncière de Paris SIIC (listed company), Foncière des Murs (listed company) and SCPI Foncia Pierre Rendement.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Non-voting director of Mercialys (listed company);
- Director of Eurosic, Foncière de Paris SIIC, Generali Actions Plus, Generali Euro Actions, Generali Euro sept/dix ans, Generali Gérance, Generali Investissement, Generali Investments France, Generali Trésorerie, SAI Les trois collines de Mougins, SICAV Eparc Continent, SICAV Fairview Small Caps, SICAV Generali Actions diversifiées, and Mercialys;
- Member of the Supervisory Board of Foncière des Régions and SCPI Rocher Pierre 1 and SCPI Generali Habitat.

Bruno Servant

Appointed on April 30, 2014

Permanent representative of Generali Vie

Date of birth: February 26, 1960

French citizen

Business address: Generali France – 2, rue Pillet-Will – 75309 Paris Cedex 9

Number of Mercialis shares held: 850

Expertise and experience

As a graduate of ESSEC and the Institut d'Études Politiques de Paris, Public Service section, and the Institut des Actuaire, Bruno Servant 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.

Main position

- Investment Director of Generali France.

Other directorships and positions held in 2017 and in effect at February 14, 2018

Within the Mercialis Group

- Independent member of the Investment Committee.

Outside the Mercialis Group

Within the Generali France Group

- Managing Partner of SCI GF Pierre.

Outside the Generali France Group

- Representative of Generali Vie on the Board of Directors of SICAV Objectif Selection;
- Chairman of the Board of Directors of Generali Investments Asia Limited (Hong Kong);
- Member of the Investment Advisory Board of Generali Investments S.p.A. (Italy);
- Member of the Supervisory Board of Lion I and Lion River II (Netherlands).

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Permanent representative of Generali Vie on the Supervisory Board of Foncière de Paris SIC (listed company);
 - Permanent representative of Generali Vie, non-voting Director on the Board of Directors of Mercialis (listed company);
 - Permanent representative of Generali Vie on the Board of Directors of Generali Luxembourg (Luxembourg);
 - Permanent representative of Generali France Assurances on the Supervisory Board of Foncière des Murs (listed company);
 - Director of STEG.
-

C. Directorships and positions held by Dominique Dudan, whose appointment as director is proposed

Dominique Dudan

Date of birth: January 19, 1954

French citizen

Business address: 1, rue de Condé – 75006 Paris

Number of Mercialis shares held: 100

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) since 2017. 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'Île-de-France, of the Institut d'Études Immobilières et Foncières, and of the VoxFemina association. She is a *Chevalier* of the French National Order of Merit.

Main position

- Director of companies.

Other directorships and positions held in 2017 and in effect at February 14, 2018

Outside the Mercialis 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 Risk Committee of Swiss Life Reim (France);
- President of the Supervisory Board of Sofidy Pierre Europe (OPCI);
- Senior Advisor for the real estate section of LBO France Gestion;
- Chair of Artio Conseil;
- Manager of SCI du Terrier, SCI du 92, and SARL William's Hotel;
- Fellow of the Royal Institution of Chartered Surveyors and Member of RICS France.

Other directorships and positions held during the past five years

(other than the directorships and positions listed above)

- Chair 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 Île-de-France (ORIE)**.

* Directorships and positions ended in January 2018.

D. Changes to the composition of the Board of Directors in 2017

General principles governing the Board's composition

The Board's operating procedures are established by law, the Company's articles of incorporation and the Board's internal rules. They are detailed in the internal rules of the Board of Directors, found in chapter 9, page 235 and following.

The Board of Director's composition is guided by the main principles below:

- Directorships have a term of three years and the Board is partly renewed every year, pursuant to the Company's articles of association and the AFEP-MEDEF Corporate Governance Code, to allow business continuity, promote smooth renewal of Directors and allow shareholders to sufficient opportunity for expressing their opinion about these directorships;
- The articles of association stipulate no age limit for Directors other than the statutory limit according to which no more than one third of the directors may be over the age of 70;
- The Board of Directors consists of at least three and at most eighteen members, appointed by the Annual General Meeting (see Article 14 of the articles of association);
- Under Article 23 of the Company's articles of association, one or more non-voting Directors may be selected from the Company's shareholders and appointed by the Annual General Meeting, or between two Annual General Meetings by the Board of Directors subject to approval at the next scheduled Annual General Meeting. Non-voting Directors, appointed for a three-year term, attend the meetings of the Board of Directors. In this connection, they provide comments and opinions and take part in discussions in an advisory capacity. There may not be more than five non-voting Directors. The age limit for serving as a non-voting Director is set at 80. However, the Company has no non-voting Directors;
- According to internal rules, each Director must hold a number of shares in registered form corresponding to at least the equivalent of one year's directors' fees.

Changes in 2017 and directorships of Board members expiring in 2018

Following his loss of his status as independent Director, Bernard Bouloc resigned from his directorship on October 24, 2017. The Board of Directors accordingly co-opted Pascale Roque to replace Bernard Bouloc.

On November 13, 2017, David Lubek was appointed permanent representative of La Forézienne de Participations, to replace Yves Desjacques.

