

4.2 Compensation and benefits of Directors and corporate officers

4.2.1 Compensation and benefits of Directors

4.2.1.1 Principles of the compensation policy for Directors

Several years ago, Mercialys introduced a compensation policy for Directors which is intended to be balanced, virtuous and favorable to the Company's corporate interest. Accordingly, the Directors receive compensation in return for sharing their expertise and for their involvement in good governance of the Company, both of which are sources of sustainable development. Mercialys complies scrupulously with the recommendations of the AFEP-MEDEF Code in this domain. In particular it takes all necessary steps to avoid situations leading to potential conflicts of interest, including those that may concern determination of the compensation (the independence of the Directors is assessed annually by the Appointments, Compensation and Governance Committee). These reviews are detailed in points 4.1.1, 4.1.6 and 4.1.7, p. 236 et seq. and p. 269 et seq.

The principles Mercialys applies to its compensation policy for Directors are:

- **membership of one or more governance bodies:** in addition to their membership of the Board of Directors, the Directors' participation in Specialized Committees gives

rise to allocation of an additional compensation. The Chairmen of the Committees and of the Board also receive specific compensation in this capacity;

- **the workload and the level of responsibility involved in belonging to Specialized Committees:** the effort and time Directors devote to the Company are taken into account. As a result, the Specialized Committees do not all entitle Directors to the same level of additional compensation, depending on the number of meetings organized each year and the technical and strategic criticality;
- **the attendance:** compensation for directors includes a variable component that is larger than the fixed component, based on their effective individual rate of attendance at Board of Directors' Meetings and Specialized Committees. Note that the variable component of compensation for Directors or Committee members who have been absent is not reallocated, except in exceptional circumstances;
- **the possibility of exceptional compensation:** in the case of specific events or situations that result in Extraordinary Meetings of the Specialized Committees or Board of Directors, additional compensation can be allocated to all or some of the directors.

Mercialys determines and allocates the annual package for compensation of Directors according to the traditional procedure illustrated below:

METHODS FOR DETERMINING THE COMPENSATION POLICY FOR DIRECTORS

APPOINTMENTS, COMPENSATION AND GOVERNANCE COMMITTEE

Formulation of recommendations to the Board of Directors:

On the arrangements for distribution of the overall compensation package for the Directors for the previous year

On the amount of the overall compensation package for the Directors for the upcoming year

BOARD OF DIRECTORS

Determination of the methods for allocating the overall compensation package for the Directors for the previous year

Proposal to the Annual General Meeting of shareholders of an overall compensation package for the Directors for the upcoming year

COMPENSATION FOR DIRECTORS

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Ex post vote on the compensation allocated to the Directors for the previous year

Ex ante vote on the overall package for compensation of Directors for the upcoming year

4.2.1.2 Compensation of Directors for fiscal year 2020

The Annual General Meeting of April 20, 2016 set the overall amount of the package for compensation allocated to members of the Board of Directors and of the Specialized Committees at Euro 325,000, in accordance with the principles of the policy set out above. This amount has remained the same since then, and notably the Annual General Meeting of April 23, 2020 adopted it again.

On the basis of the recommendations of the Appointments and Compensation Committee, the Board of Directors, at its meeting of December 10, 2020, approved the terms and conditions for the allocation of directors' compensation for the fiscal year 2020, which are as follows:

- the annual unitary amount for compensation of members of the Board of Directors is set at Euro 15,000. This compensation consists of a fixed component and a variable component awarded according to attendance:

	Board of Directors
Fixed annual unitary amount	Euro 5,000
Variable annual unitary amount (for 100% attendance)	Euro 10,000

- additional compensation is paid to members of the Specialized Committees. It consists of a fixed component and a variable component. The amounts set for each committee are as follows:

	Investment Committee	Audit, Risks and Sustainable Development Committee	Appointments and Compensation Committee
Fixed annual unitary amount	Euro 4,000	Euro 4,000	Euro 4,000
Variable annual unitary amount (for 100% attendance)	Euro 11,000	Euro 6,000	Euro 6,000
Additional amount paid to the Committee Chairman	Euro 5,000	Euro 5,000	Euro 5,000

Note that:

- the individual or additional compensation indicated above is paid *pro rata temporis* depending on the date when the duties began or ended;
- this compensation is paid in the month following the closing of each fiscal year;
- the individual or additional compensation for members representing or employed by the majority shareholder, the Casino group, or its group of controlled companies, is limited to 50% of the amounts indicated above;
- the corporate officers of Mercialys benefit from an insurance policy taken out by the Company and covering the civil, personal or joint liability of all its senior executives and corporate officers, including those of its subsidiaries, whether directly or indirectly owned. The tax authorities have ruled that this insurance policy covers the risks inherent in corporate officers' activity and that the insurance premium paid by the Company does not, therefore, constitute a taxable benefit.

On this basis, the total gross amount of compensation paid in January 2021 in respect of fiscal year 2020 to members of the Board of Directors and of the Specialized Committees totaled Euro 270,070 compared to Euro 271,711 in respect of fiscal year 2019.

The tables below detail the compensation paid by Mercialys in 2019, 2020 and 2021 to each of the directors. It is stipulated that no compensation was paid by the companies it controls, and that the Company is not controlled in the sense of Article L. 233-16 of the French Commercial Code.

Note that the information concerning Mr Éric Le Gentil, Chairman of the Board of Directors, is shown also in full detail in § 4.2.2.2, B, p. 283 et seq.

COMPENSATION PAID TO DIRECTORS IN 2019 AND 2020 (FOR THE FISCAL YEARS 2018 AND 2019)

<i>(in euros)</i>	Amounts paid in 2019	Amounts paid in 2020
Stéphanie Bensimon	12,649 ⁽¹⁾	28,175
Victoire Boissier	24,091	23,750
Anne-Marie de Chalambert	18,447 ⁽²⁾	-
Élisabeth Cunin	29,091	28,750
Dominique Dudan	25,644 ⁽²⁾	45,000
Jacques Dumas	12,500	12,500
Antoine Giscard d'Estaing	11,250	-
Marie-Christine Levet	11,196 ⁽¹⁾	-
David Lubek	12,500	9,250
Ingrid Nappi	23,182	23,750
Pascale Roque	24,200	24,325
Michel Savart	20,000	20,000
Bruno Servant	0 ⁽³⁾	0 ⁽³⁾
Generali Vie	14,091 ⁽³⁾	15,000 ⁽³⁾
Sub-total excluding Éric Le Gentil, Chairman of the Board of Directors	238,841	230,500
Éric Le Gentil	50,000 ⁽⁴⁾	41,211 ⁽⁴⁾
TOTAL	288,841	271,711

(1) Resignation of Mrs Marie-Christine Levet on June 7, 2018/Co-option of Mrs Stéphanie Bensimon on June 7, 2018.

(2) Non-renewal of Mrs Anne-Marie de Chalambert's directorship at the Annual General Meeting of April 26, 2018/Appointment of Mrs Dominique Dudan as new director.

(3) Generali Vie changed its compensation policy starting in fiscal year 2018 and now receives its compensation directly in its capacity as director sitting on the Mercialys Board of Directors. Since this new policy was introduced, Mr Bruno Servant, the permanent representative of Generali Vie, has waived his share of payment of his compensation in his capacity as member of the Investment Committee.

(4) Mr Éric Le Gentil benefited from additional compensation amounting to Euro 20,000 payable to the Chairman and Chief Executive Officer up to February 12, 2019. During fiscal year 2018, he was not however a member of the Appointments and Compensation Committee.

COMPENSATION PAID TO DIRECTORS IN 2021 (FOR FISCAL YEAR 2020)

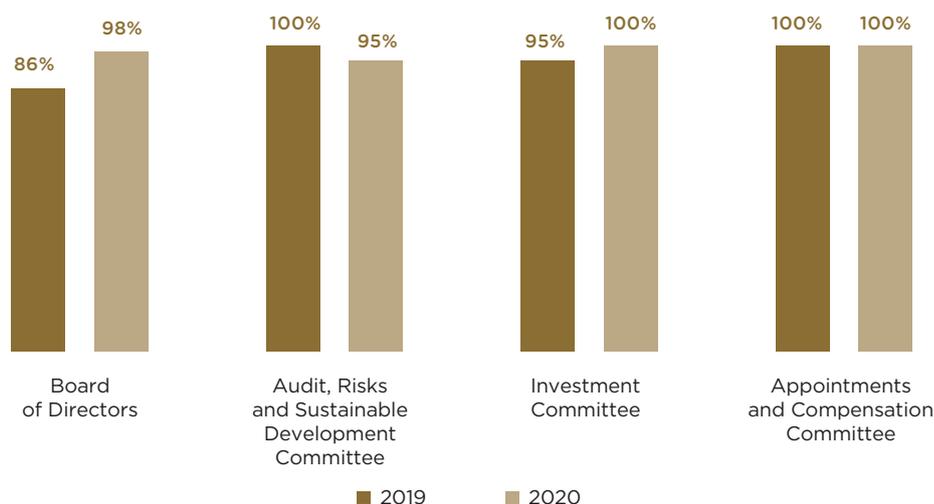
(in euros)	Specialized Committees									
	Board of Directors		Investment Committee		Audit, Risks and Sustainable Development Committee		Appointments and Compensation Committee		Total	
	fixed component	variable component	fixed component	variable component	fixed component	variable component	fixed component	variable component		
Stéphanie Bensimon	5,000	10,000	-	-	9,000	6,000	-	-	30,000	
Victoire Boissier	5,000	10,000	-	-	2,762	3,600	4,000	6,000	31,362	
Élisabeth Cunin	5,000	10,000	-	-	-	-	9,000	6,000	30,000	
Dominique Dudan	5,000	10,000	9,000	11,000	-	-	4,000	6,000	45,000	
Jacques Dumas	2,500	5,000	-	-	-	-	2,000	3,000	12,500	
David Lubek	2,500	5,000	2,000	5,500	-	-	-	-	15,000	
Ingrid Nappi ⁽¹⁾	1,548	3,333	-	-	1,238	2,400	-	-	8,519	
Pascale Roque	5,000	8,889	-	-	4,000	4,800	-	-	22,689	
Michel Savart	2,500	5,000	2,000	5,500	2,000	3,000	-	-	20,000	
Generali Vie / Bruno Servant	5,000 ⁽²⁾	10,000 ⁽²⁾	0 ⁽³⁾	0 ⁽³⁾	-	-	-	-	15,000	
Sub-total excluding Éric Le Gentil, Chairman of the Board of Directors	39,048	77,222	13,000	22,000	19,000	19,800	19,000	21,000	230,070	
Éric Le Gentil	5,000	10,000	4,000	11,000	-	-	4,000	6,000	40,000	
TOTAL	44,048	87,222	17,000	33,000	19,000	19,800	23,000	27,000	270,070	

(1) Ingrid Nappi's directorship was not renewed at the Annual General Meeting of April 23, 2020, the date on which her term of office ended.

(2) Generali Vie changed its compensation policy starting in fiscal year 2018 and now receives its compensation directly in its capacity as director sitting on the Mercialis Board of Directors.

(3) Since this new policy was introduced, Mr Bruno Servant, the permanent representative of Generali Vie, has waived his share of payment of his compensation in his capacity as member of the Investment Committee.

ATTENDANCE RATE AT MEETINGS OF THE BOARD OF DIRECTORS AND SPECIALIZED COMMITTEES



4.2.1.3 Compensation policy for Directors in respect of 2021

The Board of Directors intends to propose to the Annual General Meeting of April 22, 2021, that the overall package for annual compensation of the Directors should be kept at Euro 325,000.

It is intended that the historical allocation criteria, indicated in § 4.2.1.2 p. 274 will, subject to any unforeseen events, also remain unchanged in 2021.

4.2.2 Compensation and benefits of executives

4.2.2.1 Principles of the compensation policy for executives

Several years ago, Mercialis introduced a compensation policy for executives which is intended to be balanced, virtuous and aligned with the Company's strategy and such as to contribute to its long-term performance. The Board of Directors is aware of the responsibility associated with setting the compensation and objectives of the executives, and has therefore decided to adopt best practice in the industry, ensuring that the compensation policy will motivate executives, secure their loyalty and reward their performance.

Accordingly, Mercialis complies with the recommendations defined by the AFEP-MEDEF Code when determining the compensation policy for its executives, *i.e.* exhaustiveness, balance between the components of compensation, benchmarking, coherence, intelligibility of the rules and measure.

Its approach is based on three structuring principles:

1. objective recognition of performance;
2. valuing sustainability dimensions;
3. convergence of internal and external interests.

Objective recognition of performance	Valuing sustainability dimensions	Convergence of internal and external interests
<ul style="list-style-type: none"> ● Compensation linked to performance of the Company, <i>via</i> predominance of the variable component in the executives' compensation package. ● Predominance of quantifiable criteria within the annual and long-term variable compensation of executives. 	<ul style="list-style-type: none"> ● Presence of CSR criteria in the annual variable compensation of executives. ● Presence of a quantifiable CSR criterion in the long-term variable compensation of executives. 	<ul style="list-style-type: none"> ● Alignment of the interests of executives and shareholders: long-term variable compensation paid in the form of shares subject to the criteria of performance, service and ownership. ● Internal fairness: differences in compensation over time between executives and employees moderate and stable.

The Board of Directors reviews the compensation policy annually in the light of these criteria, after assessment by the Appointments, Compensation and Governance Committee, and the policy is then submitted for a vote by the Annual General Meeting of shareholders in accordance with the applicable legislation (*ex ante* vote).

Pursuant to Article L. 22-10-8, III (formerly Article L. 225-37-2) of the French Commercial Code, the Board of Directors, on the proposal of the Appointments, Compensation and Governance Committee, may decide to adjust the provisions relating to the quantifiable variable components of executive corporate officers' compensation in the event of exceptional circumstances and on a temporary basis, provided that the changes made are in the corporate interest and are necessary to ensure the Company's sustainability or viability. Events that could give rise to the use of this option are, in particular, any event beyond Mercialis' control that cannot be reasonably predicted or quantified when the compensation policy is approved, such as, in particular, the impacts of the Covid-19 pandemic.

In the absence of these specific exemptions, the compensation policy voted for, *ex ante*, by the Annual General Meeting may, on an exceptional basis, be reviewed during the year. Should new and unforeseen elements be brought to its attention, the Appointments, Compensation and Governance Committee may propose duly justified amendments to the Board of Directors. The Board will assess the quality of their reasoning and, if it decides that the executive compensation policy needs to be amended, will submit this new policy for shareholder approval in accordance with the process described below.

It should not be forgotten that Mercialis, in which 60% of the members of the Board of Directors and Appointments, Compensation and Governance Committee are independent, has put in place the necessary procedures to avoid conflicts of interest within its governance bodies (see § 4.1.1, 4.1.6 and 4.1.7, p. 236 et seq. and p. 269 et seq.) and, in particular, situations that may arise in the determination of the compensation of its executives.

PRINCIPLES AND METHODS FOR DETERMINING THE COMPENSATION POLICY FOR EXECUTIVES

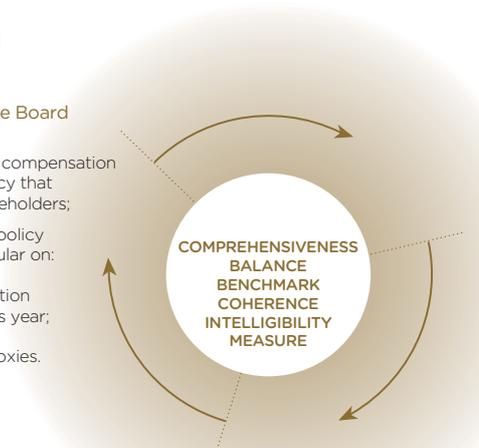
APPOINTMENTS, COMPENSATION AND GOVERNANCE COMMITTEE

Draws up the compensation policy for executives and proposes it to the Board of Directors. Its proposals concern:

On the one hand, determination of the compensation for the elapsed year, in light of the policy that was subject to an *ex ante* vote by shareholders;

On the other hand, the compensation policy for the upcoming year, based in particular on:

- the Company's strategic priorities;
- the performance of executives in relation to the criteria adopted in the previous year;
- changes in sectoral practices;
- discussions with shareholders and proxies.



