

MERCIALYS

INSIDER TRADING POLICY

Last updated on December 12, 2018

Insider Trading Policy

Whereas

The listing of the shares and other financial instruments of Mercialys (hereinafter the “**Company**” or “**Mercialys**”) on the Euronext Paris regulated stock exchange implies compliance with regulations in force concerning the treatment of Inside Information (as this term is defined hereafter), the prevention of stock market trading violations by persons possessing Inside Information, and the monitoring of transactions involving the Company’s securities.

Mercialys’ goal is to comply with all of the rules intended to protect the integrity of the financial market, as well as to comply with the recommendations issued by stock market authorities with respect to the management of risks associated with holding, disclosing, and the potential use of Inside Information.

Therefore, the purpose of this Insider Trading Policy (hereinafter the “**Policy**”) is to reiterate the stock market regulations applicable to Executives, Directors, High Ranking Officials, Closely Related Persons, Insiders (as these terms are defined hereafter) and, generally, any other person concerned.

Mercialys hereby reminds those concerned that it is the responsibility of Executives, Directors, High Ranking Officials, and Insiders to comply with and ensure others’ compliance with regulations applicable at the level of the Company and the Group (as this term is defined hereafter) by implementing preventive measures.

As such, the purpose is to inform those concerned regarding (i) the applicable laws and regulations on insider trading, as well as the administrative and/or criminal sanctions for failing to comply with said laws and regulations and (ii) the implementation of preventive measures intended to enable those concerned to invest in Mercialys securities while abiding by the rules in place to protect the market’s integrity. However, it should be noted that although third parties to Mercialys are subject to stock market regulations, this Policy is not intended for them.

All of these rules are, for the most part, included in the European Regulation of 16 April 2014 on Market Abuse¹ (hereinafter the “**MAR**”) that took effect on 3 July 2016, its implementing legislation, as well as the positions and recommendations of the European Securities and Markets Authority (hereinafter the “**ESMA**”) and the *Autorité des marchés financiers* (French financial markets regulator, hereinafter the “**AMF**”), the list of which can be found in Appendix 1 of this Policy².

Those for whom this Policy is intended are encouraged to read these laws and regulations. They can request copies by writing to the Board Secretary.

¹ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

² AMF Position-Recommendation No 2016-08 entitled *Guide de l’information permanente et de la gestion de l’information privilégiée* (Guide on ongoing disclosure and the management of inside information), Section 2.1.2.2. The AMF recommends, in particular, including a description of the legal and regulatory provisions in force.

Based on the Mercialys' shareholding structure, it should be noted that Inside Information concerning Casino, which holds a meaningful share of Mercialys' share capital, can also constitute inside information on Mercialys and/or its Financial Instruments.

The Company sends this Policy to each Executive, Director, High Ranking Official, and Permanent Insider while specifying in which of these groups he or she is categorised. As applicable, the Policy could also be sent to any person that could potentially qualify as an Occasional Insider, while indicating the reason for this categorisation. The Executives, Directors and High Ranking Officials also forward it to all of their respective Closely Associated Persons.

In order to facilitate the application of this Policy, the Insider Trading Committee (please see Article 7.1) is available to answer any questions.

This Policy, adopted by the Company on 20 March 2017, was uploaded to Mercialys' website. It will be updated on a regular basis. Its application and effectiveness will be routinely evaluated by the Company³.

Each Executive, Director, High Ranking Official, Closely Associated Person or Insider is responsible for reading and complying with the terms of this Policy. Failure to comply with its rules and, generally, with applicable regulations, could expose those concerned to criminal, administrative, civil or disciplinary sanctions.

1. Definitions

For the purposes of this Policy:

Director	refers to the members of the Company's Board of Directors, it being specified that whenever a member of the Board of Directors is a legal entity, the term refers to both the legal entity and the natural person who acts as its permanent representative.
AMF	refers to the <i>Autorité des marchés financiers</i> (French financial markets regulator).
Insider Trading Committee	refers to the committee responsible for answering a question associated with this Policy. Its duties and composition are defined in Article 7.1 of this Policy.

³ AMF Position-Recommendation No 2016-08 entitled *Guide de l'information permanente et de la gestion de l'information privilégiée* (Guide on ongoing disclosure and the management of inside information), Section 2.1.2.2.

Executive refers to the Chairman, the Chief Executive Officer, and any Deputy Chief Executive Officers of the Company.