The Board of Directors therefore reviewed the composition of these three committees, which as of the date of this Registration Document, consisted of the following:

Appointments and Compensation Committee

- Elisabeth Cunin-Dieterle, Chairman, Independent Director;
- Victoire Boissier, Independent Director;
- Anne-Marie de Chalambert, Independent Director;
- Jacques Dumas, Director representing the majority shareholder;
- Michel Savart, Director representing the majority shareholder.

Audit, Risks and Sustainable Development Committee

- Marie-Christine Levet, Chairman, Independent Director;
- Ingrid Nappi-Choulet, Independent Director;
- Pascale Roque, Independent Director;
- David Lubek, representative of the majority shareholder.

Investment Committee

- Anne-Marie de Chalambert, Chairman, Independent Director;
- Antoine Giscard d'Estaing, Director representing the majority shareholder;
- Éric Le Gentil, Director, Chairman and Chief Executive Officer;
- Michel Savart, Director representing the majority shareholder;
- Bruno Servant, Independent Director.

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

Date	Departures	Nominations
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 President 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; ■ Élisabeth Cunin-Diéterlé: President 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.
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: Audit, Risks and Sustainable Development Committee; ■ David Lubek: Member of the Audit, Risks and Sustainable Development Committee.

Renewals - 2018 Appointments

The directorships of Victoire Boissier, Anne-Marie de Chalambert, La Forézienne de Participations, and Generali Vie will expire at the 2018 Annual General Meeting. The Board of Directors, on the recommendation of the Appointments and Compensation Committee, is proposing that the Annual General Meeting renew the directorships of Victoire Boissier, La Forézienne de

Participations, Generali Vie and to appoint a new independent director. The directorship of Anne-Marie de Chalambert is not up for renewal.

The changes that occurred in Board composition in fiscal year 2017 and the proposals submitted to the Annual General Meeting are summarized as follows:

	Annual General Meeting of April 27, 2017	Annual General Meeting of April 26, 2018
Directorship expired on	Jacques Dumas Ingrid Nappi-Choulet ⁽¹⁾ Michel Savart Casino, Guichard-Perrachon	Victoire Boissier ⁽¹⁾ Anne-Marie de Chalambert ⁽¹⁾ La Forézienne de Participations Generali Vie ⁽¹⁾
Renewal	Jacques Dumas Ingrid Nappi-Choulet ⁽¹⁾ Michel Savart Casino, Guichard-Perrachon	Victoire Boissier ⁽¹⁾ La Forézienne de Participations Generali Vie ⁽¹⁾
Ratification		Pascale Roque ⁽¹⁾
Appointment		Dominique Dudan ⁽¹⁾

(1) Independent director.

At the end of the Annual General Meeting of April 26, 2018, the Board will remain composed of twelve members with seven independent members as defined by the criteria of the AFEP-MEDEF Corporate Governance Code, namely: Victoire Boissier, Élisabeth Cunin-Diéterlé, Dominique Dudan, Marie-Christine Levet, Ingrid Nappi-Choulet, Pascale Roque and Generali Vie (represented by Bruno Servant).

The Board will also include four representatives of the majority shareholder: Jacques Dumas and Michel Savart, as well as Casino, Guichard-Perrachon (represented by Antoine Giscard d'Estaing) and La Forézienne de Participations (represented by David Lubek).

Independent Directors will make up 58.3% of the Board, and women 50%.

4.1.2 Senior Management of the Company

4.1.2.1 SENIOR MANAGEMENT

The roles of Chairman and Chief Executive Officer have been combined since July 17, 2013 ensuring consistency, in a constantly changing environment, between the Company's strategy and its operational management, thereby shortening the decision-making process. Since that date, these two positions have been held by Éric Le Gentil, who was reappointed by the Board of Directors meeting on April 20, 2016.

The Chairman and Chief Executive officer is assisted by a Chief Operating Officer. This latter position has been held by Vincent Ravat since August 30, 2016.

A. Restrictions on the powers of the Senior Management

The Chairman and Chief Executive Officer and the Chief Operating Officer have the most extensive powers to act on behalf of the Company in all circumstances, pursuant to Article L. 225-56 of the French Commercial Code. These powers are to be exercised within the scope of the Company's purpose and of the powers expressly conferred by statute on Annual General Meetings and on the Board of Directors. They represent the Company in its relations with third parties.

However, as part of good corporate governance, the Board of Directors has decided to limit the powers of Senior Management and to make certain management actions, subject to its prior approval, depending on their nature or the amount involved. Thresholds have been set to ensure that the Board of Directors approves the most significant transactions, in accordance with statute and the principles of corporate governance.

The Chief Executive Officer and Chief Operating Officer must therefore obtain the Board of Directors' prior authorization before:

- any transaction likely to affect the strategy of the Company and the companies it controls, their financial structure or the scope of their activity, in particular the signing or termination of any agreement likely to have a material effect on the future of the Company and/or its subsidiaries;
- any transaction or commitment exceeding Euro 10,000,000 (ten million) and, in particular:
 - any subscription for or purchase of securities, any *de facto* or *de jure* acquisition of an immediate or deferred equity interest in any grouping or company, and any total or partial disposal of equity interests or securities;
 - any acquisition or assignment of claims, lease rights or other intangible assets;
 - any contribution or exchange, with or without consideration, affecting assets, rights, shares or securities;
 - any acquisition or disposal of properties or real-estate rights;
 - any issue of securities by companies controlled directly or indirectly by the Company;
 - any action taken with a view to granting or obtaining any loan, credit or cash advance.