BOARD OF DIRECTORS

Examines the proposals from the Appointments, Compensation and Governance Committee and submits the compensation and policies to a vote by the shareholders, in particular:

Decides upon the compensation for the elapsed year in accordance with the policy that was subject to an *ex ante* vote by the Annual General Meeting

Sets the methods of the compensation policy for the upcoming year, in particular the criteria and objectives for the short and long-term variable compensation

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Approves or rejects the compensation and policies proposed by the Board of Directors:

Vote *ex post* on the compensation allocated to the executives for the elapsed year

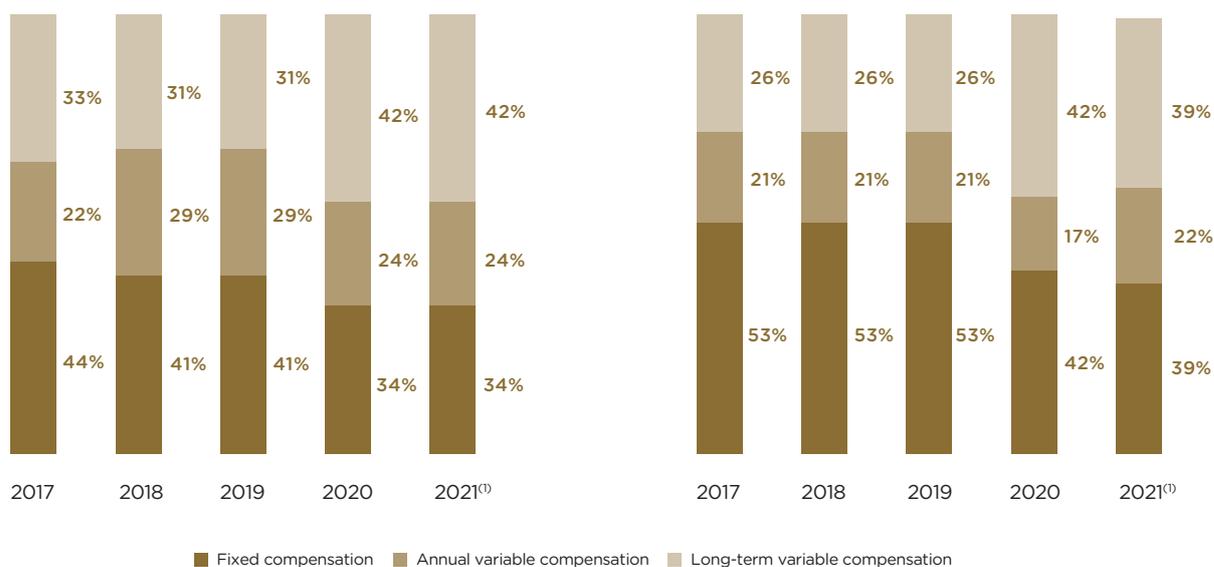
Vote *ex ante* on the policy for compensation of executives for the upcoming year

CHANGES IN THE STRUCTURE OF THE TOTAL TARGET COMPENSATION FOR EXECUTIVES

(on the basis of the compensation policy in respect of the indicated year)

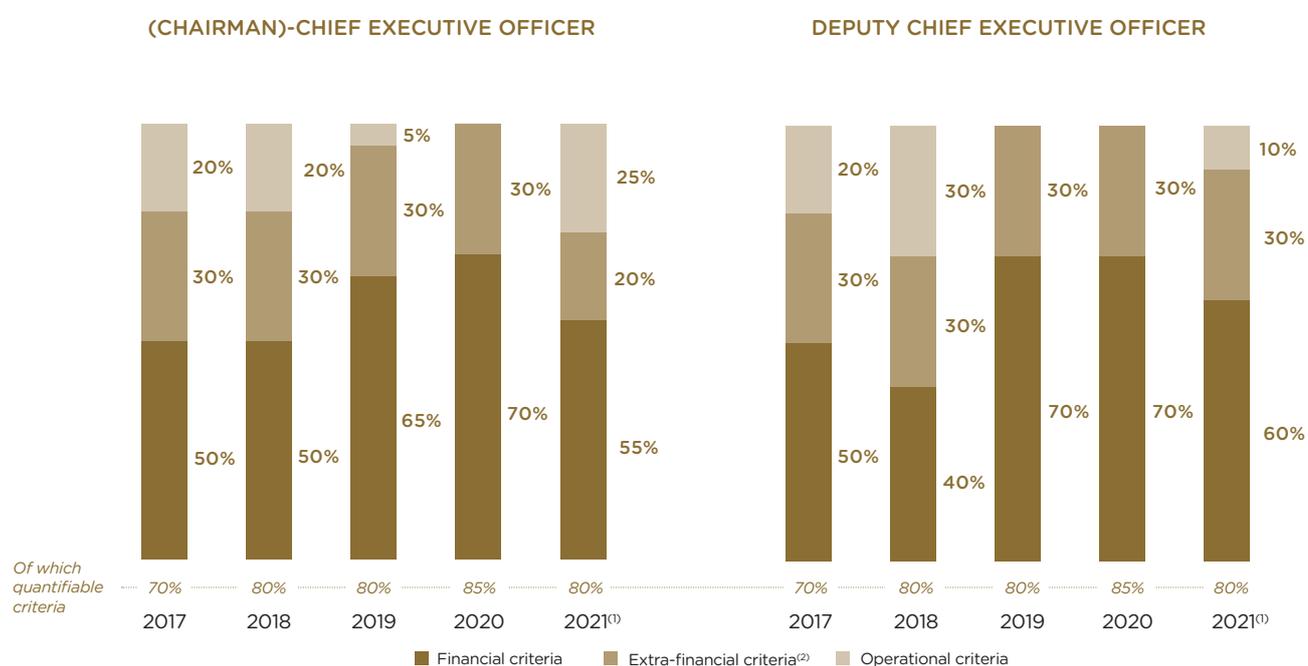
(CHAIRMAN)-CHIEF EXECUTIVE OFFICER

DEPUTY CHIEF EXECUTIVE OFFICER

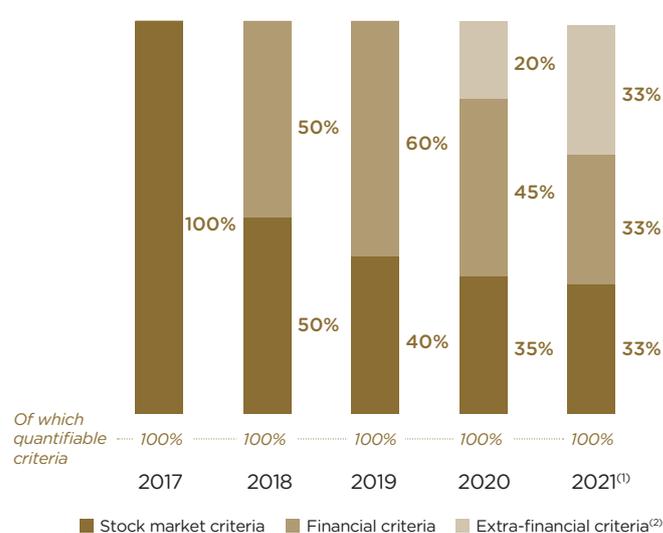


(1) Subject to approval of the 2021 compensation policy by the Ordinary General Meeting of April 22, 2021.

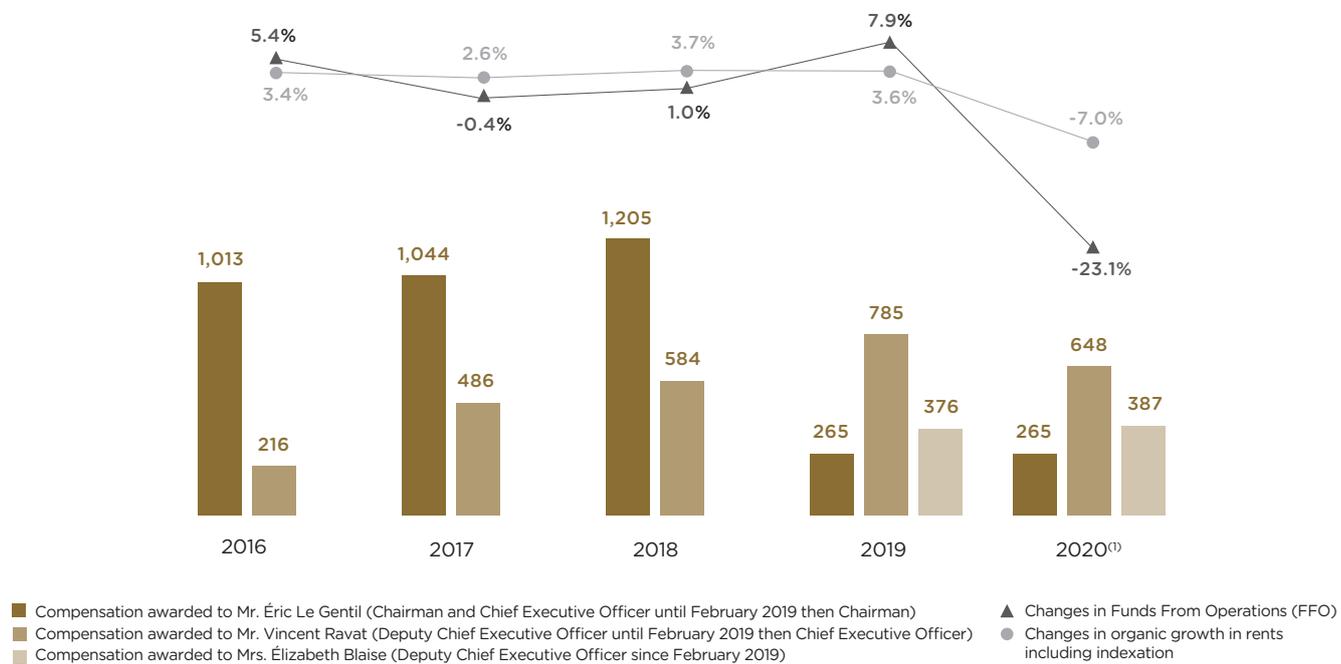
CHANGES IN THE CRITERIA FOR ANNUAL VARIABLE COMPENSATION OF EXECUTIVES

(on the basis of the compensation policy in respect of the indicated year)*(1) Subject to approval of the 2021 compensation policy by the Ordinary General Meeting of April 22, 2021.**(2) Including, within extra-financial criteria: 10% CSR criteria in 2018 and 2019, 30% and 15% respectively for the Chief Executive Officer and the Deputy Chief Executive Officer in 2020, and 20% and 30% respectively for the Chief Executive Officer and Deputy Chief Executive Officer in 2021.*

CHANGES IN THE CRITERIA FOR LONG-TERM VARIABLE COMPENSATION OF EXECUTIVES

*(on the basis of the compensation policy in respect of the indicated year)***(CHAIRMAN)-CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER***(1) Subject to approval of the 2021 compensation policy by the Ordinary General Meeting of April 22, 2021.**(2) The extra-financial criteria appearing in long-term variable compensation relate entirely to CSR.*

CHANGE IN COMPANY PERFORMANCE AND IN THE COMPENSATION AWARDED TO EXECUTIVES

(in thousands of euros, for the indicated year)*(1) Subject to approval by the Ordinary General Meeting of April 22, 2021.*

CHANGES IN DIFFERENCES IN COMPENSATION BETWEEN EMPLOYEES AND SENIOR EXECUTIVES AND NON-EXECUTIVES (EQUITY RATIOS)

(amounts paid in respect of the year indicated, including payroll taxes and employer contributions - cost charged to the Company)

	2016	2017	2018	2019	2020	
Employee compensation						
Average compensation	79,326	87,788	95,434	85,146	82,489	
% change	-	11%	9%	-11%	-3%	
Median compensation	65,073	71,979	86,188	74,196	68,558	
% change	-	11%	20%	-14%	-8%	
Chairman of the Board of Directors						
Éric Le Gentil				1,385,892	352,366	
% change				-	-75%	
Average ratios				16.3	4.3	
% change				-	-74%	
Median ratios				18.7	5.1	
% change				-	-72%	
Chairman and Chief Executive Officer						
Éric Le Gentil				1,499,266	1,721,000	1,602,958
% change	-	15%	-7%			
Average ratios	18.9	19.6	16.8			
% change	-	4%	-14%			
Median ratios	23.0	23.9	18.6			
% change	-	4%	-22%			
Chief Executive Officer						
Vincent Ravat				940,965	1,041,674	
% change				-	11%	
Average ratios				11.1	12.6	
% change				-	14%	
Median ratios				12.7	15.2	
% change				-	20%	
Deputy Chief Executive Officer						
Élizabeth Blaise				571,837	581,295	
% change				-	2%	
Average ratios				6.7	7.0	
% change				-	5%	
Median ratios				7.7	8.5	
% change				-	10%	
Vincent Ravat				373,716	833,521	715,909
% change	-	123%	-14%			
Average ratios	na ⁽¹⁾	9.5	7.5			
% change	-	46%	-21%			
Median ratios	na ⁽¹⁾	11.6	8.3			
% change	-	46%	-28%			
Vincent Rebillard				143,489		
% change	-					
Average ratios	6.5 ⁽¹⁾					
% change	-					
Median ratios	7.9 ⁽¹⁾					
% change	-					

(1) Mr Vincent Ravat having taken over from Mr Vincent Rebillard as Deputy Chief Executive Officer in 2016, only one position was deemed to be available during the year. As a result, the ratio for the year was calculated on the basis of their cumulative compensation.

Calculation methodology

The equity ratios presented cover all of Mercialys group's workforce, throughout the regions where it operates, *i.e.* metropolitan France and the French overseas territories. In addition, in accordance with French financial markets authority recommendations⁽¹⁾, to accurately reflect the governance changes that have come into effect at Mercialys since 2016,⁽²⁾ the information is presented by position and by corporate officer who held the position. The veracity of this information was verified by the third-party organization independent of Mercialys, as part of the review of the Extra-Financial Performance Statement (DPEF) (see chapter 2, Appendix 3, p. 132 et seq.).

The compensation equity ratios presented are calculated using the following methodology:

- year N average ratio = compensation paid in year N to executive/average compensation paid in year N to employees (excluding executives and interns), including payroll taxes and employer contributions;
- year N median ratio = compensation paid in year N to executive/median of compensation paid in year N to employees (excluding executives and interns), including payroll taxes and employer contributions.

Compensation paid in year N consists of the following elements, in the numerator and the denominator:

- fixed salaries paid during year N, including payroll taxes and employer contributions;
- variable salaries paid during year N, including payroll taxes and employer contributions⁽³⁾;
- exceptional compensation paid during year N, including payroll taxes and employer contributions;
- bonus shares awarded definitively during year N⁽⁴⁾;
- compensation in respect of directorships paid in year N, including payroll taxes and employer contributions.

The methodology used resulted in the executive compensation used in the numerator of the equity ratio corresponds to the compensation paid for the year in question being submitted to the *ex post* vote of shareholders at the Annual General Meeting, adjusted for employer contributions, as well as the social security regime for Company managers, healthcare and pensions.

SUMMARY FOR 2020	Éric Le Gentil		Vincent Ravat		Élizabeth Blaise	
	Compensation Equity ratio	Compensation <i>ex post</i> vote	Compensation Equity ratio	Compensation <i>ex post</i> vote	Compensation Equity ratio	Compensation <i>ex post</i> vote
Fixed compensation	210,102	210,102	360,000	360,000	265,000	265,000
Annual variable compensation	0	0	412,650	412,650	145,728	145,728
Multi-annual variable compensation	0	0	0	0	671	671
Exceptional compensation	0	0	0	0	0	0
Compensation allocated on account of the directorship	41,211	41,211	0	0	0	0
Benefits in kind	0	0	2,619 ⁽¹⁾	35,563 ⁽²⁾	0	15,725 ⁽³⁾
Employer's contributions on all compensation components	101,053	0	266,405	0	169,896	0
TOTAL	352,366	251,313	1,041,674	808,213	581,295	427,124

(1) Company car.