ESMA refers to the European Securities and Markets Authority.

Mercialys Group or Group refers to the Company and all of its subsidiaries or other consolidated companies.

Inside Information is defined below in Article 2.

Insiders, Permanent Insiders and Occasional Insiders are defined below in Article 3.

Financial Instruments refer to:

- (i) the shares, debt securities and any securities issued or to be issued by the Company, as well as the rights that could potentially be dissociated from said various securities and, in particular, any preferential subscription or allocation rights,
- (ii) any derivative instrument, the underlying rights or securities of which are referenced in (i) above,
- (iii) any other financial instrument linked to the items referenced in (i) and (ii) above.

For the purposes of defining the term Inside Information, it should be noted that this term also refers to any other financial instrument as defined under directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 and, in particular, the money market instruments, the units of undertakings for collective investment or the derivative instruments used to transfer the credit default risk.

Closely Associated Person

refers to those persons with close personal ties to a Person Discharging Managerial Responsibilities, namely⁴:

- (i) his or her spouse, provided the couple is not legally separated, or his or her partner in a *pacte civil de solidarité* (French civil union agreement),
- (ii) the children for whom he or she acts as the legal guardian, or who reside at his or her home either habitually or during certain periods of the year, or for whom he or she has effective and permanent custody,
- (iii) any other blood relative or relative by marriage who has lived in his or her home for at least one year as of the date considered,
- (iv) any legal entity, trust, *fiducie* (form of trust under French law) or partnership that is headed, administered, or managed⁵ by him or her, or by one of the persons referenced in (i), (ii) or (iii) above,
- (v) any legal entity, trust, *fiducie* (form of trust under French law) or partnership that is directly or indirectly controlled by him or her or by one of the persons referenced in (i), (ii) or (iii) above,
- (vi) any legal entity, trust, *fiducie* (form of trust under French law) or partnership that is created for his or her benefit or the benefit of the persons referenced in (i), (ii) or (iii) above, and
- (vii) any legal entity, trust, *fiducie* (form of trust under French law) or partnership, the economic interests of which are substantially similar to his or hers or to one of the persons' referenced in (i), (ii) or (iii) above.

Persons Discharging Managerial Responsibilities

refers to Executives, Directors and High Ranking Officials.

High Ranking Official

refers to any person at the Company who, without being an Executive or a Director, has, on the one hand, routine access to Inside Information directly or indirectly concerning the Company and, on the other hand, the requisite authority to take management decisions concerning the Company's development and strategy. The Company compiles, as the

⁴ The Market Abuse Regulation ("MAR"), Article 3.26 and MAR Amending Regulation of 21 October 2016; AMF Position-Recommendation No 2016-08 entitled *Guide de l'information permanente et de la gestion de l'information privilégiée* (Guide on ongoing disclosure and the management of inside information), Section 2.2.2.3.

⁵ The ESMA has clarified the concept of "persons discharging managerial responsibilities" in such legal entities while limiting its scope. In this case, "managerial responsibilities" must be understood exclusively as the responsibilities making it possible to take part in or influence decisions concerning transactions relating to the Financial Instruments issued by the Company (ESMA Q&A from 27 January 2017 concerning the implementation of the Market Abuse Regulation).

case may be, a list of these persons and notifies them concerning their obligations.

Transaction

refers to any transaction involving the Financial Instruments and, in particular⁶:

- (i) a purchase, sale, short sale, subscription or exchange,
- (ii) the acceptance or exercise of a stock purchase option, including a stock purchase option granted to managers or employees as part of their compensation, and the sale of shares resulting from the exercise of a stock purchase option,
- (iii) entering into or exercising share swaps,
- (iv) transactions in or related to derivative instruments, including cash-settled transactions,
- (v) entering into a contract for difference on a financial instrument of the issuer concerned, or on issue quotas or products auctioned based on said quotas,
- (vi) the acquisition, sale, or exercise of rights, including call options, put options and warrants,
- (vii) the subscription to a share capital increase or issue of debt securities,
- (viii) transactions in derivatives and financial instruments linked to a debt security of the issuer concerned, including credit default swap contracts,
- (ix) transactions subject to the fulfilment of certain conditions and the effective completion of said transactions,
- (x) the automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds into shares,
- (xi) gifts and donations made or received, and the inheritance received,
- (xii) as the case may be, transactions in index-related products, baskets and other derivatives,
- (xiii) as the case may be, transactions executed in shares or units of investment funds, including *fonds d'investissement alternatifs* (Alternative Investment Funds, or "FIA(s)")⁷,

⁶ Delegated Regulation (EU) 2016/522, Article 10.2.