However, the Euro 10 million threshold does not apply to internal transactions of the Mercialys Group.

Furthermore, the same applies to development projects covered by the Partnership Agreement with Casino, regardless of the amount concerned, which must be submitted to the Board of Directors for prior authorization in accordance with the terms of said agreement.

Furthermore, the Chief Executive Officer and the Chief Operating Officer have specific authorized annual limits on guarantees, loans, credit facilities, commercial paper and bond issues.

Thus, in 2017, the Board of Directors authorized them, for a period of one year, to give sureties or guarantees on the Company's behalf to its subsidiaries in proportion to the stake held, subject to the limit of an annual aggregate amount of Euro 100 million and an amount per commitment of Euro 10 million.

They are also authorized to negotiate, implement, renew and extend or replace, borrowings, confirmed lines of credit, cash advances and all financing contracts, whether syndicated or not, within the limit of an annual amount of Euro 100 million.

In addition, the Chief Executive Officer and the Chief Operating Officer are authorized to negotiate and issue commercial paper up to a maximum of Euro 500 million.

Finally, they are authorized to issue bonds for a total of Euro 100 million per year and, in this regard, to set the characteristics and terms, and to carry out any related capital market transactions.

B. Management Committee

In addition to Senior Management, the Management Committee of Mercialys consists of the heads of the Mercialys' main operational and financial departments. The Committee is tasked with implementing the Company's strategy, as determined by the Board of Directors.

The Management Committee's duties and responsibilities thus include:

- determining the Company's main budget priorities and defining the action plans associated with all parts of its business;
- monitoring the operational performance and implementing actions to optimize such performance;
- enabling information to be exchanged between all departments, and encouraging the dissemination of best practices, especially with respect to operational management, risk control and sustainable development;
- issuing opinions on the main axes of development of the Company, on the main negotiations in process and on changes to the portfolio of projects, and to do this before they are presented to the Investment Committee, and then to the Board of Directors.

The Senior Management Committee comprises the following members:

- Éric Le Gentil, Chairman and Chief Executive Officer;
- Vincent Ravat, Chief Operating Officer;
- Nicolas Joly, Executive Vice-President;

- Thierry Augé, Human Resources Director;
- Élisabeth Blaise, Chief Financial Officer;
- Fabrice Haurani, Director of Asset Management Galeries;
- Didier Jacquel, Operations Director;
- Julie Savary, Marketing and Communication Director;
- Stéphane Vallez, Letting and B2B Marketing Director.

4.1.3 Preparation and organization of the Board of Directors' work

4.1.3.1 FUNCTIONING OF THE BOARD OF DIRECTORS

Pursuant to the provisions of Article L. 225-35 of the French Commercial Code, the Board of Directors determines the broad lines of the Company's business activities and ensures they are implemented. With the exception of the powers granted expressly to Annual General Meetings and within the scope of the Company's corporate purpose, the Board of Directors acts in all matters concerning the smooth operation of the Company and deliberates on such matters.

It also conducts such audits and reviews as it deems appropriate.

The Board of Directors also examines and approves the Company's and its subsidiaries' full-year and half-year consolidated financial statements and presents reports on their business and results; it determines the Company's business plan and financial projections. It reviews the Chairman's report with a view to approving it. It appoints the Chairman and Chief Executive Officer and determines their compensation. It determines whether Senior Management functions are combined or separated. It allocates stock warrants, stock options and bonus shares, and implements employee shareholding plans. In this connection, it reviews the Company's equal opportunities and equal pay policy every year.

The manner in which the Board of Directors' work is prepared and organized is defined by statute, by the Company's articles of association, by the provisions of the internal rules of the Board of Directors and by the charters of the specialized Committees.

The Board of Directors shall meet as often as the interest of the Company requires and whenever it deems this appropriate. Meetings of the Board of Directors are valid only if at least half its members are present. Decisions are taken by a majority of the members present or represented. In the event of a tied vote, the Chairman of the meeting shall have the casting vote.

The Chairman organizes and directs the Board of Directors' work and reports on it to the Annual General Meeting.

In this respect, the Chairman convenes meetings of the Board of Directors and draws up the agenda and minutes. The Chairman monitors the operation of the Company's management bodies

and verifies, in particular, that the Directors are capable of carrying out their duties.

A. Internal rules of the Board of Directors

The organization and operation of the Board of Directors are governed by its internal rules adopted on August 22, 2005. They were amended for the last time on March 20, 2017 in order to reflect the statutory and regulatory changes relating to the entry into force of European Regulation no. 596/2014 on market abuses and reforms to the statutory audit, as well as the November 2016 revision of the AFEP-MEDEF code. These gather together the different rules applicable to the Board under statute, the regulations and the Company's articles of association. The internal rules also include the corporate governance principles which the Board upholds and applies.

The internal rules also describe the functioning, powers, responsibilities and tasks of the Board and its specialized Committees: the Audit and Risks Committee, the Appointments and Compensation Committee and the Investment Committee.

The professional ethics rules and good governance principles applicable to the members of the Board of Directors are set forth in paragraph 4.1.6, page 231.