(2) Company car, executive unemployment insurance and healthcare benefit scheme

(3) Executive unemployment insurance and healthcare benefit scheme.

Explanation of the main changes

The changes in compensation equity ratios in 2017, compared to 2016, are due to the fact that the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer received long-term variable compensation.

The 2019 equity ratio of the Chairman of the Board of Directors includes the annual variable compensation paid in respect of his office of Chairman and Chief Executive Officer in 2018. In accordance with the applicable regulations, this

variable compensation was paid to him following *ex post* approval by the Annual General Meeting of April 25, 2019.

The 2020 equity ratios reflect the full-year impact of the change in governance in 2019.

The overall analysis of compensation equity ratios above shows that the compensation of Mercialys executives is reasonable. In addition to contributing to social cohesion within the Company, these levels of compensation correspond to the recommendations of the proxies.

(1) 2020 report on corporate governance and executive compensation.

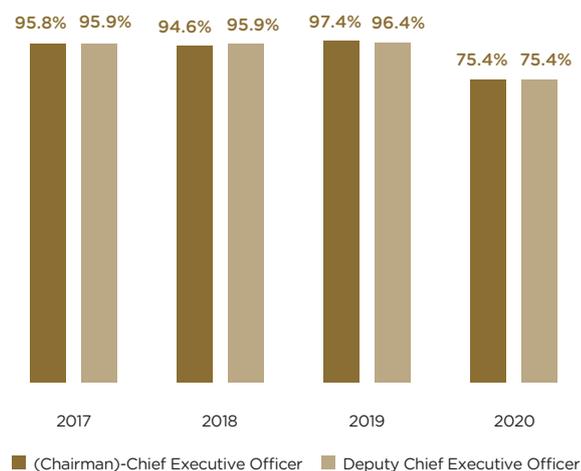
(2) In April 2016, Mr Vincent Ravat took over from Mr Vincent Rebillard in the position of Deputy Chief Executive Officer. In 2019, following the separation of the positions of Chairman and Chief Executive Officer, Mr Éric Le Gentil was appointed Chairman of the Board of Directors, Mr Vincent Ravat was appointed Chief Executive Officer, and Mrs Élizabéth Blaise was appointed Deputy Chief Executive Officer.

(3) The annual variable compensation paid during year N corresponds to the compensation payable in respect of year N-1.

(4) The shares awarded definitively in year N correspond to the plans in previous years. The share valuation is defined on the basis of the closing stock exchange price on the definitive vesting dates.

CHANGES IN THE LEVEL OF POSITIVE VOTING ON THE COMPENSATION POLICY FOR EXECUTIVES AT ANNUAL GENERAL MEETINGS

*(Vote on the compensation policy for the current year
at the Annual General Meeting held in the indicated year,
it being specified that Mercialys holds its
Annual General Meeting in April)*



4.2.2.2 Compensation policy of the Chairman of the Board of Directors, non-executive corporate officer, in respect of the fiscal year 2020

A. Reminder of the principles and criteria for determining, distributing and awarding the components of compensation of the Chairman of the Board of Directors in 2020

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind, attributable for 2020 to the Chairman of the Board of Directors, were submitted for the approval of the Ordinary General Meeting of April 23, 2020 (8th resolution).

At this Meeting, the shareholders approved the compensation policy proposed for the Chairman of the Board of Directors, as set out below. The way in which this policy was followed is set out in point B below.

TABLE 1 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

<i>(in euros)</i>	Fiscal year 2020	Fiscal year 2019
Compensation awarded in respect of the fiscal year (see § 2, below)	265,000	265,000
Valuation of multi-annual variable compensation awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Valuation of bonus shares awarded (vesting subject to service and performance conditions) ⁽¹⁾	171,433	268,549
Valuation of other long-term compensation plans	-	-
TOTAL	436,433	533,549

⁽¹⁾ Potential valuation of the shares awarded per fiscal year, not yet vested, under plans 24 and 27 and subject to a condition of service as a corporate officer as well as performance conditions over 3 years (see § 4 below).

You are reminded that this compensation was set after consideration of the tasks assigned to the Chairman of the Board of Directors outside the general duties provided for by law, which are as follows:

- relations with major shareholders and with major financial and/or industrial partners;
- participation in the development of strategy and oversight of its implementation;
- interface between the Board and Senior Management.

The compensation of the Chairman of the Board of Directors consists of fixed compensation in respect of his position as Chairman, plus specific compensation paid for his participation in the Investment Committee and the Appointments and Compensation Committee:

- annual fixed compensation: Euro 225,000;
- compensation in his capacity as Director: according to the rules applicable in the Company, as set out in § 4.2.1.1, p. 273 et seq.

The Chairman of the Board of Directors does not receive variable compensation either in cash or shares, other than the variable component included in his compensation as a director.

Furthermore, it is specified that Mr Éric Le Gentil keeps the benefit of the bonus share plans which were awarded to him in his capacity as Chairman and Chief Executive Officer, provided that he is still a corporate officer at the end of the vesting period.

Lastly, the non-competition clause binding Mr Éric Le Gentil to the Company in respect of his previous executive duties ended on December 31, 2020 and no other clause or benefit is awarded to him.

B. Details of the compensation awarded in respect of fiscal year 2020 or paid in respect of the same fiscal year to Mr Éric Le Gentil, Chairman of the Board of Directors

1. Summary table of compensation payable by Mercialys and the companies it controls or which control it

The compensation and benefits of any kind payable by Mercialys to Mr Éric Le Gentil for fiscal years 2019 and 2020 are as follows; it being specified that he receives no compensation from the companies controlled by Mercialys and that Mercialys is not controlled as defined by Article L. 233-16 of the French Commercial Code. Furthermore, it is specified that compensation for the fiscal years 2019 and 2020 are not comparable, following the separation of the positions of Chairman of the Board of Directors and Chief Executive Officer on February 13, 2019.

2. Compensation paid by Mercialys and the companies it controls

Mr Éric Le Gentil received the following compensation and benefits of any kind from the Company in his capacity as Chairman of the Board of Directors and Chairman and Chief Executive Officer in, and in respect of, fiscal years 2020 and 2019, calculated respectively, on a *pro rata temporis* basis:

TABLE 2 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

(in euros)	Fiscal year 2020		Fiscal year 2019	
	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾
Fixed compensation ⁽¹⁾⁽²⁾	225,000	210,102 ⁽⁹⁾	225,000 ⁽³⁾	302,762 ⁽³⁾
Annual variable compensation ⁽¹⁾⁽³⁾	-	-	-	504,630
Multi-annual variable compensation ⁽¹⁾	-	-	-	70,313
Exceptional compensation ⁽¹⁾⁽⁴⁾	-	-	-	112,500
Compensation allocated on account of the directorship ⁽¹⁾	40,000	41,211 ⁽⁵⁾	40,000 ⁽⁵⁾	50,000
Benefits in kind ⁽⁶⁾	-	-	-	14,823
TOTAL	265,000	251,313	265,000	1,055,028

(1) Gross compensation before social security contributions and tax.

(2) The amounts indicated for 2019 also include paid leave.

(3) Mr Éric Le Gentil was appointed Chairman of the Board of Directors on February 13, 2019, and his compensation as Chairman of the Board of Directors for the fiscal year 2019 was therefore less than Euro 225,000. However, up until February 12, 2019, Mr Éric Le Gentil received his compensation as Chairman and Chief Executive Officer, and so the amount paid included compensation as Chairman and Chief Executive Officer and compensation as Chairman of the Board of Directors, during the fiscal year 2019.

(4) On February 13, 2019, the Board of Directors decided to modify the 2018 compensation policy in order to be able to pay Éric Le Gentil exceptional compensation paid for in full by Casino, Guichard-Perrachon, as part of the disposal process by Casino, Guichard-Perrachon, of all, or part, of its stake in Mercialys' share capital. The process of the disposal, by Casino, Guichard-Perrachon, of all, or part, of its stake in Mercialys' share capital was a special circumstance for the Company that required major involvement from the Chairman and Chief Executive Officer in fiscal year 2018. This compensation amounting to Euro 112,500 was paid following approval by the Ordinary General Meeting on April 25, 2019.

(5) In accordance with the compensation policy as approved by the Annual General Meeting of April 25, 2019, the Chairman of the Board of Directors lost the benefit of the additional annual compensation of Euro 20,000 which was previously paid to the Chairman and Chief Executive Officer. Since Mr Éric Le Gentil was Chairman and Chief Executive Officer up until February 12, 2019, this additional compensation was calculated on a *pro rata* basis for 2019, resulting in a payment of Euro 41,211 in respect of 2019, paid in January 2020.

(6) Senior executive unemployment insurance, benefit and pension scheme covering all the Company's employees.

(7) Compensation awarded in respect of the fiscal year, regardless of the date of payment.

(8) Compensation paid during the fiscal year, regardless of the allocation date.

(9) The difference in compensation between the amount awarded and paid is due to the reversal in 2020 of a 13th month paid in error in 2019.

The table below summarizes the amounts awarded and paid by the Company to Mr Éric Le Gentil solely in his capacity as Chairman of the Board of Directors and as a director for the fiscal years 2019 and 2020:

TABLE 3 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

(in euros)	Fiscal year 2020		Fiscal year 2019	
	Amounts awarded ⁽³⁾	Amounts paid ⁽⁴⁾	Amounts awarded ⁽³⁾	Amounts paid ⁽⁴⁾
Director's compensation ⁽¹⁾⁽²⁾	40,000	41,211 ⁽⁶⁾	40,000	50,000
Other compensation ⁽¹⁾	225,000	210,102 ⁽⁵⁾	225,000	197,813 ⁽⁷⁾
TOTAL	265,000	251,313	265,000	247,813

(1) Gross compensation before social security contributions and tax.

(2) In accordance with the compensation policy as approved by the Annual General Meeting of April 23, 2020, the Chairman of the Board of Directors receives compensation in his capacity as director.

(3) Compensation awarded in respect of the fiscal year, regardless of the date of payment.

(4) Compensation paid during the fiscal year, regardless of the allocation date.

(5) The difference in compensation between the amount awarded and paid is due to the reversal in 2020 of a 13th month paid in error in 2019.

(6) In accordance with the compensation policy as approved by the Annual General Meeting of April 25, 2019, the Chairman of the Board of Directors lost the benefit of the additional annual compensation of Euro 20,000 which was previously paid to the Chairman and Chief Executive Officer. Since Mr Éric Le Gentil was Chairman and Chief Executive Officer up until February 12, 2019, this additional annual compensation was calculated on a *pro rata* basis for 2019, resulting in a payment of Euro 41,211 in respect of 2019, paid in January 2020.

(7) Mr Éric Le Gentil was appointed Chairman of the Board of Directors on February 13, 2019, and his compensation as Chairman of the Board of Directors for the fiscal year 2019 was therefore less than Euro 225,000.

Mr Éric Le Gentil does not receive any compensation, or benefits of any kind whatsoever from companies controlled by Mercialys.

3. Annual variable compensation

Mr Éric Le Gentil ceased receiving annual variable compensation on February 13, 2019 for subsequent periods. In April 2019, he received annual variable compensation in the

amount of Euro 504,630 corresponding to the position of Chairman and Chief Executive Officer which he held in 2018.

4. Stock warrants or stock options and bonus shares awarded by the Company and/or the companies it controls

No stock warrants or stock options were awarded in 2020 by the Company and/or companies that it controls to Mr Éric Le Gentil.

Mr Éric Le Gentil is the beneficiary of one bonus share plan, according to the following criteria and arrangements:

TABLE 6 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

Bonus shares awarded to Éric Le Gentil						
No. and date of plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method adopted for the consolidated financial statements	Vesting date	Availability date	Performance conditions	
Plan 27, of 04/26/2018	21,673 ⁽²⁾	€171,433	04/26/2021	04/27/2023 ⁽¹⁾	YES ⁽³⁾	
TOTAL	21,673	€171,433				

(1) The Board of Directors has set at 50% the number of bonus shares definitively awarded which the beneficiary is required to hold in registered form until the end of his corporate mandate within Mercialys.

(2) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mr Éric Le Gentil will be 32,509 shares corresponding to a valuation of Euro 257,146.

(3) Bonus shares become vested only if the beneficiary (in the capacity of corporate officer) is still present at the Company on the vesting date of the shares, and subject to fulfillment of three performance criteria: 1) the relative performance of the Company's share price including dividend (Total Shareholder Return - TSR) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2018, measured between January 1, 2018 and December 31, 2020, for 50% of the initial award; 2) organic growth in rental revenues, including Casual Leasing, excluding indexation, measured as an annual average over three years between January 1, 2018 and December 31, 2020, for 25% of the initial allocation; and 3) FFO growth (excluding the 2019 carrying cost of debt financing for the fiscal year 2018) measured as a three-year annual average between January 1, 2018 and December 31, 2020 for the remaining 25% of the initial award.

In his capacity as Chairman of the Board of Directors, a non-executive corporate officer, Mr Éric Le Gentil no longer benefits from a new bonus share plan.

No shares vested under plan 24, awarded in 2017 and maturing in 2020, as the performance criteria were not met.

Below is a summary of the bonus share plans from which Mr Éric Le Gentil benefited:

TABLE 10 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

	Plan 24	Plan 27
Date of the Annual General Meeting	04/27/2017	04/26/2018
Date of Board of Directors meeting	04/27/2017	04/26/2018
Total number of bonus shares awarded to corporate officers (subject to service and performance conditions)	27,833	31,306 ⁽¹⁾
o/w shares awarded to Mr Éric Le Gentil	19,269	21,673 ⁽¹⁾
Vesting date of shares	04/27/2020	04/26/2021
Holding period end date	04/27/2022	04/26/2023
Total number of shares vested at December 31, 2020, to corporate officers	0	na ⁽²⁾
o/w shares vested to Mr Éric Le Gentil	0	na ⁽²⁾
Number of shares canceled or lapsed at December 31, 2020	27,833	na ⁽²⁾
Number of outstanding bonus shares for plans not yet matured at December 31, 2020	0	31,306

(1) If the performance criteria are exceeded, the maximum number of shares that can be awarded to corporate officers will be 46,959 shares, including 32,509 shares for Mr Éric Le Gentil, corresponding to a valuation of Euro 257,146.

(2) Since the three-year plan has not expired yet, the final allocations at December 31, 2020 cannot be calculated.

5. Employment contract, special pension schemes, severance pay and non-competition clause

TABLE 11 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

Employment contract		Supplementary pension scheme		Allowances or benefits payable or likely to be payable, due to termination of, or a change in position		Compensation linked to a non-competition clause	
Yes	No ⁽¹⁾	Yes	No ⁽²⁾	Yes	No	Yes	No
	○		○		○		○

(1) In accordance with the provisions of the AFEP-MEDEF Code, Mr Éric Le Gentil, as Chairman of the Board of Directors, does not hold an employment contract with Mercialis.

(2) Mr Éric Le Gentil does not benefit from any supplementary pension scheme. He is included in the mandatory group pension scheme (ARRCO and ARGIC) and in the insurance and healthcare benefit scheme covering all the Company's employees.

Note that all the tables in French Financial Markets Authority Position/Recommendation DOC-2021-02 which do not appear in the previous pages do not apply to Mr Éric Le Gentil's compensation for fiscal year 2020, namely:

- table 4, on the stock warrants or stock options awarded in the fiscal year to each executive officer by the issuer and by any Group company;
- table 5, on the stock warrants or stock options exercised in the fiscal year by each executive officer;
- table 7, relating to the free shares awarded during the fiscal year to each executive officer;
- table 8, on the history of granted stock warrants and stock options;
- table 9, on the stock warrants or stock options awarded to the top ten employees who are not corporate officers and options exercised by them.

4.2.2.3 Compensation policy for the Chairman of the Board of Directors, non-executive corporate officer, in respect of the fiscal year 2021

Board of Directors' report on the compensation policy for the Chairman of the Board of Directors for fiscal year 2021

(8th resolution of the Ordinary General Meeting of April 22, 2021)

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind, attributable for 2021 to the Chairman of the Board of Directors, must be submitted for the approval of the Ordinary General Meeting of April 22, 2021.