⁷ Funds described in Article 1 of Directive 2011/61/EU of the European Parliament and of the Council.

- (xiv) as the case may be, transactions carried out by manager of an FIA in which the Executive, Director, High Ranking Official or Closely Associated Person has invested,
- (xv) transactions carried out by a third party under an individual portfolio or asset management assignment in the name and on behalf of an Executive, Director, High Ranking Official or a Closely Associated Person, including whenever the assignee has discretionary management authority, with the exception of transactions carried out at the full discretion of the manager of an undertaking for collective investment,
- (xvi) the pledging, borrowing or lending of shares or debt securities of the Company or derivatives or other financial instruments related thereto.

2. What is Inside Information?⁸

2.1 Definitions

Inside information (hereinafter “**Inside Information**”) is information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or the Group, or to one or more of its Financial Instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those Financial Instruments or on the price of derivative Financial Instruments related thereto⁹.

- What is precise information? Information shall be deemed to be of a precise nature if (i) it references a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, and (ii) where it is precise enough to enable someone to draw a conclusion as to the possible effect of that set of circumstances or event on the prices of the Financial Instruments or the derivative Financial Instruments related thereto¹⁰.

In the context of a multi-step process intended give rise to or that results in certain circumstances or a certain event, these future circumstances or this future event could be considered to be precise information, including any intermediary steps in this process.

⁸ AMF Position-Recommendation No 2016-08 entitled *Guide de l'information permanente et de la gestion de l'information privilégiée* (Guide on ongoing disclosure and the management of inside information), Section 2.1.2.2. The AMF recommends, in particular, including the definition of inside information.

⁹ MAR Regulation, Article 7.1.a)

¹⁰ MAR Regulation, Article 7.2.

Information can be considered precise even when the direction of the market price movement of the Financial Instruments concerned cannot be determined with a sufficient degree of probability¹¹.

- What is non-public information? Information can only be considered “public” if it was subject to a press release issued by the Company, and/or to a publication required by law. Those for whom this Policy is intended should note that the publication in the press, or by any other media, of rumours concerning information that has not been officially and “publicly” confirmed by the Company, does not cause this information to lose its qualification as inside information. It is hereby reminded that the Company must, as a matter of principle, publicly release any Inside Information concerning it as soon as possible¹². Nonetheless, the Company can decide to delay the disclosure under certain conditions, if its immediate disclosure is likely to prejudice its legitimate interests¹³.
- What is information that could significantly impact the market price of the financial instruments in question? Information that, if released to the public, would be likely to have a significant effect on the prices of the Financial Instruments or the derivative Financial Instruments related thereto is information that a **reasonable investor** would be likely to use as part of the basis of his or her investment decisions¹⁴.

2.2 Examples of Inside Information

In practice, for example, insofar as it has not been released to the public, information concerning the following could be considered Inside Information (this list is not comprehensive):

- information that is financial in nature:
 - any information concerning the quarterly, interim, or annual income or revenue,
 - any projection on the growth in revenue, income, dividends or, generally, any projection concerning any financial aggregate whatsoever,
 - any monthly reporting that highlights a significant discrepancy with the projections released by the Company or with general market consensus,
- information that is strategic in nature:

¹¹ Court of Justice of the European Union, 11 March 2015 (decision rendered under the terms of previous laws in order to illustrate the interpretation of certain concepts reiterated in the MAR Regulation but that could, according to the AMF, give rise to a different interpretation in the future).

¹² MAR Regulation, Article 17.1.

¹³ MAR Regulation, Article 17.4.

¹⁴ MAR Regulation, Article 7.4.

- any significant projected acquisition, sale, merger or partnership to be carried out or entered into by the Company or the Group, it being specified that the preparation of a transaction can be considered Inside Information,
- any significant projected contract,
- any technical or legal information: trial, litigation, financial transaction (such as a share capital increase or a bond issue), or any corporate restructuring that could significantly impact the Company or the Group’s position, or
- information on the internal structure or governance of the Company (for example, a change in the executive management team or corporate governance bodies).

In order to illustrate what can be considered Inside Information, some case law examples are provided in Appendix 2 of this Policy. The ESMA has also published examples of Inside Information in its reports¹⁵.