The internal rules establish the principle that the functioning of the Board of Directors should be subject to regular formal appraisal.

They also describe the manner in which, and on what terms, meetings are conducted and votes are taken, and enable the Directors to take part in Board meetings by videoconference or other means of telecommunication.

The internal rules of the Board of Directors are available to shareholders in the Registration Document (see chapter 9, § 9.1.5, p. 338). They may also be consulted online at the Company's website: <http://www.mercialys.com>.

B. Information for the Board of Directors

The conditions for exercising the right to information established by statute, and the obligations of confidentiality arising therefrom are specified in the internal rules of the Board.

The Chairman and Chief Executive Officer is required to provide Directors with all the documents and information they require to perform their duties.

For this purpose, the information required for examination of the points to be discussed by the Board of Directors is provided to Board members before Board meetings. Each Director is therefore provided with a file containing all the information and documents relating to the items on the agenda, subject to its availability and depending on the progress made on these cases. A secure platform set up at the end of 2016 launched the use of electronic files for the Board and the Committees, facilitating data transmission and archiving.

Board members are informed of changes in the markets and in the competitive environment, and of the primary challenges faced, including those related to the Company's corporate social and environmental responsibility.

The Chief Administrative and Financial Officer attends all Board meetings.

Under the internal rules of the Board of Directors, Senior Management provides the Board of Directors, at least once per quarter, with a report on the activities of the Company and its main subsidiaries, including changes to revenues and results, investments and disposals, a statement of debt and the credit facilities available to the Company and its main subsidiaries, a list of the agreements referred to in Article L. 225-39 of the French Commercial Code entered into during the previous quarter, and a table showing the number of employees of the Company and its main subsidiaries.

When Directors takes office, they receive all the information necessary for the performance of their duties and may ask to be provided with all documents they believe to be useful. Interviews are organized with certain members of the Management Committee so that they can improve their knowledge of the factors specific to the Company, its businesses and its markets.

Thus, in 2017, when Pascale Roque joined the Board, she met several members of the Management Committee, who provided her with a clear operational and financial vision of the major challenges facing Mercialys. Furthermore, in early 2018, site visits were organized with the team dedicated to these projects at Mercialys.

Senior Management, the Chief Administrative and Finance Officer and the Board's secretariat are available to all Directors to provide any information or pertinent explanation.

Between Board meetings, the Directors receive all important information about the Company or about any event that significantly affects the Company, about the transactions or information previously provided to them, or the subjects discussed at meetings. They are invited to the meetings where the financial results are presented to financial analysts.

If a Director believes it is necessary, he/she may receive additional training about the specific features of the Group, its businesses and business sectors, and about the accounting or financial aspects in order to improve his/her knowledge.

4.1.3.2 DUTIES OF THE BOARD OF DIRECTORS

A. Adoption of the financial statements - Business activity of the Company and its subsidiaries

The Board approved the financial statements for December 31, 2016 and the first half of 2017, as well as the business plan and financial projections of Mercialys. It approved the reports and resolutions submitted to the Combined Annual and Extraordinary General Meeting on April 27, 2017. It was also informed of the Group's operations at March 31 and September 30, 2017.

The Board of Directors approved:

- the disposals of Mercialys units at the La Galerie-Géant Beaulieu site in Poitiers, the Fontaine-lès-Dijon shopping centers; the disposal of the units held by Mercialys in the Saint-Paul shopping center on Reunion Island;
- the acquisitions completed under the Partnership agreement with Casino, particularly the acquisition of the Port site on Reunion Island.

The Board also benefited from specific presentations on the Company's gender equality policy.

The Board of Directors met 9 times in 2017. The average attendance rate of Directors was 91%.

B. Corporate governance

The Board of Directors reviewed the situation of the Company with regard to the principles of corporate governance, including the membership and organization of the Board and its Committees, the renewal of directorships and the independence of the Directors.

The Board of Directors has approved the Chairman's report on the organization and operation of the Board of Directors and Senior Management, as well as on internal control and risk management procedures.

The Board was informed of the work of the specialized committees as described below (see § 4.1.4, p. 228).

The Company's Independent Directors also met on December 21, 2017. In this connection, they submitted a report to the Chairman and Chief Executive Officer on the observations and recommendations made in the course of this meeting.

C. Corporate social responsibility

the Board of Directors also approved the chapter 6 of this Registration Document, presenting the Group's CSR policies as part of the progress plan launched by Mercialys. These policies are based on four fundamental principles.

1. Define an ambitious, achievable strategy that helps create differentiation;
2. Prefer experimentation prior to the roll-out of certain actions;
3. Be agile with a strong capacity to adapt to the regions;
4. Promote the implementation of partnership arrangements with certain partners).

Their roll-out is backed by the commitment of all teams to building the strategy, to setting quantitative and qualitative objectives depending on the subject, to introducing them gradually into each business line, and to developing a communication strategy tailored to the different audiences.

D. Compensation – bonus shares allocated

After consulting the Appointments and Compensation Committee, the Board of Directors decided on the variable compensation to be paid in 2016 to Éric Le Gentil and Vincent Ravat as, respectively, Chairman and Chief Executive Officer and Chief Operating Officer, on the basis of the quantitative and qualitative objectives approved by the Board of Directors.