In this connection, the Board of Directors, at its meeting on February 15, 2021, established, on the basis of the recommendations of the Appointments, Compensation and Governance Committee, the determining principles and the structure of compensation of the Chairman of the Board of Directors. This compensation was set after consideration of the tasks assigned to the Chairman of the Board of Directors outside the general duties provided for by law, which are as follows:

- relations with major shareholders and with major financial and/or industrial partners;

- participation in the development of strategy and oversight of its implementation;
- interface between the Board and Senior Management.

The compensation of the Chairman of the Board of Directors consists of fixed compensation in respect of his position as Chairman, plus specific compensation paid for his participation in the Strategy and Transformation Committee and the Appointments, Compensation and Governance Committee:

- annual fixed compensation: Euro 225,000 (unchanged);
- compensation in his capacity as Director: according to the rules applicable in the Company, as set out in § 4.2.1.1, p. 273 et seq.

The Chairman of the Board of Directors does not receive variable compensation either in cash or shares, other than the variable component included in his compensation as a director.

Furthermore, it is specified that Mr Éric Le Gentil keeps the benefit of the bonus share plans which were awarded to him in his capacity as Chairman and Chief Executive Officer, provided that he is still a corporate officer at the end of the vesting period.

He also benefits from the Company's insurance and healthcare benefit scheme.

4.2.2.4 Compensation of the Chief Executive Officer in respect of fiscal year 2020

A. Principles and criteria for determining, distributing and awarding the compensation components of the Chief Executive Officer in 2020

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind attributable for 2020 to the Chief Executive Officer in respect of his corporate term of office, were submitted for approval by the Ordinary General Meeting on April 23, 2020 (9th resolution).

At the Ordinary General Meeting of April 23, 2020, the shareholders approved the principles and criteria for determining and awarding the compensation of the Chief Executive Officer.

These principles adhere to the recommendations of the AFEP-MEDEF Code, and are detailed in § 4.2.2.1 p. 277 et seq.

A reminder is provided below of the 2020 compensation policy for the Chief Executive Officer. The way in which this policy was followed is set out in point B below.

Fixed compensation

As of February 13, 2019, the compensation for Mr Vincent Ravat in his capacity as Chief Executive Officer was set at Euro 360,000.

Annual variable compensation

It was proposed to maintain the 2019 variable compensation mechanism, which notably includes a CSR objective. In order that Mercialis continues to follow best market practices it was, however, proposed that the proportion of qualitative criteria should continue its reduction and change from 20% to 15%.

The variable compensation is therefore structured around two types of objectives:

1. quantifiable objectives, weighted at 85%, of which two CSR objectives at 15%; and
2. qualitative objectives, weighted at 15%, focused on Human Resources.

The target annual variable compensation of the Chief Executive Officer remains at 70% of his annual fixed compensation if the objectives set are achieved. It could reach 140% of his annual fixed compensation in the case that these objectives are exceeded.

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

		% of fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (85% of the total variable compensation)	FFO growth (20% of the total variable compensation)	0.0%	14.0%	28.0%
	Organic growth including indexation (15% of the total variable compensation)	0.0%	10.5%	21.0%
	EBITDA margin (15% of the total variable compensation)	0.0%	10.5%	21.0%
	Reduction in greenhouse gas emissions as part of the Mercialis climate strategy (scopes 1 and 2) (5% of the total variable compensation)	0.0%	3.5%	7.0%
	GRESB classification of Mercialis (at constant methodology) (10% of the total variable compensation)	0.0%	7.0%	14.0%
	Asset disposals during the fiscal year (<i>in millions of euros</i>) (10% of the total variable compensation)	0.0%	7.0%	14.0%
	Bond maturity management (<i>in millions of euros</i>) (10% of the total variable compensation)	0.0%	7.0%	14.0%
Qualitative objectives (15% of the total variable compensation)	Human Resources Management: change in employee satisfaction and commitment (measured by an employee survey) (15% of the total variable compensation)	0.0%	10.5%	21.0%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0.0%	70.0%	140.0%

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

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, payment of the variable portion of the compensation due for fiscal year 2020, after determining the amount based on the achievement of the objectives defined above, is conditional upon approval by the Ordinary General Meeting to be held on April 22, 2021.

Long-term compensation

In order to associate the Chief Executive Officer over the long-term with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L. 22-10-60 of the French Commercial Code, on the principle of bonus share awards.

Bonus shares may only be granted to executive corporate officers if the Company grants one of the following benefits to its employees and to at least 90% of employees in its subsidiaries:

- stock options and/or stock warrants;

- bonus shares;
- the introduction of an incentive agreement or statutory profit-sharing agreement. For companies that already have such an agreement in place, the first allocation authorized by the Annual General Meeting held after the introduction of the Law of December 3, 2008, requires that each company (listed company and relevant subsidiaries) amend the calculation methods relating to one of these agreements, or pay a supplementary incentive or profit-sharing amount.

This award would represent a target of 125% of the annual fixed compensation (*i.e.* Euro 450,000) if the defined objectives are achieved, and up to 187.5% of the annual fixed compensation if each criteria is exceeded. The sum of the 3 criteria would in any event be capped at 160% of the annual fixed compensation (*i.e.* Euro 576,000), in order to comply with best market practices.

The bonus shares awarded will only be fully vested by the Chief Executive Officer at the end of a three-year vesting period, subject to conditions of presence (in his capacity as a corporate officer), it being specified that in the event of non-renewal of his corporate office (except in the event of resignation or removal from office), the Board of Directors may decide to maintain the plan benefits. The Company's performance conditions will also apply, said performance

being assessed over a 3-year period using the following criteria and assessment tables:

1. the relative performance of the Mercialisys share, including dividend (Total Shareholder Return – TSR) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2020, measured between January 1, 2020 and December 31, 2022, for 35% of the initial award:

Ranking of the three-year average annual TSR of Mercialisys compared with the companies comprising the index	Multiplier
[0 to 20%]	150%
]20 to 40%]	125%
]40 to 50%]	100%
]50 to 60%]	75%
]60 to 80%]	50%
]80 to 100%]	0%

The Mercialisys ranking will be obtained by dividing the Mercialisys ranking in the index by the number of companies constituting the index as of January 1, 2020.

2. An extra-financial criterion, namely the Company's CDP (Carbon Disclosure Project) rating, for 20% of the initial allocation:

At the end of the three-year period, the number of shares vested on the basis of this performance criterion will be determined in line with the table appearing below:

CDP (1 ranking per year)	Multiplier
Rating 1 x > B at constant standards	0%
Rating 2 x > B at constant standards	100%
Rating 3 x > B at constant standards	150%

3. FFO growth measured as the three-year annual average between January 1, 2020 and December 31, 2022, for the remaining 45% of the initial award.

At the end of the three-year period, the number of shares vested in respect of this performance criterion will be determined, in accordance with the table presented below, it being understood that the multiplier value will be calculated on a linear basis between the defined limits:

Annual three-year average FFO growth	Multiplier
0.00%	0%
1.00%	100%
2.00% or more	150%

The bonus shares awarded in 2020 will only become the beneficiary's property after a vesting period lasting three years which will end in 2023.

At the end of this three-year vesting period, the Chief Executive Officer will be required to keep 100% of his shares for a period of at least 2 years after they are fully vested, and thereafter to hold 50% of them as registered shares until the termination of his position as corporate officer.

Furthermore, in accordance with the provisions of the final sub-paragraph of Article 25.3.3 of the AFEP-MEDEF Code, the Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the period for holding the shares.

Other compensation components

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

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

The Chief Executive Officer may also benefit from an indemnity relating to a non-competition clause. In the event of termination of his position, the Chief Executive Officer will be bound by a non-competition and non-solicitation obligation that would apply for a period not to exceed the time of his employment in the Company, up to a maximum of one year, it being specified that the Company may reduce or waive the application of this clause. In exchange, the Chief Executive Officer would be paid a monthly compensation equivalent to one-twelfth of 50% of his annual fixed compensation, which will be paid in installments during its term.

B. Details of the compensation, in respect of the fiscal year 2020, of Mr Vincent Ravat, Chief Executive Officer

1. Summary table of compensation payable by Mercialys and the companies it controls or which control it

The compensation and benefits of any kind payable by Mercialys and the companies it controls to Mr Vincent Ravat for fiscal year 2020 are as follows. It should be remembered that Mercialys is not controlled within the meaning of Article L. 233-16 of the French Commercial Code.

TABLE 1 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

<i>(in euros)</i>	Fiscal year 2020	Fiscal year 2019
Compensation awarded in respect of the fiscal year (see § 2, below)	647,563	784,967
Valuation of multi-annual variable compensation awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Valuation of bonus shares awarded (vesting subject to service and performance conditions) ⁽¹⁾	437,318	259,557
Valuation of other long-term compensation plans	-	-
TOTAL	1,084,881	1,044,524

(1) Potential valuation of the shares awarded, not yet vested, under plans 24, 27, 30 and 33 and subject to a condition of presence as a corporate officer as well as performance conditions over 3 years (see § 4 below).

2. Compensation paid by Mercialys and the companies it controls

Mr Vincent Ravat received the following compensation and benefits of any kind from the Company in his capacity as Chief Executive Officer in, and in respect of, fiscal year 2020:

TABLE 2 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

<i>(in euros)</i>	Fiscal year 2020		Fiscal year 2019	
	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾
Fixed compensation ⁽¹⁾⁽²⁾	360,000	360,000	360,000	316,439 ⁽⁹⁾
Annual variable compensation ⁽¹⁾⁽³⁾	252,000	412,650	412,650	124,960
Multi-annual variable compensation ⁽⁴⁾	-	-	-	-
Exceptional compensation ⁽¹⁾⁽⁵⁾	-	-	-	108,340
Compensation allocated on account of the directorship	-	-	-	-
Benefits in kind ⁽⁶⁾	35,563	35,563	12,317	12,317
TOTAL	647,563	808,213	784,967	562,056

(1) Gross compensation before social security contributions and tax.

(2) The amounts indicated for 2019 also include paid leave.

(3) The methods for determining variable compensation are restated in the 2020 compensation policy, as approved at the Ordinary General Meeting of April 23, 2020, under § 4.2.2.4, A, p. 286 et seq., and clarifications are provided in § 3 below. It should be noted that the payment of this amount will be subject to the approval of the sixth resolution presented to the Ordinary General Meeting of April 22, 2021.

(4) Mr Vincent Ravat does not receive multi-annual variable compensation in cash, but is the beneficiary of bonus share plans, which did not result in any shares vesting in 2019 and 2020.

(5) The Board of Directors, at its meeting of February 14, 2017 and on the recommendation of the Appointments and Compensation Committee, decided to recognize Mr Vincent Ravat's exceptional contribution to the success of the Toulouse Fenouillet project implementation, opened on November 8, 2016, by awarding him an extraordinary cash bonus of Euro 100,000, half of it paid in February 2017 and the other half paid in February 2019, subject to his continued employment. In accordance with the provisions governing the distribution of Mr Vincent Ravat's compensation package, Mercialys paid Mr Vincent Ravat the sum of Euro 33,340 and Mercialys Gestion paid him the sum of Euro 16,660 in February 2017. This distribution was identical for the amount received in February 2019, in view of his continued employment at that date. The Board of Directors decided, on February 13, 2019 to change the 2018 compensation policy to be able to pay Mr Vincent Ravat exceptional compensation fully paid by Casino, Guichard-Perrachon as part of the disposal process by Casino, Guichard-Perrachon of all or some of its equity interest in Mercialys. The sale by Casino, Guichard-Perrachon of all or part of its equity interest in Mercialys constituted a significant special circumstance for the Company which required the major involvement of the Deputy Chief Executive Officer during the 2018 fiscal year. This compensation amounting to Euro 75,000 was paid following approval by the Ordinary General Meeting on April 25, 2019.

(6) Company car, senior executive unemployment insurance and insurance and healthcare benefit scheme covering all the Company's employees. The contribution of the latter is now 24 months, resulting in a larger payment in 2020.

(7) Compensation awarded in respect of the fiscal year, regardless of the date of payment.

(8) Compensation paid during the fiscal year, regardless of the allocation date.

(9) As of February 13, 2019, the fixed compensation for Mr Vincent Ravat in his capacity as Chief Executive Officer will be Euro 360,000 per year instead of Euro 300,000 that he received as Deputy Chief Executive Officer.

3. Annual variable compensation

The variable compensation of Mr Vincent Ravat for fiscal year 2020 was determined by the Board of Directors at its meeting of February 15, 2021, on the proposal of the Appointments, Compensation and Governance Committee, applying the criteria in the table below:

	Assessment	% of fixed compensation				Amount (in euros)
		Minimum	Target	Maximum	Achieved	
Quantifiable objectives (85% of the total variable compensation)	FFO growth (20% of the total variable compensation)	0.0%	14.0%	28.0%	0.0%	0
	Organic growth including indexation (15% of the total variable compensation)	0.0%	10.5%	21.0%	0.0%	0
	EBITDA margin (15% of the total variable compensation)	0.0%	10.5%	21.0%	0.0%	0
	Reduction in greenhouse gas emissions as part of the Mercialis climate strategy (scopes 1 and 2) (5% of the total variable compensation)	0.0%	3.5%	7.0%	7.0%	25,200
	GRESB classification of Mercialis (at constant methodology) (10% of the total variable compensation)	0.0%	7.0%	14.0%	14.0%	50,400
	Asset disposals during the fiscal year (in millions of euros) (10% of the total variable compensation)	0.0%	7.0%	14.0%	14.0%	50,400
	Bond maturity management (in millions of euros) (10% of the total variable compensation)	0.0%	7.0%	14.0%	14.0%	50,400
Qualitative objectives (15% of the total variable compensation)	Human Resources Management: change in employee satisfaction and commitment (measured by an employee survey) (15% of the total variable compensation)	0.0%	10.5%	21.0%	21.0%	75,600
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0.0%	70.0%	140.0%	70.0%	252,000

Against a backdrop, and in a sector, that was highly disrupted by an unprecedented crisis, Mr Vincent Ravat was able to safeguard Mercialys' balance sheet positions, offer reassurance regarding the value and liquidity of the portfolio and continue to improve operations at all sites by making structural adaptations in response to the health situation (without resorting to any State aid or short-time working arrangements), whilst maintaining Mercialys' leadership in terms of Corporate Social Responsibility, once again winning multiple awards in 2020. Under Mr Vincent Ravat's leadership, this fiscal year saw the acceleration of the development and deployment across its portfolio of its unified retail platform "Ocitô" and related first and last mile logistics services, as well as the diversification of its real estate projects and their uses (healthcare and co-working spaces). To adapt Mercialys to changes in its shareholder base, Vincent Ravat, against a backdrop of widespread teleworking, also continued to develop and internalize skills, attract new talent, instill a culture of innovation and improve employee commitment and satisfaction.

Overall, and after weighting, objectives were, on average, 100% achieved, i.e. variable compensation to be paid at 70% of fixed salary, or Euro 252,000.

This variable compensation will be paid subject to the approval of the 6th resolution proposed to the Company's Ordinary General Meeting on April 22, 2021 (see chapter 8, p. 393).

4. Stock warrants or stock options and bonus shares awarded by the Company and/or the companies it controls

In 2020, Mr Vincent Ravat, as Chief Executive Officer, was the beneficiary of a bonus share plan by the Company, as described below (Plan 33).

It is also stated that Mr Vincent Ravat was the beneficiary in 2014 and 2016, of bonus share plans which were awarded to him as an employee, prior to his appointment as Deputy Chief Executive Officer (see chapter 7, § 7.2.5.3, p. 382 et seq.).