It is recommended that Executives, Directors, High Ranking Officials, Closely Associated Persons, Insiders and any other person concerned contact the Insider Trading Committee should they have any doubts regarding whether information should be considered inside information under applicable law.

3. What is an Insider?

An insider (hereinafter “**Insider**”) is any person who, whether internal or external to the Group, holds Inside Information concerning the Company. There are two separate categories of Insiders: those who have permanent access (hereinafter the “**Permanent Insiders**”) and those who have occasional access (hereinafter the “**Occasional Insiders**”) to Inside Information. **This person must be registered on an insiders list (please refer to Article 6.2 below) and the Company notifies said person regarding said registration. Failing this, the Insider must contact the Insider Trading Committee in order to request his or her registration on said list.**

3.1 Permanent Insiders

Permanent Insiders are all persons who, due to the nature of their job functions or title, have permanent access to all Inside Information held by the Company¹⁶.

¹⁵ ESMA Guidelines on the MAR dated 13 July 2016.

¹⁶ Recital 4 of the Implementing Regulation (EU) 2016/347 of 10 March 2016.

3.2 Occasional Insiders

Occasional Insiders are persons with occasional access to Inside Information on the Company. These persons can belong to one of two categories¹⁷:

- persons within the Group, such as employees, who have access to Inside Information due to, for example, their involvement in a project or transaction, and
- third parties acting in the name or on behalf of the Company, who have access to Inside Information in the context of their professional relationship with the Company during the preparation or execution of an isolated transaction, such as service providers including, in particular, the entities of the Casino group covered by the Services Agreement signed between Mercialys and the Casino group, by the Property Management mandates, or by dedicated arbitrage mandates, legal counsel and finance and investment banks working, for example, with the Company on structuring a transaction or a projected transaction, or the communications agencies chosen for this transaction. Rating agencies are also implicated insofar as they act at the issuer's request and have access to Inside Information concerning said issuer.

4. Trading Restrictions

4.1 General trading restriction in the event Inside Information is held

A person holding Inside Information shall not¹⁸, from the date on which he or she possesses said inside information to the date on which said information is no longer considered inside information, especially through being released to the public:

- use or attempt to use this information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, Financial Instruments of the Company to which that information relates (hereinafter “**Insider Dealing**”). The use of inside information by cancelling or amending an order concerning a Financial Instrument to which said Inside Information relates where the order was placed before the person concerned possessed the Inside Information, is also considered to be Insider Dealing¹⁹,
- recommend that another person engage in Insider Dealing, or induce another person to engage in Insider Dealing²⁰. Acting on a recommendation or inducement while knowing that it is based on Inside Information also constitutes Insider Dealing²¹.

¹⁷ AMF Position-Recommendation No 2016-08 entitled *Guide de l'information permanente et de la gestion de l'information privilégiée* (Guide on ongoing disclosure and the management of inside information), Section 3.1.4.

¹⁸ MAR Regulation, Article 14.

¹⁹ MAR Regulation, Article 8.1.

²⁰ MAR Regulation, Article 8.2.

²¹ MAR Regulation, Article 8.3.

Where the person is a legal entity, the trading restrictions described above shall also apply to the natural persons who participate in the decision to carry out the acquisition, disposal, cancellation or amendment of an order for the account of the legal entity²².

- unlawfully disclose Inside Information, in other words where a person possesses inside information and discloses that information to any other person, except where the disclosure is made in the normal exercise of an employment, a profession or duties (hereinafter an “**Unlawful Disclosure of Inside Information**”)²³.

Therefore, a person must abstain from carrying out any transaction or making any recommendation or incitement insofar as the Inside Information said person holds is still considered Inside Information. In order to avoid any Unlawful Disclosure of Inside Information, please also refer to Article 6.3 below.

The general trading restriction also applies with respect to any financial instruments of any of the Group’s listed companies, insofar as a person obtained Inside Information on this company in the context of his or her professional duties.

4.2 Trading Restrictions during closed periods (Black-out Periods)

4.2.1 General preventive rule: black-out periods prior to the announcement of financial results

In addition to the general trading restriction described above in Article 4.1, and in order to better prevent Insider Dealing and market manipulation, the MAR regulation requires Executives, Directors and High Ranking Officials to abstain from directly or indirectly carrying out any Transaction linked to the Financial Instruments of the Company, either on their own behalf or on behalf of third parties, during the closed 30 calendar day period preceding the date on which the Company publishes a press release announcing its annual and interim financial results, until the effective date of said publication²⁴ (hereinafter the “**Statutory Black-out Periods**”).