In connection with the 2017 compensation policy presented to the Annual General Meeting of April 27, 2017, the Board of Directors also set the 2017 objectives for the compensations of Messrs. Éric Le Gentil and Vincent Ravat, and the principles and criteria for the compensation packages of Éric Le Gentil and Vincent Ravat.

Following the approval of the 26th resolution by the Ordinary General Meeting on April 27, 2017, the Board of Directors decided to introduce bonus share plans for the benefit of all Mercialis employees, for the Group's key staff, and bonus share plans for Éric Le Gentil and Vincent Ravat (see § 4.2.2.1, B, 6, p. 242, and 4.2.2.1, C, 5, p. 245).

4.1.4 Specialized Committees

The Board of Directors is supported in its work by three specialized committees: the Audit, Risks and Sustainable Development Committee, the Appointments and Compensation Committee, and the Investment Committee.

All committee members are Directors. They are appointed by the Board, which also selects the Chairman of each committee.

The assignments and specific operating methods of each committee were defined by the Board when the committees were set up and included in the internal rules.

4.1.4.1 AUDIT, RISKS AND SUSTAINABLE DEVELOPMENT COMMITTEE

A. Composition

The Audit, Risks and Sustainable Development Committee consists of four members: Marie-Christine Levet, Ingrid Nappi-Choulet and Pascale Roque, independent members, and David Lubek, representing the majority shareholder.

The Committee, chaired by Marie-Christine Levet, has a majority of independent members, in accordance with the AFEP-MEDEF Corporate Governance Code. Thanks to their training and experience, the Committee's members have the necessary skills in terms of finance and accounting (see § 4.1.1.1, A, p. 204).

B. Duties and responsibilities

The Audit, Risks and Sustainable Development Committee helps the Board of Directors fulfill its role in reviewing and approving the full-year and half-year financial statements, and in examining any transaction, fact or event that may have a significant impact on the position of Mercialis or its subsidiaries in terms of commitments and/or risks.

In this capacity, in accordance with Article L. 823-19 of the French Commercial Code and on the responsibility of the Board of Directors, the Audit and Risks Committee is responsible for matters relating to the preparation and control of financial and accounting information.

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 Mercialis 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». In this capacity, it reviews the sustainable

development policy determined by Senior Management and its implementation, it seeks information about the risks associated with sustainable development through risk mapping, and it keeps abreast of regulatory changes likely to impact Mercialys' management of the different environmental, social and governance criteria.

The powers and responsibilities of the Audit, Risks and Sustainable Development Committee are confirmed in its rules of organization and operation, especially as regards the analysis of management risks and the detection and prevention of management irregularities, available on the Company's website at: www.mercialys.com

C. Activity in 2017

The Audit, Risks and Sustainable Development Committee met four times in 2017 with an attendance rate of 75%.

On approving the full-year and half-year financial statements, the Audit, Risks and Sustainable Development Committee verified the closing processes and read the Statutory Auditors' report, which included a review of all of the Company's consolidation operations and financial statements, in particular the accounting policies applied. It also reviewed the Company's material risks and off-balance sheet commitments. It was provided with the audit schedule and the Statutory Auditors' fees for 2017.

The Committee has ascertained the independence of the Statutory Auditors. Numerous exchanges took place in particular with regards to the implementation of the new report.

The Committee examined Mercialys' risk prevention documents and the Chairman's report on internal control and risk management procedures.

It was also provided with the conclusions of the Statutory Auditors on their work concerning the procedures for the preparation and processing of accounting and financial information.

In connection with the procedure for reviewing signed related party agreements, the Audit, Risks and Sustainable Development Committee examined the Senior Management's general report on agreements with a Related Party which occurred in 2017.

In October 2017, the Committee reviewed the extension of its remit to CSR matters, and changed its name to become the Audit, Risk and Sustainable Development Committee, and the Committee's charter has been amended to reflect these new responsibilities.

The Committee also gave its opinion on an SAAC mission (for services other than the certification of financial statements at end of year) in connection with the legal reorganization of the Mercialys Group. In this capacity, the Committee approved the missions entrusted to the Statutory Auditors in connection with interim dividend payments by companies without statutory auditors. In the end, these missions were canceled.

The Chairman of the Committee reported to the Board of Directors on the work of each meeting of the Audit, Risks and Sustainable Development Committee.

4.1.4.2 APPOINTMENTS AND COMPENSATION COMMITTEE

A. Composition

The Appointments and Compensation Committee consists of five members: Élisabeth Cunin-Dieterlé, Anne-Marie De Chalambert and Victoire Boissier, independent members, and Jacques Dumas and Michel Savart, representing the majority shareholder.

The Committee, chaired by Élisabeth Cunin-Dieterlé, has a majority of independent members, in accordance with the AFEP-MEDEF Corporate Governance Code. Their competences are detailed in the paragraph 4.1.1.1, A, page 204.

Éric Le Gentil is involved in the work of the Committee in connection with the process for selecting new Directors.

B. Duties and responsibilities

The principal duties of the Appointments and Compensation Committee are to examine candidates for Senior Management positions and directorships, and to prepare decisions on the compensation of Senior Management and the allocation of directors' fees or specific compensation paid to Directors and members of the Committees. It also examines the proposed stock warrant, stock option and bonus share plans. It examines the composition of the Board of Directors.