Mr Vincent Ravat is also the beneficiary of three bonus share plans according to the following criteria and arrangements:

TABLE 6 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

Bonus shares awarded to Mr Vincent Ravat						
No. and date of plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method adopted for the consolidated financial statements	Vesting date	Availability date	Performance conditions	
Plan 27, of 04/26/2018	9,633 ⁽²⁾	€76,197	04/26/2021	04/27/2023 ⁽¹⁾	YES ⁽³⁾	
Plan 30, of 04/25/2019	21,329 ⁽⁴⁾	€140,197	04/25/2022	04/25/2024 ⁽¹⁾	YES ⁽⁵⁾	
Plan 33, of 04/23/2020	67,355 ⁽⁶⁾	€220,924	04/23/2023	04/23/2025 ⁽¹⁾	YES ⁽⁷⁾	
TOTAL	98,317	€437,318				

(1) The Board of Directors has set at 50% the number of bonus shares definitively awarded which the beneficiary is required to hold in registered form until the end of his corporate mandate within Mercialys.

(2) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mr Vincent Ravat will be 14,450 shares corresponding to a valuation of Euro 114,299.

(3) Bonus shares only vest only if the beneficiary (in the capacity of corporate officer) is still present at the Company on the vesting date of the shares, and subject to fulfillment of three performance criteria: 1) the relative performance of the Company's share price including dividend (Total Shareholder Return - TSR) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2018, measured between January 1, 2018 and December 31, 2020, for 50% of the initial award. 2) organic growth in rental revenues, including Casual Leasing, excluding indexation, measured as an annual average over three years between January 1, 2018 and December 31, 2020, for 25% of the initial allocation; and 3) FFO growth (excluding the 2019 carrying cost of debt financing for the fiscal year 2018) measured as a three-year annual average between January 1, 2018 and December 31, 2020 for the remaining 25% of the initial award.

(4) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mr Vincent Ravat will be 31,994 shares corresponding to a valuation of Euro 210,200.

(5) Bonus shares only vest if the beneficiary (in the capacity of corporate officer) is still present at the Company on the vesting date of the shares, and subject to fulfillment of three performance criteria: 1) the relative performance of the Mercialys share including dividend (relative Total Shareholder Return) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2019, measured between January 1, 2019 and December 31, 2021, for 40% of the initial award, 2) organic growth in rental revenues, including Casual Leasing, excluding indexation, measured as an annual average over three years between January 1, 2019 and December 31, 2021, for 20% of the initial award, and 3) growth in FFO measured as an annual average over three years between January 1, 2019 and December 31, 2021, for the remaining 40% of the initial award.

(6) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mr Vincent Ravat will be 86,215 shares corresponding to a valuation of Euro 282,785.

(7) Bonus shares only vest if the beneficiary (in the capacity of corporate officer) is still present at the Company on the vesting date of the shares, and subject to fulfillment of three performance criteria: 1) the relative performance of the Mercialys share including dividend (relative Total Shareholder Return) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2020, measured between January 1, 2020 and December 31, 2022, for 35% of the initial award, 2) the Company's CDP (Carbon Disclosure Project) rating, measured once a year over a three-year period between January 1, 2020 and December 31, 2022, for 20% of the initial award and 3) growth in FFO measured as an annual average over three years between January 1, 2020 and December 31, 2022, for the remaining 45% of the initial award.

No shares vested under plan 24, awarded in 2017 and maturing in 2020, as the performance criteria were not met.

Below is a summary of the bonus share plans from which Mr Vincent Ravat has benefited as a corporate officer:

TABLE 10 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

	Plan 24	Plan 27	Plan 30	Plan 33
Date of the Annual General Meeting	04/27/2017	04/26/2018	04/25/2019	04/23/2020
Date of Board of Directors meeting	04/27/2017	04/26/2018	04/25/2019	04/23/2020
Total number of bonus shares awarded to corporate officers (subject to service and performance conditions)	27,833	31,306 ⁽¹⁾	30,414 ⁽²⁾	107,020 ⁽³⁾
o/w number of shares awarded to Mr Vincent Ravat	8,564	9,633 ⁽¹⁾	21,329 ⁽²⁾	67,355 ⁽³⁾
Vesting date of shares	04/27/2020	04/26/2021	04/25/2022	04/23/2023
Holding period end date	04/27/2022	04/26/2023	04/25/2024	04/23/2025
Total number of shares vested at December 31, 2020, to corporate officers	0	na ⁽⁴⁾	na ⁽⁴⁾	na ⁽⁴⁾
o/w number of shares vested to Mr Vincent Ravat	0	na ⁽⁴⁾	na ⁽⁴⁾	na ⁽⁴⁾
Number of shares canceled or lapsed at December 31, 2020	27,833	na ⁽⁴⁾	na ⁽⁴⁾	na ⁽⁴⁾
Number of outstanding bonus shares for plans not yet matured at December 31, 2020	0	31,306	30,414	107,020

(1) If the performance criteria are exceeded, the maximum number of shares that can be awarded to corporate officers will be 46,959, including 14,450 shares for Mr Vincent Ravat, corresponding to a valuation of Euro 114,299.

(2) If the performance criteria are exceeded, the maximum number of shares that can be awarded to corporate officers will be 45,621, including 31,994 shares for Mr Vincent Ravat, corresponding to a valuation of Euro 210,200.

(3) If the performance criteria are exceeded, the maximum number of shares that can be awarded to corporate officers will be 137,779, including 86,215 shares for Mr Vincent Ravat, corresponding to a valuation of Euro 282,785.

(4) Since the three-year plan has not expired yet, the final allocations at December 31, 2020 cannot be calculated.

5. Employment contract, special pension schemes, severance pay and non-competition clause

TABLE 11 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

Employment contract		Supplementary pension scheme		Allowances or benefits payable or likely to be payable, due to termination of, or a change in, position		Compensation linked to a non-competition clause	
Yes	No	Yes	No ⁽¹⁾	Yes	No	Yes ⁽²⁾	No
	○		○		○		○

(1) Mr Vincent Ravat does not benefit from any supplementary pension scheme. He is included in the mandatory group pension scheme (ARRCO and ARGIC) and the insurance and healthcare benefit scheme covering all the Company's employees.

(2) Mr Vincent Ravat may benefit from a payment linked to a non-competition and non-solicitation clause that would apply for a period not to exceed the time of his employment in the Company, up to a maximum of one year; it is specified that the Company may reduce or waive the application of such clause. In exchange, she would be paid a monthly sum equivalent to one-twelfth of 50% of her annual fixed compensation. This compensation will be paid in installments during her term of office.

As mentioned for Mr Éric Le Gentil on p. 286, all the tables in French financial Markets Authority Position-Recommendation DOC-2021-02 that do not appear in the previous pages do not apply to fiscal 2020 as regards Mr Vincent Ravat's compensation (tables 3, 4, 5, 7, 8, 9).

Pursuant to the provisions of Article L. 225-100, III, of the French Commercial Code, the Ordinary General Meeting of April 22, 2021 is called to approve the fixed, variable and exceptional components of the compensation package and the benefits of any kind paid or awarded in respect of the previous fiscal year to the Chief Executive Officer for his mandate in fiscal year 2020. Details and comments about this information can be found in chapter 8, appendix 2, p. 423 et seq.

4.2.2.5 Compensation policy regarding the Chief Executive Officer in respect of fiscal year 2021

Board of Directors' report on the compensation policy for the Chief Executive Officer for fiscal year 2021

(9th resolution of the Ordinary General Meeting of April 22, 2021)

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind attributable for 2021 to the Chief Executive Officer in respect of his corporate term of office must be submitted for approval by the Ordinary General Meeting on April 22, 2021.

In this connection, the Board of Directors, at its meeting on February 15, 2021, established, on the basis of the recommendations of the Appointments, Compensation and Governance Committee, the determining principles and the structure of compensation of the Chief Executive Officer for 2021.

A. Principles

The Board of Directors refers to the principles of the AFEP-MEDEF Code for determining the compensation of the executive corporate officers: completeness, balance among the compensation components, benchmark, consistency, intelligibility of the rules and measurement. Details of the main principles governing its approach are given in § 4.2.2.1 p. 277 et seq.

Note that the Board of Directors always ensures that executive compensation is competitive, is in line with corporate strategy and context and, in particular, aims to drive the Company's medium and long-term performance and competitiveness by incorporating one or more social and environmental criteria. To do so, it ensures that:

1. compensation attracts, retains and motivates high-performing executives. Compensation must be competitive and reflect each individual's scope of responsibility.

Every year, the Appointments, Compensation and Governance Committee employs an independent company to conduct a market survey amongst a panel of comparable stakeholders in terms of type and portfolio size. This keeps the compensation system consistent and maintains a good balance between fixed and variable components;

2. compensation is based on corporate strategy and performance.

The Appointments, Compensation and Governance Committee ensures that the Company's interests are in line with those of its shareholders and sets its executives' objectives. These objectives are subject to measurable and quantifiable performance conditions, over 80% of which must be achieved;

3. compensation incorporates social and environmental responsibility criteria.

Being aware of the major environmental, as well as social and societal, issues, Mercialis sets ambitious and measurable short, and long-term, objectives for its executives;

4. compensation is consistent and in line with employees' compensation.

The Compensation, Appointments and Governance Committee ensures that compensation is consistent throughout the Company. For this reason, some corporate officers' objectives are incorporated into the Group share of employees' variable compensation. In addition, in order to further align their interests, one of the corporate officers' objectives is to develop employee satisfaction and commitment, diversity and to develop effective training.

These principles apply to all compensation components, including long-term compensation.

Note that the concept of compensation for exceptional circumstances is not part of executive compensation policy.

Lastly, in accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors deliberates without the interested party being present.

B. Compensation components of the Chief Executive Officer

Fixed compensation

As of February 13, 2019, the compensation for Mr Vincent Ravat in his capacity as Chief Executive Officer was set at Euro 360,000 and will not be changed in 2021.

Annual variable compensation

Annual variable compensation rewards performance for the year N-1 and aims to establish a link between executives' interests and Mercialis' operational strategy over the period.

This compensation is conditional upon the achievement of specific and ambitious targets.

The target annual variable compensation for Mr Vincent Ravat in 2021 would remain at 70% of his annual fixed compensation if the objectives set are achieved.

The maximum achievement rate for each objective could be as high as 200%.

If these objectives are exceeded, the annual variable compensation would be capped at 140% of his annual fixed compensation.

In the event of leaving the Group, the CEO's variable portion would be calculated *pro rata temporis*, on the basis of service and in his capacity as CEO.

Variable compensation would be structured around two types of objectives: quantifiable objectives weighted at 80% and two qualitative objectives at 20%. As a result, Mercialis' compensation policy would continue to comply with the best market standards, with a very high percentage of quantifiable criteria.

The annual variable compensation proposed is constructed to reflect the Company's major issues in 2021, whilst reflecting the specific context relating to the health and economic crisis which occurred in 2020. As a result, it would cover both aspects of financial, operational and extra-financial performance and balance sheet positions. For the sake of balance, two criteria were used for each type of performance:

1. Financial criteria

- FFO growth, measuring the change in Mercialis' recurrent income;
- EBITDA margin, measuring the efficiency of its operational management.

2. Operational criteria

- change in footfall in shopping centers on a like-for-like basis and for comparable opening weeks, enabling retailers to increase their business and capitalize on their ability to convert footfall into revenue, reflected in a positive trend in Mercialis' rental income outlook;
- acceleration of digital transformation making it possible to measure the Company's ability to adapt to changing consumer expectations and to embrace new retail methods, notably by offering new last mile services.

3. Balance sheet criteria

- partial refinancing of bond debt to lengthen its duration and continue to strengthen the protection of the Company's liquidity and balance sheet positions against an uncertain macro-economic and health backdrop;

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- asset disposals during the fiscal year also to strengthen the protection of the Company's liquidity and balance sheet positions.
- human resources and talent management to ensure employees' continuous improvement and commitment and to ensure that their skills are constantly adapted to an ever-changing market environment.

4. Extra-financial criteria

- improving sites' performance in terms of Social and Environmental Responsibility to ensure associated value creation and responsible, long-term growth;

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

		% of fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (80% of the total variable compensation)	FFO growth (20% of the total variable compensation)	0.0%	14.0%	28.0%
	EBITDA margin on a like-for-like basis (15% of the total variable compensation)	0.0%	10.5%	21.0%
	Difference between the change in footfall at Mercialys shopping centers and that of the national index (on a like-for-like basis and for comparable opening weeks) (10% of the total variable compensation)	0.0%	7.0%	14.0%
	Acceleration of the company's digital transformation: development of last mile activities (<i>retailer members as a % of the total number of retailers in the portfolio, excluding isolated units and minority interests</i>) (15% of the total variable compensation)	0.0%	10.5%	21.0%
	Bond maturity management (<i>in millions of euros</i>) (5% of the total variable compensation)	0.0%	3.5%	7.0%
	Asset disposals during the fiscal year (<i>in millions of euros</i>) (15% of the total variable compensation)	0.0%	10.5%	21.0%
Qualitative objectives (20% of the total variable compensation)	Social and Environmental Responsibility: improving sites' performance, contributing to value creation and responsible, long-term growth (10% of the total variable compensation)	0.0%	7.0%	14.0%
	Human resources and talent management: promoting diversity in the workforce, developing the internal training program, developing and diversifying skills, improving employee satisfaction and commitment (10% of the total variable compensation)	0.0%	7.0%	14.0%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0.0%	70.0%	140.0%

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

The Board of Directors, on the recommendation of the Compensation, Appointments and Governance Committee may, when assessing the achievement of performance objectives, adjust said objectives to recognize the impact of the Covid-19 pandemic-related health emergency, to keep the implementation of the compensation policy in line with performance, in the corporate interest.

The Board of Directors may, by the same reasoning, adjust trigger thresholds, objectives and targets in the event of changes in accounting standards and methods.

In addition, in the event of a material change in the Group's strategy or scope (in particular, following a merger or disposal, a change of ownership, the acquisition or the creation of a new significant business or the discontinuation of an existing significant business), the Board of Directors, on the recommendation of the Compensation, Appointments and Governance Committee, will be able to use its discretion to adjust, upwards or downwards, one or more performance criteria-related parameters (weighting, trigger thresholds,

objectives, targets, etc.) of the Chief Executive Officer's annual variable compensation, in order to ensure that the application of these criteria reflect both his performance and that of the Group.

In any event, and pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, payment of the variable portion of the compensation for 2021 fiscal year, after determination of its amount based on the achievement of the objectives defined above, will be conditional on the approval by the Company's Ordinary General Meeting to be held in 2022.

Long-term compensation

In order to associate the Chief Executive Officer over the long-term with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L. 22-10-60 of the French Commercial Code, on the principle of bonus share awards.

Bonus shares may only be granted to executive corporate officers if the Company grants one of the following benefits to its employees and to at least 90% of employees in its subsidiaries:

- stock options and/or stock warrants;
- bonus share plans;

- the introduction of an incentive agreement or statutory profit-sharing agreement. For companies that already have such an agreement in place, the first allocation authorized by the Annual General Meeting held after the introduction of the Law of December 3, 2008, requires that each company (listed company and relevant subsidiaries) amend the calculation methods relating to one of these agreements, or pay a supplementary incentive or profit-sharing amount.

This award would represent a target of 125% of the annual fixed compensation (*i.e.* Euro 450,000) if the defined objectives are achieved, and up to 187.5% of the annual fixed compensation if each criteria is exceeded. The sum of the 3 criteria would in any event be capped at 160% of the annual fixed compensation (*i.e.* Euro 576,000), in order to comply with best market practices.

The bonus shares awarded would only be fully vested by the Chief Executive Officer at the end of a three-year vesting period, subject to conditions of presence (in his capacity as a corporate officer), it being specified that in the event of non-renewal of his corporate office (except in the event of resignation or removal from office), the Board of Directors may decide to maintain the plan benefits.

In the event of the Chief Executive Officer's forced departure (except in the event of resignation or dismissal for serious or

gross misconduct) following a change of ownership or change in strategy, any bonus share entitlement that he may have been awarded prior to his effective departure date would be maintained on a *pro rata temporis* basis in relation to his service as a Mercialis executive corporate officer during the vesting period, while remaining subject to the performance conditions of the plan in question. The performance conditions are then calculated on the basis of the plan's performance criteria, assessed at the end of the year in which the Chief Executive Officer ceases to perform his duties (and without taking into account the impact of the year, or years, after the termination of his duties). In such a case, the Chief Executive Officer would also be released from any holding obligation at the end of the aforementioned vesting period.