In accordance with the AMF’s recommendations, the Company considers this trading restriction to also apply 15 calendar days before the date on which the Company publishes a press release announcing its quarterly financial information, and until the date of said publication²⁵.

²² MAR Regulation, Article 8.5.

²³ MAR Regulation, Article 10.1.

²⁴ MAR Regulation, Article 19.11, as completed by AMF Position-Recommendation No 2016-08 (Section 2.1.1.1).

²⁵ AMF Position-Recommendation No 2016-08 entitled Guide de l’information permanente et de la gestion de l’information privilégiée (Guide on ongoing disclosure and the management of inside information), Section 2.1.1.1.

In accordance with the AMF's recommendations, compliance with these trading restrictions during black-out periods is also imposed on all persons who have routine or occasional access to Inside Information²⁶. The Insider Trading Committee will notify the persons concerned whenever said trading restrictions apply to them and they are required to comply.

Executives, Directors, and High Ranking Officials or persons concerned must wait until the day after the publication of the above-described financial information to carry out Transactions involving the Financial Instruments concerned.

The tentative financial disclosure schedule specifying, in particular, projected periodic reporting dates, namely the annual, interim and quarterly financial information, is published on the Company's website.

The tentative schedule of black-out periods is sent by the Chief Financial Officer by e-mail to the Permanent Insiders and to people having a regular access to sensitive information, ahead of the activity and results publications.

In addition, as a precautionary measure, the Company can decide to extend the scope of application of these black-out periods to any person working for the Group and having access to sensitive information even though it does not meet the criteria to be considered Inside Information. The Insider Trading Committee will notify the persons concerned whenever said trade restrictions apply to them and they are required to comply.

4.2.2 *Exceptional circumstances that may allow for a Transaction to be carried out during a Statutory Black-out Period*

This article applies to Executives, Directors and High Ranking Officials because they are subject, under the terms of the MAR Regulation, to a mandatory trading restriction during Statutory Black-out Periods.

If an Executive, Director or High Ranking Official who does not possess Inside Information wishes to engage, on its own account or on account of a third party, in a Transaction during a Statutory Black-out Period, he or she must first request the Company's approval²⁷.

This authorisation can be granted:

- either on a case by case basis due to the existence of exceptional circumstances²⁸, it being specified that said circumstances are considered exceptional insofar as they are extremely urgent, unpredictable and imperative, that their cause is external to the Executive, Director or High Ranking Official concerned, and that said person has no control over them²⁹ (for example, significant financial difficulties requiring the immediate sale of shares),

²⁶ The MAR Regulation only imposes black-out periods on Persons Discharging Managerial Responsibilities (Article 19.11) and the AMF, pursuant to the latter's Position-Recommendation No 2016-08, recommends extending this restriction to both permanent and occasional insiders (Section 2.1.1.1).

²⁷ MAR Regulation, Article 19.12.

²⁸ MAR Regulation, Article 19.12.a.

²⁹ Delegated Regulation (EU) No 2016/522, Article 8.2.

- or due to the characteristics of the transaction in question, in the case of transactions carried out in the context of, or related to, an employee share or savings scheme, the qualification or entitlement of shares, or of transactions where the beneficial interest in the relevant security does not change³⁰.

The request submitted by the Executive, Director or High Ranking Official must be made in writing and include the reasons justifying said request. It must describe the planned Transaction. It must also describe, as the case may be, the exceptional circumstances requiring the immediate sale of shares and demonstrate that the planned sale is the only reasonable alternative to obtain the necessary financing³¹.

The request must be sent to the Insider Trading Committee at the following addresses: eblaise@mercialys.com ; cdonadieulefevre@mercialys.com ; crigo@mercialys.com.

The Insider Trading Committee must respond within three business days. Failure to reply within this period shall be considered as a refusal.

In determining whether the circumstances for such transaction described in the written request may be deemed exceptional, the Insider Trading Committee reviews, in particular, if and to what extent the Executive, Director or High Ranking Official³²:

- is subject, at the time his or her request is submitted, to a legally enforceable financial commitment or claim,
- is required to comply, or has put him or herself in a situation, before the beginning of the black-out period, requiring the payment of a sum to a third party, including any tax liability, and cannot reasonably honour a financial commitment or claim other than by immediately selling shares.