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.

The Appointments and Compensation Committee has drawn up rules confirming its powers and responsibilities, particularly with regard to implementing and organizing the appraisal of the operation of the Board of Directors, and reviewing compliance with - and the correct application of - the principles of corporate governance and ethical rules, particularly those derived from the Board's internal rules available on the Company's website at www.mercialys.com.

The Appointments and Compensation Committee, in accordance with the duties assigned to it, annually reviews the composition of the Board of Directors with a view regarding the criteria for good governance, particularly in respect of the representation of women and independent members, but also in terms of the expertise, experience, complementary skills and involvement of each member. In particular, it has reviewed the position of each Director in light of any relationship they may have with Group companies that might compromise their freedom of judgment or lead to conflicts of interest.

C. Activity in 2017

The Committee met five times in 2017 with an attendance rate of 96%.

The Committee conducted its annual review of the organization and operation of the Board of Directors and its specialized Committees, as well as the correct application of the principles of corporate governance and of the rules of ethics in accordance with the AFEP-MEDEF Corporate Governance Code and the Board's internal rules. It presented its recommendations to the Board of Directors.

The Committee also reviewed the position of all the Directors in light of any connections with Group companies that may compromise their freedom of judgment or engender a conflict of interest, particularly as regards renewing the directorships of Board members.

It reviewed the Chairman's report on the organization of the Board of Directors' work, as well as the information concerning corporate governance mentioned in the management report.

It was informed about the methods used to determine the fixed and variable compensation payable to the Chief Executive Officer and Chief Operating Officer in 2016 and the results of the 2016 long-term incentive arrangements for the Chief Executive Officer and the Chief Operating Officer, as well as of the renewal of the specific annual powers of Senior Management regarding sureties and guarantees, loans and credit facilities, and the issuance of bonds and commercial paper.

Furthermore, the Committee reviewed the pre-2017 policy for compensation of the Chairman and Chief Executive Officer and of the Chief Operating Officer, as submitted for approval to the Annual General Meeting of April 27, 2017 pursuant to Article

L. 225-37-2 of the French Commercial Code, introduced by the Law of December 9, 2016 relating to transparency, anti-corruption and the modernization of modern life («Sapin Law 2»).

It examined the procedures for setting up bonus share awards for all employees of the Mercialys Group and for Mercialys key staff as well as the performance criteria determined for the plans applicable to the members of the Management Committee.

The Committee also examined the membership of the specialized committees following the changes that occurred in the second half of 2017.

The Appointments and Compensation Committee also examined the question of the succession of the executive corporate officer and noted that the presence of a Chief Operating Officer makes it possible to mitigate the effect of an unexpected replacement the Chief Executive Officer, and to do so in accordance with the provisions of Article L. 225-55, paragraph 2 of the French Commercial Code which states that "when the Chief Executive Officer ceases to carry out or is prevented from carrying out his/her duties, the Chief Operating Officers, unless otherwise decided by the Board, keep their duties and responsibilities until the appointment of the new Chief Executive Officer".

The Committee also reviewed the outcome of the assessment of the work of the Board of Directors conducted by an external firm (see § 4.15, p. 231).

It was also informed about the methods for allocating Directors' directors' fees to members of the Board of Directors and the specialized Committees.

The Chairman of the Committee reported to the Board of Directors on the work of each meeting of the Appointments and Compensation Committee.

4.1.4.3 INVESTMENT COMMITTEE

A. Composition

The Investment Committee consists of five members: Anne-Marie de Chalambert and Bruno Servant, independent members, Michel Savart and Antoine Giscard d'Estaing representing the majority shareholder, and Éric Le Gentil, Chairman of the Board of Directors.

The Committee is chaired by Anne-Marie de Chalambert. Its members' competences are detailed on paragraph 4.1.1.1, A, page 204.

B. Duties and responsibilities

The Investment Committee has drawn up a charter to confirm its powers and responsibilities, firstly, in connection with the determination of the strategy and the monitoring of the Company's investment activity, and secondly, the prior authorizations which the Company has to give to Senior Management, available on the Company's website at: www.mercialys.com.

The Investment Committee's primary duties are to examine the investment strategy, to express its opinion on the annual investment budget and to assess any proposed investments or

disposals. It is also responsible for examining and giving an opinion on all renegotiations relating to the Partnership Agreement with Casino concerning development projects, with regard to all projects affected by said agreement.

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.

The Committee's opinions are adopted by simple majority. When the Investment Committee considers a transaction involving the Casino group, the two representatives of the majority shareholder take part in the discussions in an advisory capacity.

C. Activity in 2017

This Committee met five times in 2017 with an attendance rate of 96%.

The Committee issued its recommendations regarding the various plans for enlargement, for acquisitions and for asset sales submitted to the Board of Directors. It also issued its recommendations in connection with the setting up of partnership arrangements.

The Chairman of the Committee reported to the Board of Directors on the work of each Investment Committee meeting.

4.1.5 Assessment of the functioning of the Board of Directors

As recommended by the AFEP-MEDEF Code, the internal rules provide for annual discussion and regular appraisal of the functioning of the Board of Directors by the Appointments and Compensation Committee charged with organizing the implementation of this code and assisted by an outside consultant, if it so wishes.