To measure Mercialis' share performance against that of its market sector peers and bring executives into line with their shareholders, it is proposed that the stock market performance measurement criterion should be maintained in relative terms, but that the panel of companies should be adapted in order to be more comparable and relevant than the EPRA Nareit/Eurozone index used until now. This new panel is made up of companies more like Mercialis in terms not only of business, but also geography or size. It is set up as follows:

Peers constituting the index	ISIN index	Country	Business segment	Geographical exposure	Market capitalization (€M) at March 10, 2021
Atrium European Real Estate	JE00B3DCF752	Austria	Diversified shopping centers	Poland, Slovakia, Czech Republic, Russia	1,087
Carmila	FR0010828137	France	Neighborhood shopping centers	France, Italy, Spain	2,005
Citycon	FI4000369947	Finland	Diversified shopping centers	Northern Europe	1,385
Deutsche Euroshop	DE0007480204	Germany	Diversified shopping centers	Germany, Poland, Czech Republic, Austria, Hungary	1,142
Eurcommercial Properties	NL0000288876	Netherlands	Neighborhood shopping centers	France, Italy, Sweden, Belgium	946
Hammerson	GB00BK7YQK64	Great Britain	Destination shopping centers	France, United Kingdom, Ireland	1,306
Immobiliare Grande Distribuzione	IT0005322612	Italy	Neighborhood shopping centers	Italy, Romania	394
Klépierre	FR0000121964	France	Destination shopping centers	Continental Europe	6,044
New River	GB00BD7XPJ64	Great Britain	Neighborhood shopping centers	United Kingdom	310
Unibail-Rodamco-Westfield	FR0013326246	France	Destination shopping centers	Continental Europe, United Kingdom, United States	9,549
Vastned Retail	NL0000288918	Netherlands	Ground-floor retail premises	France, Netherlands, Belgium, Spain	442
Wereldhave	NL0000289213	Netherlands	Diversified shopping centers	France, Netherlands, Belgium	592

In addition, in order to assess changes in the Company's financial performance, it is proposed to use a criterion of FFO growth measured as an annual average over three years between January 1, 2021 and December 31, 2023 in order to align executives' interests with those of the shareholders to restore the Company's growth trajectory and, as a result, its stock market performance.

Lastly, with regard to the CSR policy, an objective is set to achieve a certification rate under the BREEAM nomenclature of 85% of Mercialis' portfolio in order to ensure the sustainability of the Company's portfolio by managing it according to the best market standards. This rate includes the regular renewal of certifications already obtained, as part of ever increasing requirements, as well as the certification of additional assets.

All initiatives will be subject to the following performance conditions, measured at the end of the three-year period on the basis of three equally weighted criteria.

1. The relative performance of the Mercialis share, including dividend (Total Shareholder Return - TSR), compared to the performance of a pre-defined panel of comparable companies, measured between January 1, 2021 and December 31, 2023, for 33.33% of the initial award:

Mercialys' ranking will be determined by comparing the Company's performance with that of the companies comprising the panel, as follows:

Ranking of the three-year average annual TSR of Mercialis compared with the companies comprising the panel

	Multiplier
1 st place	150%
2 nd place	140%
3 rd place	130%
4 th place	120%
5 th place	110%
6 th place	100%
7 th to 13 th place	0%

No compensation will be paid if the ranking falls below the average, given that the above table is based on the 12 companies comprising the panel at January 1, 2021, which includes Mercialis.

Should the panel of comparable companies no longer comprise these 12 companies at December 31, 2023, in particular, due to takeovers, mergers, bankruptcies or delistings occurring during the securities' acquisition period, Mercialis' ranking would, as a result, be based on other criteria.

In particular, should the panel of comparable companies, including Mercialis, comprise an uneven number of companies, the 100% performance would correspond to the ranking immediately above the arithmetical average. If, for example, only ten companies, *i.e.* a total of eleven companies including Mercialis, were still due to be listed on the panel on December 31, 2023, the coefficient of 100% would correspond to 5th place. All the multipliers would be readjusted accordingly in a linear fashion between the average ranking determined in this way (coefficient of 100%) and 1st place (coefficient of 150%).

2. FFO growth measured as the three-year annual average between January 1, 2021 and December 31, 2023, for the remaining 33.33% of the initial award.

At the end of the three-year period, the number of shares vested on the basis of this performance criterion will be determined in line with the table appearing below:

Annual three-year average FFO growth	Multiplier
0.00%	0%
1.00%	100%
2.00%	150%

The multiplier moves in a linear fashion between the limits set above.

3. The portfolio certification rate as a percentage of its value, for 33.33% of the initial allocation:

At the end of the three-year period, the number of shares vested in respect of this performance criterion will be determined, in accordance with the table presented below, it being understood that the multiplier value will be calculated on a linear basis between the defined limits:

3-year Breeam-In-Use certification rate (as a % of the portfolio value)	Multiplier
75%	0%
85%	100%
95%	150%

In the event of an exceptional event such as the impact of the Covid-19 epidemic, a change in ownership or a significant change in strategy, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee will have discretionary power in particular to reduce, eliminate or postpone the application of TSR and the application of an extra-financial criterion (a maximum of 33.3% of long-term compensation criteria).

The bonus shares awarded in 2021 will only become the beneficiary's property after a vesting period lasting three years which will end in 2024.

In accordance with the provisions of Articles L 225-197-1 and L 22-10-59 of the French Commercial Code, the Board of Directors must either decide that the shares vested to corporate officers may not be sold before the end of their term of office, or set the number of shares they are required to keep in registered form until the end of their term of office. This information is published in the management report.

At the end of this three-year vesting period, the Chief Executive Officer would be required to keep 100% of his shares for a period of at least two years after they are fully vested, and thereafter to hold 50% of them as registered shares until the termination of his position as corporate officer.

Furthermore, in accordance with the provisions of the final sub-paragraph of Article 25.3.3 of the AFEP-MEDEF Code, the Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the period for holding the shares.

Other compensation components

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

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

The Chief Executive Officer may also benefit from an indemnity relating to a non-competition clause. In the event of termination of his position, the Chief Executive Officer will be bound by a non-competition and non-solicitation obligation that would apply for a period not to exceed the time of his employment in the Company, up to a maximum of one year, it being specified that the Company may reduce or waive the application of this clause. In exchange, the Chief Executive Officer would be paid a monthly compensation equivalent to one-twelfth of 50% of his annual fixed compensation, which will be paid in installments during its term.

4.2.2.6 Compensation policy regarding the Deputy Chief Executive Officer in respect of fiscal year 2020

A. Principles and criteria for determining, distributing and awarding the components of the Deputy Chief Executive Officer's compensation in 2020

Pursuant to the provisions of Article L. 22.10.8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind attributable for 2020 to the Deputy Chief Executive Officer in respect of her corporate term of office, were submitted for approval by the Ordinary General Meeting on April 23, 2020 (10th resolution).

At the Ordinary General Meeting of 23 April 2020, the shareholders approved the principles and criteria for determining and awarding the compensation of the Deputy Chief Executive Officer.

These principles adhere to the recommendations of the AFEP-MEDEF Code, and are detailed in § 4.2.2.1, p. 277 et seq.

The 2020 compensation policy for the Deputy Chief Executive Officer is set out below. The way in which this policy was followed is set out in point B below.

Fixed compensation

Élizabeth Blaise's fixed compensation as Deputy Chief Executive Officer is set at Euro 265,000.

Note that the Deputy Chief Executive Officer retains her employment contract as Chief Administrative and Financial Officer. Accordingly, her annual fixed and variable compensation continue to be divided into two parts, half on the basis of her corporate function and half on the basis of her employment contract.

Annual variable compensation

It was proposed to maintain the variable compensation mechanism in force in 2019, which included a CSR objective. In order that Mercialis continues to follow best market practices it was, however, proposed that the proportion of qualitative criteria should continue its reduction and change from 20% to 15%.

The variable compensation is therefore structured around two types of objectives:

1. quantifiable objectives, weighted at 85%, including two CSR objectives and extra-financial communication at 15%; and
2. qualitative objectives, weighted at 15%, linked to the gradual reinstatement of support functions and related human organization.

The target annual variable compensation of the Deputy Chief Executive Officer is set at 40% of her annual fixed compensation if the objectives set are achieved. It could reach 80% of her annual fixed compensation in the case that these objectives are exceeded.

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

		% of fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (85% of the total variable compensation)	FFO growth (20% of the total variable compensation)	0.0%	8.0%	16.0%
	Organic growth including indexation (15% of the total variable compensation)	0.0%	6.0%	12.0%
	EBITDA margin (15% of the total variable compensation)	0.0%	6.0%	12.0%
	Reduction in greenhouse gas emissions as part of the Mercialis climate strategy (scopes 1 and 2) (5% of the total variable compensation)	0.0%	2.0%	4.0%
	EPRA and Transparency Awards (with constant methodology) (10% of the total variable compensation)	0.0%	4.0%	8.0%
	Asset disposal during the fiscal year (<i>in millions of euros</i>) (10% of the total variable compensation)	0.0%	4.0%	8.0%
	Bond maturity management (<i>in millions of euros</i>) (10% of the total variable compensation)	0.0%	4.0%	8.0%
Qualitative objectives (15% of the total variable compensation)	Gradual reinstatement of support functions and related human organization (15% of the total variable compensation)	0.0%	6.0%	12.0%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0.0%	40.0%	80.0%

For each quantifiable criterion, a minimum threshold of achievement has been set, along with a target level corresponding to the objectives of Mercialis for a performance that meets objectives, and a level of outperformance of the targets. Variable compensation is calculated in a linear or graduated fashion between the minimum threshold and the maximum threshold.

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, payment of the variable portion of the compensation due for fiscal year 2020, after determining the amount based on the achievement of the objectives defined above, is conditional upon approval by the Ordinary General Meeting to be held on April 22, 2021.

Long-term compensation

In order to associate the Deputy Chief Executive Officer over the long term with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L. 225-10-60 of the French Commercial Code (as mentioned on p. 262 for the Chief Executive Officer), on the principle of bonus share awards.

This award would represent a target of 100% of the annual fixed compensation (*i.e.* Euro 265,000) if the defined objectives are achieved, and up to 150% of the annual fixed compensation if each criteria is exceeded. The sum of the 3 criteria would in any event be capped at 130% of the annual fixed compensation (*i.e.* Euro 344,500), in order to comply with best market practices.

The bonus shares allocated would only be vested by the Deputy Chief Executive Officer at the end of a three-year vesting period, subject to service conditions (as a corporate officer and/or employee). The Company's performance conditions will also apply, said performance being assessed over a 3-year period using the following criteria and assessment tables:

1. The relative performance of the Mercialis share, including dividend (Total Shareholder Return – TSR) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2020, measured between January 1, 2020 and December 31, 2022, for 35% of the initial award:

Ranking of the three-year average annual TSR of Mercialis compared with the companies comprising the index	Multiplier
[0 to 20%]	150%
]20 to 40%]	125%
]40 to 50%]	100%
]50 to 60%]	75%
]60 to 80%]	50%
]80 to 100%]	0%

The Mercialis ranking will be obtained by dividing the Mercialis ranking in the index by the number of companies constituting the index as of January 1, 2020.

2. An extra-financial criterion, namely the Company's CDP (Carbon Disclosure Project) rating, for 20% of the initial allocation:

At the end of the three-year period, the number of shares vested on the basis of this performance criterion will be determined in line with the table appearing below:

CDP (1 ranking per year)	Multiplier
Rating 1 x > B at constant standards	0%
Rating 2 x > B at constant standards	100%
Rating 3 x > B at constant standards	150%

3. FFO growth measured as the three-year annual average between January 1, 2020 and December 31, 2022, for the remaining 45% of the initial award.

At the end of the three-year period, the number of shares vested in respect of this performance criterion will be determined, in accordance with the table presented below, it being understood that the multiplier value will be calculated on a linear basis between the defined limits:

Annual three-year average FFO growth	Multiplier
0.00%	0%
1.00%	100%
2.00% or more	150%

The bonus shares awarded in 2020 will only become the beneficiary's property after a vesting period lasting three years which will end in 2023.

At the end of this three-year vesting period, the Deputy Chief Executive Officer will be required to keep 100% of her shares for a period of at least two years after they are fully vested, and thereafter to hold 50% of them as registered shares until the termination of her corporate office.

Furthermore, in accordance with the provisions of the final sub-paragraph of Article 25.3.3 of the AFEP-MEDEF Code, the Deputy Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the period for holding the shares.

Moreover, it should be noted that Mrs Élisabeth Blaise is the beneficiary of bonus share plans which were awarded to her as a Mercialis employee, prior to her appointment as Deputy Chief Executive Officer.

Other compensation components

The Deputy Chief Executive Officer does not benefit from any supplementary pension scheme. She participates in the mandatory group supplementary pension scheme (ARRCO and AGIRC) and in the insurance and healthcare benefit scheme in force within the Company for all employees. She also benefits from senior executive unemployment insurance. She does not receive any other benefit of any kind.

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

The Deputy Chief Executive Officer may also benefit from an indemnity relating to a non-competition clause. In the event of the termination of her position, the Deputy Chief Executive Officer would be bound by a non-competition and non-solicitation obligation that would apply for a period not to exceed the time of her employment in the Company, up to a maximum of one year, it being specified that the Company may reduce or waive the application of such clause. In exchange, the Deputy Chief Executive Officer would be paid a monthly compensation equivalent to one-twelfth of 50% of her annual fixed compensation as a corporate officer which will be paid in installments during its term.

B. Details of the compensation, in respect of the fiscal year 2020, of Mrs Élizab th Blaise, Deputy Chief Executive Officer

1. Summary table of compensation payable by Mercialys and the companies it controls or which control it

The compensation and benefits of any kind payable by Mercialys and the companies it controls to Mrs Élizab th Blaise for fiscal year 2020 are as follows. It should be remembered that Mercialys is not controlled within the meaning of Article L. 233-16 of the French Commercial Code.

TABLE 1 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

<i>(in euros)</i>	Fiscal year 2020	Fiscal year 2019
Compensation awarded in respect of the fiscal year (see § 2, below)	386,725	375,728
Valuation of multi-annual variable compensation awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Valuation of bonus shares awarded (vesting subject to service and performance conditions) ⁽¹⁾	189,789	59,688
Valuation of other long-term compensation plans	-	-
TOTAL	576,514	435,416

(1) Potential valuation of the shares awarded, not yet vested, under plans 30 and 33 and subject to a condition of presence as a corporate officer and/or employee as well as performance conditions over 3 years (see § 4 below).

2. Compensation paid by Mercialys and the companies it controls

Mrs Élizab th Blaise received the following compensation and benefits of any kind from the Company in her capacity as Deputy Chief Executive Officer in, and in respect of, fiscal year 2020:

TABLE 2 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

<i>(in euros)</i>	Fiscal year 2020		Fiscal year 2019	
	Amounts awarded ⁽⁶⁾	Amounts paid ⁽⁷⁾	Amounts awarded ⁽⁶⁾	Amounts paid ⁽⁷⁾
Fixed compensation ⁽¹⁾⁽²⁾	132,500	132,500	115,000	100,434
Annual variable compensation ⁽¹⁾⁽³⁾	53,000	72,864	72,864	-
Multi-annual variable compensation ⁽⁴⁾	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation allocated on account of the directorship	-	-	-	-
Benefits in kind ⁽⁵⁾	12,581	12,581	-	-
TOTAL	198,081	217,945	187,864	100,434

(1) Gross compensation before social security contributions and tax.

(2) The amounts indicated for 2019 also include paid leave.

(3) The methods for determining variable compensation are restated in the 2020 compensation policy, as approved at the Ordinary General Meeting of April 23, 2020, under § 4.2.2.6, A, p. 297 et seq., and clarifications are provided in § 3 below. It should be noted that the payment of this amount will be subject to the approval of the 7th resolution presented to the Ordinary General Meeting of April 22, 2021.

(4) Mrs Élizab th Blaise does not receive multi-annual variable compensation in cash, but is the beneficiary of bonus share plans, which did not result in any shares vesting in 2019 and 2020 for her corporate office.

(5) Executive unemployment insurance and healthcare and pension plan.

(6) Compensation awarded in respect of the fiscal year, regardless of the date of payment.

(7) Compensation paid during the fiscal year, regardless of the allocation date.

In addition, Mrs Élizab th Blaise performs the duties of Chief Financial Officer at Mercialys. In this respect, the amounts of compensation and benefits of any kind paid for the fiscal year 2020 are as follows:

TABLE 2 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

(in euros)	Fiscal year 2020		Fiscal year 2019	
	Amounts awarded ⁽⁶⁾	Amounts paid ⁽⁷⁾	Amounts awarded ⁽⁶⁾	Amounts paid ⁽⁷⁾
Fixed compensation ⁽¹⁾⁽²⁾	132,500	132,500	115,000	126,279
Annual variable compensation ⁽¹⁾⁽³⁾	53,000	72,864	72,864	117,325
Multi-annual variable compensation ⁽⁴⁾	-	671	-	-
Exceptional compensation ⁽¹⁾⁽⁵⁾	-	-	-	48,500
Compensation allocated on account of the directorship	-	-	-	-
Benefits in kind ⁽⁶⁾	3,144	3,144	-	-
TOTAL	188,644	209,179	187,864	292,104

(1) Gross compensation before social security contributions and tax.

(2) The amounts indicated for 2019 also include paid leave.

(3) The methods for determining the variable compensation are given in § 4.2.2.6, A, p. 297 et seq., and details are provided in § 3 below.

(4) Mrs Élizab th Blaise does not receive multi-annual variable compensation in cash, but is the beneficiary of bonus share plans, which did not result in any shares vesting in 2019 and 2020 for her corporate office. The amount of Euro 671 paid in 2020 corresponds to the benefit, as an employee of the Company, of democratic bonus share plan No. 29 awarded on 04/26/2018, under which the 87 shares it comprised fully vested to Mrs Élizab th Blaise on 04/26/2020.

(5) To compensate Mrs Élizab th Blaise's involvement, as Chief Financial Officer, in the process of disposal by Casino, Guichard-Perrachon of all or part of its equity interest in Mercialys, a process that constituted a significant special circumstance for the Company and required the major involvement of the Deputy Chief Executive Officer during the 2018 fiscal year, Mrs Élizab th Blaise received exceptional compensation. This compensation amounting to Euro 48,500, received in respect of her employment contract, was paid in 2019.

(6) Benefit plan covering all the Company's employees.

(7) Compensation awarded in respect of the fiscal year, regardless of the date of payment.

(8) Compensation paid during the fiscal year, regardless of the allocation date.

3. Annual variable compensation

The variable compensation of Mrs Élisabeth Blaise for fiscal year 2020 was determined by the Board of Directors at its meeting of February 15, 2021, on the proposal of the Appointments, Compensation and Governance Committee, applying the criteria in the table below:

	Assessment	% of fixed compensation				Amount (in euros)	
		Minimum	Target	Maximum	Achieved		
Quantifiable objectives (85% of the total variable compensation)	FFO growth (20% of the total variable compensation)	0.0%	8.0%	16.0%	-23.1%		
			0.5%		0.0%	0	
	Organic growth including indexation (15% of the total variable compensation)	0.0%	6.0%	12.0%	-7.0%		
			2.25%		0.0%	0	
	EBITDA margin (15% of the total variable compensation)	0.0%	6.0%	12.0%	0.0%		
			84.0%		74.8%	0	
	Reduction in greenhouse gas emissions as part of the Mercialys climate strategy (scopes 1 and 2) (5% of the total variable compensation)	Even though all sites stayed open during both lockdowns, the operational measures put in place reduced emissions in KgCO ₂ eq/sq.m. by 6.5% compared with 2019	0.0%	2.0%	4.0%	4.0%	
				-4.0%		-6.5%	10,600
	EPRA and Transparency Awards (using a fixed methodology) (10% of the total variable compensation)	Achieved EPRA Gold ranking and came first in the Labrador ranking for the third consecutive year	0.0%	4.0%	8.0%	8.0%	
				EPRA Gold + Top 15		EPRA Gold and 1 st place All Categories	21,200
Asset disposals during the fiscal year (in millions of euros) (10% of the total variable compensation)	Euro 30.9 million sale to Picture AM and Euro 120 million net sale to Amundi Immobilier	0.0%	4.0%	8.0%	8.0%		
			€70M		€151M	21,200	
Bond maturity management (in millions of euros) (10% of the total variable compensation)	Successful bond issue in June 2020 followed by a Euro 181 million tender offer	0.0%	4.0%	8.0%	8.0%		
			€100M		€181M	21,200	
Qualitative objectives (15% of the total variable compensation)	Gradual reinstatement of support functions and related human organization (15% of the total variable compensation)	Particular mobilization on the issues of internalization of fund management, real estate management control, and payroll functions and preparation for the internalization of accounting and insurance functions	0.0%	6.0%	12.0%	12.0%	
							31,800
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0.0%	40.0%	80.0%	40.0%	106,000	

Élisabeth Blaise efficiently managed and optimized financial indicators and balance sheet positions, guaranteeing the Company, its governance and stakeholders maximum visibility, participating in rapid and appropriate decision-making in a shifting environment. In a very challenging environment for shopping center real estate companies, she maintained an effective and productive dialog with financial counterparties: rating agencies, bondholders and bank creditors, helping to consolidate balance sheet liquidity and rating, key safety factors in an industry that uses a significant level of leverage. Discussions with investors and analysts were very high quality, supporting a relationship of trust, including in a downward cycle.

In addition to crisis management, the Deputy Chief Executive Officer dealt with key issues contributing not only to the management of the Company's risk profile but also to its long-term footprint: risk mapping, renewal of the CSR policy and compliance. These issues have positively affected all services.

Lastly, Élisabeth Blaise was particularly involved in various initiatives to internalize functions. On the one hand, some activities were brought in-house in 2020: fund management and real estate management control, with major impacts both for the business as a going concern and for Mercialys' industrial partners, such as Amundi and BNPP REIM. The Deputy Chief Executive Officer was also fully involved in

preparing for the internalization of major functions: HR and payroll (internalization in January 2021), preparation for the internalization of the accounting, corporate finance and tax functions (internalization planned for Q1 2022) and the insurance function (internalization at the end of 2021, although insurance cover was taken out in 2020).

This variable compensation will be paid subject to the approval of the 7th resolution proposed to the Company's Ordinary General Meeting on April 22, 2021 (see chapter 8, p. 394).

4. Stock warrants or stock options and bonus shares awarded by the Company and/or the companies it controls

In 2020, Mrs Élizab eth Blaise, as Deputy Chief Executive Officer, was the beneficiary of a bonus share plan by the Company, as described below (Plan 33).

It is also stated that Mrs Élizab eth Blaise was the beneficiary of bonus share plans which were awarded to her as an employee, prior to her appointment as Deputy Chief Executive Officer (see chapter 7, § 7.2.5.3, p. 382 et seq.).

TABLE 6 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

Bonus shares awarded to Élizab�eth Blaise						
No. and date of plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method adopted for the consolidated financial statements	Vesting date	Availability date	Performance conditions	
Plan 30, of 04/25/2019	9,085 ⁽²⁾	�59,688	04/25/2022	04/25/2024 ⁽¹⁾	YES ⁽³⁾	
Plan 33, of 04/23/2020	39,665 ⁽⁴⁾	�130,101	04/23/2023	04/23/2025 ⁽¹⁾	YES ⁽⁵⁾	
TOTAL	48,750	�189,789				

(1) The Board of Directors has set at 50% the number of bonus shares definitively awarded which the beneficiary is required to hold in registered form until the end of his corporate mandate within Mercialisys.

(2) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mrs Élizab eth Blaise will be 13,627 shares corresponding to a valuation of Euro 89,529.

(3) Bonus shares become vested only if the beneficiary (in the capacity of corporate officer and/or employee) is still present at the Company on the vesting date of the shares, and subject to fulfillment of three performance criteria: 1) the relative performance of the Mercialisys share including dividend (relative Total Shareholder Return) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2019, measured between January 1, 2019 and December 31, 2021, for 40% of the initial award, 2) organic growth in rental revenues, including Casual Leasing, excluding indexation, measured as an annual average over three years between January 1, 2019 and December 31, 2021, for 20% of the initial award, and 3) growth in FFO measured as an annual average over three years between January 1, 2019 and December 31, 2021, for the remaining 40% of the initial award.

(4) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mrs Élizab eth Blaise will be 51,564 shares corresponding to a valuation of Euro 169,129.

(5) Bonus shares become vested only if the beneficiary (in the capacity of corporate officer) is still present at the Company on the vesting date of the shares, and subject to fulfillment of three performance criteria:

1) the relative performance of the Mercialisys share including dividend (relative Total Shareholder Return) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2020, measured between January 1, 2020 and December 31, 2022, for 35% of the initial award,

2) the Company's CDP (Carbon Disclosure Project) rating, measure once a year over a three-year period between January 1, 2020 and December 31, 2022, for 20% of the initial award, and

3) growth in FFO measured as an annual average over three years between January 1, 2020 and December 31, 2022, for the remaining 45% of the initial award.

No shares became available in fiscal year 2020 for her corporate office.

Below is a summary of the bonus share plans granted to Élizab eth Blaise as a corporate officer:

TABLE 10 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

	Plan 30	Plan 33
Date of the Annual General Meeting	04/25/2019	04/23/2020
Date of Board of Directors meeting	04/25/2019	04/23/2020
Total number of bonus shares awarded to corporate officers (subject to service and performance conditions) ⁽¹⁾	30,414 ⁽¹⁾	107,020 ⁽²⁾
o/w number of shares awarded to Mrs Élizab�eth Blaise	9,085 ⁽¹⁾	39,665 ⁽²⁾
Vesting date of shares	04/25/2022	04/23/2023
Holding period end date	04/25/2024	04/23/2025
Total number of shares vested at December 31, 2020, to corporate officers	na ⁽³⁾	na ⁽³⁾
o/w number of shares vested to Mrs Élizab�eth Blaise	na ⁽³⁾	na ⁽³⁾
Number of shares canceled or lapsed at December 31, 2020	na ⁽³⁾	na ⁽³⁾
Number of outstanding bonus shares for plans not yet matured at December 31, 2020	30,414	107,020

(1) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mrs Élizab eth Blaise will be 13,627 shares corresponding to a valuation of Euro 89,529.

(2) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mrs Élizab eth Blaise will be 51,564 shares corresponding to a valuation of Euro 169,129.

(3) Since the three-year plan has not expired yet, the final allocations at December 31, 2020 cannot be calculated.

Moreover, it should be noted that Mrs Élizab eth Blaise is the beneficiary of bonus share plans which were awarded to her as a Mercialis employee, prior to her appointment as Deputy Chief Executive Officer.

5. Employment contract, special pension schemes, severance pay and non-competition clause

TABLE 11 - FRENCH FINANCIAL MARKETS AUTHORITY POSITION/RECOMMENDATION DOC-2021-02

Employment contract		Supplementary pension scheme		Allowances or benefits payable or likely to be payable, due to termination of, or a change in, position		Compensation linked to a non-competition clause	
Yes ⁽¹⁾	No	Yes	No ⁽²⁾	Yes	No	Yes ⁽³⁾	No
○			○		○	○	

(1) Mrs Élizab eth Blaise, as Chief Financial Officer, holds an employment contract with Mercialis SA.

(2) Mrs Élizab eth Blaise does not benefit from any supplementary pension scheme. She is included in the mandatory group pension scheme (ARRCO and ARGIC) and in the insurance and healthcare benefit scheme covering all the Company's employees.

(3) Mrs Élizab eth Blaise may benefit from a payment linked to a non-competition and non-solicitation clause that would apply for a period not to exceed the time of her employment in the Company, up to a maximum of one year; it is specified that the Company may reduce or waive the application of such clause. In exchange, she would be paid a monthly sum equivalent to one-twelfth of 50% of her annual fixed compensation. This compensation will be paid in installments during her term of office.

As mentioned for Éric Le Gentil on p. 286, note that all of the French Financial Markets Authority Position/Recommendation DOC-2021-02 tables which do not appear in the previous pages do not apply for fiscal year 2020 as regards Mrs Élizab eth Blaise's compensation (tables 3, 4, 5, 7, 8, 9).

Pursuant to the provisions of Article L. 225-100, III, and L. 22-10-34 of the French Commercial Code, the Ordinary General Meeting of April 22, 2021 is called to approve the fixed, variable and exceptional components of the compensation package and the benefits of any kind paid or awarded in respect of the previous fiscal year to the Deputy Chief Executive Officer for her mandate in fiscal year 2020. Details and comments about this information can be found in chapter 8, appendix 3, p. 425 et seq.

4.2.2.7 Compensation policy regarding the Deputy Chief Executive Officer in respect of fiscal year 2021

Board of Directors' report on the compensation policy for the Deputy Chief Executive Officer for fiscal year 2021

(10th resolution of the Ordinary General Meeting of April 22, 2021)

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind, attributable for 2021 to the Deputy Chief Executive Officer in respect of her corporate term of office must be submitted for approval by the Ordinary General Meeting on April 22, 2021.

In this connection, the Board of Directors, at its meeting on February 15, 2021, established, on the basis of the recommendations of the Appointments, Compensation and Governance Committee, the determining principles and the structure of compensation of the Deputy Chief Executive Officer for 2021.

A. Principles

The Board of Directors refers to the principles of the AFEP-MEDEF Code for determining the compensation of the executive corporate officers: completeness, balance among the compensation components, benchmark, consistency, intelligibility of the rules and measurement. Details of the main principles governing its approach are given in § 4.2.2.1 p. 277 et seq.

Note that the Board of Directors always ensures that executive compensation is competitive, is in line with corporate strategy and context and, in particular, aims to drive the Company's medium and long-term performance and competitiveness by incorporating one or more social and environmental criteria. To do so, it ensures that:

1. Compensation attracts, retains and motivates high-performing executives. Compensation must be competitive and reflect each individual's scope of responsibility.

Every year, the Appointments, Compensation and Governance Committee employs an independent company to conduct a market survey amongst a panel of comparable stakeholders in terms of type and portfolio size. This keeps the compensation system consistent and maintains a good balance between fixed and variable components;

2. Compensation is based on corporate strategy and performance.

The Appointments, Compensation and Governance Committee ensures that the Company's interests are in line with those of its shareholders and sets its executives' objectives. These objectives are subject to measurable and quantifiable performance conditions, over 80% of which must be achieved;

3. Compensation incorporates social and environmental responsibility criteria.

Being aware of the major environmental, as well as social, issues, Mercialis sets ambitious and measurable short, and long-term, objectives for its executives;

4. Compensation is consistent and in line with employees' compensation.

The Appointments, Compensation and Governance Committee ensures consistency between compensation across the Company. For this reason, some corporate officers' objectives are incorporated into the Group share of employees' variable compensation. In addition, in order to further align their interests, one of the corporate officers' objectives is to develop employee satisfaction and commitment, diversity and to develop effective training.

These principles apply to all compensation components, including long-term compensation.

Note that the concept of compensation for exceptional circumstances is not part of executive compensation policy.

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

B. Compensation components of the Deputy Chief Executive Officer

Fixed compensation

The compensation for Mrs Élisabeth Blaise as Deputy Chief Executive Officer has been set at Euro 265,000 since January 1, 2020, and will be unchanged in 2021.

Deputy Chief Executive Officer keeps her employment contract as Chief Financial Officer. Accordingly, her annual fixed and variable compensation will continue to be divided into two parts, half on the basis of her corporate function and half on the basis of her employment contract.

Annual variable compensation

Short-term variable compensation rewards performance for the year N-1 and aims to establish a link between the interests of executives and Mercialis' operational strategy for the period.

This compensation is conditional upon the achievement of specific and ambitious targets.