In 2017, the Appointments and Compensation Committee entrusted this assessment to an external consultant who performed this assessment based on an analysis of each of the completed questionnaires submitted personally and in confidence by each of the twelve Directors.

The assessment revealed Mercialys' very good governance in respect of both the membership and functioning of the Board. All the Directors declared their satisfaction with the smooth

functioning of the Board and of its Committees and with the relations of the latter two with the Company's Chairman and Chief Executive Officer and its Chief Operating Officer.

A few points for improvement were raised in order to help strengthen the Board and its Committees, in particular regarding some organizational aspects.

It also stressed that the individual contribution of some Directors could be improved.

The Board of Directors has duly noted this assessment, noted the proposed areas for improvement, and took steps in order to further improve its best practices.

The next assessment will be carried out in the second half of 2020.

4.1.6 Ethics

The internal rules of the Board of Directors, and particularly Section V, spell out the compliance rules to which the Directors are subject. This section was completed and updated in 2016 and early 2017. It reminds the Directors that each of them should be able to perform their duties in accordance with the rules of independence, ethics, trust and integrity. In particular it includes instructions on the Directors' obligation to be informed, in defense of the corporate interest, about the prevention and management of conflicts of interest, the diligence of Directors, the protection of confidentiality and about ownership by the Directors of shares in the Company's equity capital. Measures regarding the prevention of insider trading were included in the Insider Trading Policy which was adopted in 2017 and to which specific reference is made by the internal rules. These documents may be consulted on the Company's website: www.mercialys.com.

Section V of the internal rules specifies that, before accepting their nomination, all Directors must acquaint themselves with the

laws and regulations relating to their position, the applicable codes of good conduct and governance, and any requirements specific to the Company arising from the articles of association and these internal rules.

Directors have a duty to request the information which they believe is necessary for the fulfillment of their duties. For this purpose, they must make a request to the Chairman, within the appropriate time limits, for all useful information required to participate effectively in the subjects on the agenda for meetings of the Board.

In 2015, the Board of Directors decided to modify or complete its internal existing procedures and thus consolidate the good governance approach. A decision was therefore made to introduce a process of reviewing all related-party agreements.

Regarding the rules relating to the prevention and management of conflicts of interest, the internal rules specify that all Directors are obliged to inform the Board of Directors about any actual or

potential conflict in which a Director may, directly or indirectly, be involved; and are obliged to abstain from participating in any discussion and from voting on the corresponding resolution. Furthermore, each Director shall consult the Chairman before becoming involved in any business activity or accepting any position or obligation that may place the Director in a situation of actual or potential conflict of interest. The Chairman may refer these matters to the Appointments and Compensation Committee.

4.1.6.1 PROCEDURE FOR THE PRIOR REVIEW BY THE AUDIT COMMITTEE AND THE INVESTMENT COMMITTEE OF RELATED-PARTY AGREEMENTS

Mercialys decided to pay particular attention to the agreements between the various companies of the Mercialis Group and to the agreements entered into between, on one hand, the companies of the Mercialis Group and, on the other, the companies of the Casino group, Mercialis' majority shareholder, and/or the companies that control it.

In this connection and thus targeting conflicts of interest, the Board of Directors has established a systematic review procedure for agreements with related parties (by involving the Audit, Risks and Sustainable Development Committee and the Investment Committee), over and above the procedure for related-party agreements as provided for by the French Commercial Code.

Thus, the Board of Directors has implemented a prior review procedure by the Audit and Risks Committee or by the Investment Committee, according to the nature of the agreement in question, before presentation to the Board for information or authorization, of all agreements starting at the thresholds it has defined, with some exceptions, between Mercialis or its wholly owned subsidiaries and a related party.

A related party means: (i) any company solely or jointly and directly or indirectly controlled by Mercialis, with the exception of wholly owned subsidiaries; (ii) any company that has a significant direct or indirect influence on Mercialis; (iii) any company directly or indirectly controlled by a company with a significant influence on Mercialis.

The regulated agreements entered into by the Company are also subject to this procedure, regardless of their amount. At the request of Senior Management, this procedure may be applied to any agreement that does not fall within the scope of this procedure due to its characteristics. The Board of Directors may also, at the request of the Chairman and Chief Executive Officer or the Chairman of the Audit Committee or the Chairman of the Investment Committee, decide to entrust an *ad hoc* Committee with the prior review of an agreement with a specific related-party due to the nature and importance of the proposed transaction.

A specific organization and operational charter for the procedure was established and approved by the Board of Directors, after an opinion from the Audit and Risks Committee. The internal rules of the Board of Directors also include provisions relating to the principle of prior review of the related-party agreements by the

Audit, Risks and Sustainable Development Committee and the Investment Committee.

4.1.6.2 CONVICTIONS

To the Company's knowledge, no member of the Board of Directors has, in the past five years:

- received a conviction for fraud or been indicted and/or been subject to an official public penalty from the statutory or regulatory authorities;
- been associated as a senior executive with a bankruptcy, receivership or liquidation;
- been banned by a court from acting as a member of an administrative, management, or supervisory body of a publicly traded company, or from being involved in the management or conduct of a publicly traded company.

4.1.6.3 RESTRICTIONS ACCEPTED BY THE MEMBERS OF THE BOARD OF DIRECTORS CONCERNING THE DISPOSAL OF THEIR SHARES

Pursuant to the Company's articles of association, each Director should own at least 100 of the Company's shares. Pursuant to the internal rules, each Director, whether an individual, a legal entity or a permanent representative, undertakes to hold a number of shares in the Company that corresponds to at least the equivalent of one year's directors' fees - and said shares may be acquired using the aforesaid attendance fee.

Subject to the above, there is, to the best Company's knowledge, no restriction on the members of the Board of Directors concerning the disposal of their investment in the Company's equity capital other than the applicable statutory or regulatory provisions regarding the prohibition against trading in the Company's shares in connection with the prevention of misconduct and insider trading.

4.1.6.4 PREVENTION OF MISCONDUCT AND INSIDER TRADING

In 2016 and early 2017, the Company updated its internal rules and recommendations following the changes to the legislative and regulatory framework for preventing market abuse with the entry into force on July 3, 2016 of EU regulation no. 596/2014 of April 16, 2014 on market abuse.

On the recommendation of the Governance Committee, the internal rules of the Board of Directors were amended and an Insider Trading Policy was adopted. This policy includes in particular a description (i) of the applicable laws and regulations, (ii) the definition of insider information (iii) measures taken by the Company in the context of the prevention of insider trading, (iv) obligations of persons with access to insider information and (v) applicable sanctions.

The policy applies to members of the Board of Directors, executives and persons having close personal relations with them and more generally employees likely to have access to sensitive or insider information.

It created a Stock Market Ethics Committee tasked primarily with addressing all questions concerned with the application of the Insider Trading Policy.

The Insider Trading Policy, just like the internal rules of the Board of Directors, refers to observance of the prohibition against executing any transactions in the Company's securities and financial instruments:

- during the 30 calendar days preceding the date of public disclosure by the Company of a press release announcing its annual and half-year results and the day of said publication;
- during the 15 calendar days preceding the date of public disclosure by the Company of a press release announcing its quarterly financial disclosures and the day of said publication;
- starting from the date when a person has insider information and until such information ceases to be privileged, in particular because it has been publicly disclosed.

4.1.6.5 DILIGENCE AND ACCUMULATION OF DIRECTORSHIPS

The internal rules of the Board of Directors states that Directors are required to devote the necessary time and attention to their duties. They must endeavor to be diligent and attend all Board of Directors meetings, Annual General Meetings, and meetings of

Committees of which they are members. The procedures for setting and allocating Directors' fees adopted by the Company are in accordance with the AFEP-MEDEF Code which recommends that the variable component linked to diligence should be predominant.

It has been verified that no Directors whose directorships comes up for renewal at the Annual General Meeting, are in a position where they are accumulating directorships. The internal rules of the Board of Directors remind Directors that they are required to comply with the statutory rules and with the recommendations of the AFEP-MEDEF Code which states as follows:

- the executive corporate officer shall not hold more than two other directorships in other listed companies which are not part of its group, including foreign companies, and shall receive the Board's opinion before accepting a new corporate office in a listed company outside the Group;
- Directors shall not hold more than four other directorships in non-Group listed companies, including foreign companies. This recommendation applies during at the time of the nomination or of later reappointment to the directorship. All the Directors shall inform the Company of any directorships they may have in other French or foreign companies. They will inform the Company about any new directorship or professional responsibility without undue delay.

4.1.7 Conflicts of interest involving Directors and Executive Officers

The Company has an important business development relationship with the Casino group, its majority shareholder (see chapter 6, p. 275 et seq.). The Casino group may decide to favor its own interests over those of the Company. However, in any event, the organization of governance, the manner in which it enters into contracts, and the use of independent appraisals etc., guarantee that the interests of Mercialys are not affected.

Messrs. Jacques Dumas, Antoine Giscard d'Estaing (permanent representative of Casino, Guichard-Perrachon), David Lubek (permanent representative of La Forézienne de Participations) and Michel Savart, are all Directors with management positions and/or membership of the corporate bodies of the majority shareholder of Mercialys or of the companies that control it, and receive compensation and/or directors' fees in this capacity.

Apart from these links, there are no potential conflicts of interest between the obligations of any member of the Board of Directors and of the Senior Management as regards the Company and his/her private interests.

There are no service provision agreements between the Company and its Chairman and Chief Executive Officer.

The duties conferred on the Audit, Risks and Sustainable Development Committee, the Investment Committee, and the Appointments and Compensation Committee on which the

independent Directors sit, enable the prevention of conflicts of interest. During Investment Committee discussions about a transaction involving the Casino group, the majority shareholder's two representatives take part in the deliberations only in an advisory capacity.

The duties conferred on the Audit, Risks and Sustainable Development Committee and the Investment Committee, particularly through the process of prior examination of related-party agreements, on which the independent Directors sit, help to prevent conflicts of interest.

Furthermore, to the best of the Company's knowledge, there are no family ties between members of the Company's Board of Directors.

No agreement has been directly or indirectly entered into between a subsidiary of Mercialys and a senior executive or major shareholder of the Company.

The Company has not given any loans or guarantees to any members of its Board of Directors.

With the exception of the contracts binding Casino, Guichard-Perrachon and its subsidiaries to Mercialys (see chapter 6, p. 275 et seq.), no other service agreement exists between the Directors and Mercialys.