Following the benchmark studies conducted by the Appointments, Compensation and Governance Committee, it was decided to increase Mrs Élisabeth Blaise's target annual variable compensation to 55% of her annual fixed compensation if the objectives set are achieved. In fact, in a specific market panel made up of 18 companies selected by a specialized firm in January 2021, the position of Deputy Chief Executive Officer was compared to the position of CEO in smaller companies in terms of size, revenue and market capitalization, or to the Deputy Chief Executive Officer or Business Line Manager in similar or larger companies in terms of size, revenue and market capitalization. It was noted that the target variable in 2020 (40% of fixed compensation in the event of objectives being 100% achieved, *i.e.* Euro 106,000) was, on average, 45% lower than the panel's average target variable and 37% below the panel's median target variable. The proposed change would reduce the 12% gap observed between Mrs Élisabeth Blaise's target fixed and variable compensation (excluding LTI) and the average target fixed and variable compensation of the market analyzed.

The list of companies used for this benchmark is as follows:

- Altarea Cogedim
- Bouygues
- Carmila
- Compagnie des Alpes
- Covivio
- FFP (formerly Société foncière Financière et de Participation)
- Gecina
- Icade
- Klépierre
- La Française
- Les Nouveaux Constructeurs (Bassac)
- Nexity
- Pichet
- Prologis
- Quartus
- Société de la Tour Eiffel
- Société Foncière Lyonnaise
- Unibail

The maximum achievement rate for each objective could be as high as 200%. If these objectives are exceeded, the annual variable compensation would be capped at 110% of annual fixed compensation.

In the event of leaving the Group, the Deputy Chief Executive Officer's variable portion will be calculated *pro rata temporis* on the basis of service as Deputy Chief Executive Officer.

Variable compensation would be structured around two types of objectives: quantifiable objectives weighted at 80% and two qualitative objectives for 20%. As a result, Mercialis' compensation policy would continue to comply with the best market standards, with a very high percentage of quantifiable criteria.

The annual variable compensation proposed is constructed to reflect the Company's major issues in 2021, whilst reflecting the specific context relating to the health and economic crisis which occurred in 2020. As a result, it would cover both aspects of financial, operational and extra-financial performance and balance sheet positions. For the sake of balance, two criteria were used for each type of performance.

1. Financial criteria:

- FFO growth, measuring the change in Mercialis' recurrent income;
- EBITDA margin, measuring the efficiency of its operational management.

2. Operational criteria:

- maintenance of the Company's best financial reporting practices, as assessed by market bodies such as EPRA and Transparency Awards, contributing to Mercialis'

ability to enhance its KPIs and create value for its shareholders;

- internalization, by end-2021, of functions terminated by Mercialis under the Service agreement: corporate legal and insurance functions, which are decisive both for the governance of the listed company and for business continuity.

3. Balance sheet criteria:

- partial refinancing of bond debt to lengthen its duration and continue to strengthen the protection of the Company's liquidity and balance sheet positions against an uncertain macro-economic and health backdrop;
- asset disposals during the fiscal year to strengthen the protection of the Company's liquidity and balance sheet positions.

4. Extra-financial criteria:

- deployment of the new sustainable development plan so that Mercialis continues to follow best market practices in terms of CSR;
- human resources and talent management to ensure that employees' skills are constantly being adapted to a changing market.

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

		% of fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (80% of the total variable compensation)	FFO growth (20% of the total variable compensation)	0.00%	11.00%	22.00%
	EBITDA margin on a like-for-like basis (15% of the total variable compensation)	0.00%	8.25%	16.50%
	EPRA and Transparency Awards (10% of the total variable compensation)	0.00%	5.50%	11.00%
	Implementation of action plans for the deployment of the new CSR strategy by 2030 <i>(as a % of the number of predefined objectives)</i> (10% of the total variable compensation)	0.00%	5.50%	11.00%
	Bond maturity management <i>(in millions of euros)</i> (15% of the total variable compensation)	0.00%	8.25%	16.50%
	Asset disposals during the fiscal year <i>(in millions of euros)</i> (10% of the total variable compensation)	0.00%	5.50%	11.00%
Qualitative objectives (20% of the total variable compensation)	Internalization of functions terminated by Mercialis under the Service agreement, by the end of 2021 (10% of the total variable compensation)	0.00%	5.50%	11.00%
	Human resources and talent management: promoting diversity in the workforce, developing the internal training program, developing and diversifying skills, improving employee satisfaction and commitment (10% of the total variable compensation)	0.00%	5.50%	11.00%
TOTAL VARIABLE COMPENSATION AS A % OF FIXED COMPENSATION		0.00%	55.00%	110.00%

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

The Board of Directors, on the recommendation of the Compensation, Appointments and Governance Committee may, when assessing the achievement of performance objectives, adjust said objectives to recognize the impact of the Covid-19 pandemic-related health emergency, to keep the

implementation of the compensation policy in line with performance, in the corporate interest.

The Board of Directors may, by the same reasoning, adjust trigger thresholds, objectives and targets in the event of changes in accounting standards and methods.

In addition, in the event of a material change in the Group's strategy or scope (in particular, following a merger or disposal, a change of ownership, the acquisition or the creation of a new significant business or the discontinuation of an existing significant business), the Board of Directors, on

the recommendation of the Compensation, Appointments and Governance Committee, will be able to use its discretion to adjust, upwards or downwards, one or more performance criteria-related parameters (weighting, trigger thresholds, objectives, targets, etc.) of the Deputy Chief Executive Officer's annual variable compensation, in order to ensure that the application of these criteria reflect both her performance and that of the Group.

In any event, and pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, payment of the variable portion of the compensation for 2021 fiscal year, after determination of its amount based on the achievement of the objectives defined above, will be conditional on the approval by the Company's Ordinary General Meeting to be held in 2022.

Long-term compensation

In order to associate the Deputy Chief Executive Officer over the long term with the Company's shareholding performance, the Board of Directors has decided, subject to compliance with the provisions of Article L. 22-10-60 of the French Commercial Code (as mentioned on p. 294 for the Chief Executive Officer), on the principle of bonus share awards.

This award would represent a target of 100% of the annual fixed compensation (*i.e.* Euro 265,000) if the defined objectives are achieved, and up to 150% of the annual fixed compensation if each criteria is exceeded. The sum of the 3 criteria would in any event be capped at 130% of the annual fixed compensation (*i.e.* Euro 344,500), in order to comply with best market practices.

The bonus shares awarded would only be fully vested by the Deputy Chief Executive Officer at the end of a three-year vesting period, subject to conditions of presence (in her capacity as corporate officer and/or employee), it being specified that in the event of non-renewal of her corporate office (except in the event of resignation or removal from office), the Board of Directors may decide to maintain the plan benefits.

In the event of the Deputy Chief Executive Officer's forced departure (except in the event of resignation or dismissal for serious or gross misconduct) following a change of ownership or change in strategy, any bonus share entitlement that she may have been awarded prior to her effective departure date would be maintained on a *pro rata temporis* basis in relation to her service as a Mercialis executive corporate officer during the vesting period, while remaining subject to the performance conditions of the plan in question. The performance conditions are then calculated on the basis of the plan's performance criteria, assessed at the end of the year in which the Deputy Chief Executive Officer ceases to perform her duties (and without taking into account the impact of the year, or years, after the termination of her duties). In such a case, the Deputy Chief Executive Officer would also be released from any holding obligation at the end of the aforementioned vesting period.

To measure Mercialis' share performance against that of its market sector peers and bring executives into line with their shareholders, it is proposed that the stock market performance measurement criterion should be maintained in relative terms, but that the panel of companies should be adapted in order to be more comparable and relevant than the EPRA Nareit/Eurozone index used until now. This new panel is made up of companies more like Mercialis in terms not only of business, but also geography or size. It is set up as follows:

Peers constituting the index	ISIN index	Country	Business segment	Geographical exposure	Market capitalization (€M) at March 10, 2021
Atrium European Real Estate	JE00B3DCF752	Austria	Diversified shopping centers	Poland, Slovakia, Czech Republic, Russia	1,087
Carmila	FR0010828137	France	Neighborhood shopping centers	France, Italy, Spain	2,005
Citycon	FI4000369947	Finland	Diversified shopping centers	Northern Europe	1,385
Deutsche Euroshop	DE0007480204	Germany	Diversified shopping centers	Germany, Poland, Czech Republic, Austria, Hungary	1,142
Eurcommercial Properties	NL0000288876	Netherlands	Neighborhood shopping centers	France, Italy, Sweden, Belgium	946
Hammerson	GB00BK7YQK64	Great Britain	Destination shopping centers	France, United Kingdom, Ireland	1,306
Immobiliare Grande Distribuzione	IT0005322612	Italy	Neighborhood shopping centers	Italy, Romania	394
Klépierre	FR0000121964	France	Destination shopping centers	Continental Europe	6,044
New River	GB00BD7XPJ64	Great Britain	Neighborhood shopping centers	United Kingdom	310
Unibail-Rodamco-Westfield	FR0013326246	France	Destination shopping centers	Continental Europe, United Kingdom, United States	9,549
Vastned Retail	NL0000288918	Netherlands	Ground-floor retail premises	France, Netherlands, Belgium, Spain	442
Wereldhave	NL0000289213	Netherlands	Diversified shopping centers	France, Netherlands, Belgium	592

In addition, in order to assess changes in the Company's financial performance, it is proposed to use a criterion of FFO growth measured as an annual average over three years between January 1, 2021 and December 31, 2023 in order to align executives' interests with those of the shareholders to restore the Company's growth trajectory and, as a result, its stock market performance.

Lastly, with regard to the CSR policy, an objective is set to achieve a certification rate under the BREEAM nomenclature of 85% of Mercialis' portfolio in order to ensure the sustainability of the Company's portfolio by managing it according to the best market standards. This rate includes the regular renewal of certifications already obtained, in the context of increasing requirements, as well as the certification of additional assets

All initiatives will be subject to the following performance conditions, measured at the end of the three-year period on the basis of three equally weighted criteria.

1. The relative performance of the Mercialis share, including dividend (Total Shareholder Return - TSR), compared to the performance of a specific panel of comparable companies measured between January 1, 2021 and December 31, 2023, for 33.33% of the initial award:

Mercialis' ranking will be determined by comparing the Company's performance with that of the companies comprising the panel, as follows:

Ranking of the three-year average annual TSR of Mercialis compared with the companies comprising the panel

	Multiplier
1 st place	150%
2 nd place	140%
3 rd place	130%
4 th place	120%
5 th place	110%
6 th place	100%
7 th to 13 th place	0%

No compensation will be paid if the ranking falls below the average, given that the above table is based on the 12 companies comprising the panel at January 1, 2021, which includes Mercialis.

Should the panel of comparable companies no longer comprise these 12 companies at December 31, 2023, in particular, due to takeovers, mergers, bankruptcies or delistings occurring during the securities' acquisition period, Mercialis' ranking would, as a result, be based on other criteria.

In particular, should the panel of comparable companies, including Mercialis, comprise an uneven number of companies, the 100% performance would correspond to the ranking immediately above the arithmetical average. If, for example, only ten companies, i.e. a total of eleven companies including Mercialis, were still due to be listed on the panel on

December 31, 2023, the coefficient of 100% would correspond to 5th place. All the multipliers would be readjusted accordingly in a linear fashion between the average ranking determined in this way (coefficient of 100%) and 1st place (coefficient of 150%).

2. FFO growth measured as the three-year annual average between January 1, 2021 and December 31, 2023, for the remaining 33.33% of the initial award:

At the end of the three-year period, the number of shares vested on the basis of this performance criterion will be determined in line with the table appearing below:

Annual three-year average FFO growth	Multiplier
0.00%	0%
1.00%	100%
2.00%	150%

The multiplier moves in a linear fashion between the limits set above.

3. Portfolio certification rate as a percentage of its value, for 33.33% of the initial allocation:

At the end of the three-year period, the number of shares vested in respect of this performance criterion will be determined, in accordance with the table presented below, it being understood that the multiplier value will be calculated on a linear basis between the defined limits:

3-year Breem-In-Use certification rate (as a % of the portfolio value)	Multiplier
75%	0%
85%	100%
95%	150%

In the event of an exceptional event such as the impact of the Covid-19 epidemic, a change in ownership or a significant change in strategy, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee may use its discretionary power in particular to reduce, eliminate or postpone the application of extra-financial criteria on TSR (a maximum of 33.3% of long-term compensation criteria).

The bonus shares awarded in 2021 will only become the beneficiary's property after a vesting period lasting three years which will end in 2024.

In accordance with the provisions of Articles L 225-197-1 and L. 22-10-59 of the French commercial code, the Board of Directors must either decide that the shares vested to corporate officers may not be sold before the end of their term of office, or set the number of shares they are required to keep in registered form until the end of their term of office. This information is published in the Management Report.

At the end of this three-year vesting period, the Deputy Chief Executive Officer will be required to keep 100% of her shares for a period of at least two years after they are fully vested, and thereafter to hold 50% of them as registered shares until the termination of her corporate office.

Furthermore, in accordance with the provisions of the final sub-paragraph of Article 25.3.3 of the AFEP-MEDEF Code, the Deputy Chief Executive Officer undertakes not to make use of risk hedging transactions until the end of the period for holding the shares.

Other compensation components

The Board of Directors, during its meetings of February 13, 2019 and March 5, 2019, planned to take out executive unemployment insurance (*Garantie Sociale des Chefs et Dirigeants d'Entreprise* or "GSC") for Mrs Élizabéth Blaise which covers her net compensation as (i) Deputy Chief Executive Officer and (ii) under her employment contract (the "GSC Allowance").

Note that the GSC cover was taken out in February 2020. The GSC has a 12-month waiting period (deferral of the period covered by the insurance). As a result, on February 12, 2020, the Board of Directors of the Company authorized payment of the subscription and expenses for GSC, formula 55, cover taken out for an initial period of 12 months from February 28, 2020. In order to cover any consequences of the aforementioned waiting period, the Board of Directors has decided to make a commitment to Mrs Elizabeth BLAISE to pay her, in the event of involuntary loss of work between the months of February 2020 and February 28, 2021, an amount equal to the GSC Allowance.

In addition, the GSC only accepts liability for payment of 24-months compensation after two years of contributions⁽¹⁾. On the proposal of the Appointments, Compensation and Governance Committee, the Company's Board of Directors decided, on February 15, 2021, to cover the subscription and costs associated with the GSC, formula 55, for a 24-month compensation period, and in the event of her removal from office between January 1, 2021 and December 31, 2021, inclusive, to pay Mrs Élizabéth Blaise severance pay of equivalent to what she would have received by way of GSC for a maximum of 12 months following the 12-month compensation period paid by the GSC and under the same terms. The operative event triggering the implementation of this commitment will be the expiry of Mrs Élizabéth Blaise's GSC cover.

No deductible period will be applied to the termination of the office for the payment of the indemnity.

This severance payment will be paid monthly for as long as Mrs Élizabéth Blaise is involuntarily out of work. Any resumption of work will result in the cessation of payment of this compensation. The payment of compensation will cease in any case at the end of the 12-month period of compensation not covered by the GSC. Note that this compensation will not be due if Mrs Élizabéth Blaise resigns from her directorship, nor if her directorship is converted into a single employment contract.

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

The Deputy Chief Executive Officer does not benefit from any additional pension plan. She participates in the mandatory group supplementary pension plan (ARRCO and AGIRC) and in the pension plan in force within the Company for all employees. She does not receive any other benefit of any kind.

(1) Since the contractual amendment can only be made at the end of an initial contribution period of one year, a one-year waiting period is then applied under the GSC for this new level of cover.

The Deputy Chief Executive Officer may also benefit from an indemnity relating to a non-competition clause. In the event of the termination of her position, she would be bound by a non-competition and non-solicitation obligation that would apply for a period not to exceed the time of her employment in the Company, up to a maximum of one year, it being specified that the Company may reduce or waive the application of such clause. In return, the Deputy Chief Executive Officer would be paid a monthly allowance equivalent to one-twelfth of 50% of her annual fixed compensation.

Note that, in accordance with the terms of Articles 24.6 and 25.5.1 of the AFEP-MEDEF Code, the aggregate amount of any severance allowances (including compensation relating to termination of employment contract) and compensation for the non-compete clause potentially paid by the Company would not exceed 24 months.