It is hereby reminded that, in all cases, the Executive, the Director, or the High Ranking Official to whom the authorisation is thus granted must ensure, in all circumstances whatsoever, that he or she does commit any acts of market abuse.

This Article 4.2.2 also applies, under the same circumstances, to Persons subject to compliance with the Statutory Black-out Period by virtue of Article 4.2.1 below.

³⁰ MAR Regulation, Article 19.12 b) A detailed description of the transactions in question can be found in Article 9 of Delegated Regulation (EU) No 2016/522.

³¹ AMF Position-Recommendation No 2016-08 entitled Guide de l'information permanente et de la gestion de l'information privilégiée (Guide on ongoing disclosure and the management of inside information), Section 2.1.1.2.

³² Delegated Regulation (EU) No 2016/522, Article 8.3.

4.2.3 *Specific black-out periods for beneficiaries of free shares*

The beneficiaries of shares granted free of charge by the Company, irrespective of whether they qualify as Insiders, are also subject to the specific black-out period set forth in regulations applicable to free share allocations (irrespective of whether or not they are subject to the provisions of articles L. 225-197-1 *et seq.* of the French Commercial Code). Currently, said regulations stipulate that, following the holding period, the free shares cannot be sold³³:

- during the ten trading days preceding and the three trading days following the date on which the consolidated financial statements (annual or interim) are released to the public,
- from the date on which the corporate bodies of the Company possess Inside Information to the date occurring ten trading days after the date on which said information was released to the public.

4.2.4 *Specific provisions applicable to stock subscription or stock purchase options*

Concerning stock subscription or stock purchase options, it is hereby reminded that the options cannot be granted³⁴:

- less than twenty trading days after the shares are stripped of the right to a dividend or to a share capital increase,
- during the ten trading days preceding and following the date on which the consolidated financial statements (annual or interim) are released to the public,
- from the date on which the corporate bodies of the Company possess Inside Information to the date occurring ten trading days after the date on which said information was released to the public.

5. Specific reporting obligations applicable to Executives, Directors and Closely Associated Persons

Executives, Directors, High Ranking Officials and their Closely Associated Persons must electronically disclose to the Company and the AMF any Transaction they carry out either themselves or via a third party acting on their behalf, and relating to the Financial Instruments of the Company³⁵, no later than three business days following the date of the Transaction, insofar as the total value of the Transactions carried out over the course of a single civil year exceeds EUR 20,000³⁶ (previously EUR 5,000).

³³ French Commercial Code, Article L. 225-197-1.

³⁴ French Commercial Code, Article L. 225-177.

³⁵ MAR Regulation, articles 19.1 and 19.2.

³⁶ MAR Regulation, articles 19.1, 19.8 and 19.9 and MAR Amending Regulation of 21 October 2016; AMF Position-Recommendation No 2016-08 entitled Guide de l'information permanente et de la gestion de l'information privilégiée (Guide on ongoing disclosure and the management of inside information), Section 2.2.4. ESMA Q&A dated 20 December 2016 – Question 3.

It is hereby specified that the Transactions carried out by an Executive, Director or a High Ranking Official and the Transactions carried out by their Closely Associated Persons need not be aggregated in calculating this threshold.

This reporting obligation also applies to transactions carried out in the context of a life insurance policy³⁷ purchased by an Executive, Director, High Ranking Official or Closely Associated Person and in the context of which any such person (i) bears the investment risk and (ii) has the authority or is free to take investment decisions concerning the specific instruments contained in said life insurance policy or to carry out transactions involving the specific instruments contained in said life insurance policy³⁸.

The following transactions are not subject to the reporting obligation³⁹:

- transactions carried out within a credit institution or an investment services provider, on behalf of third parties, whenever the credit institution, service provider or one of their executives or directors is a corporate officer of the Company,
- transactions carried out by legal entities that are corporate officers, whenever they are acting on behalf of third parties,
- a pledge (or similar surety) concerning Financial Instruments and related to the registration of the Financial Instruments in a securities custody account, while and insofar as said pledge (or said surety) is not designed to secure any specific line of credit.

The reporting obligation also does not apply to Transactions involving the following Financial Instruments⁴⁰:

- units or shares of an undertaking for collective investment in which exposure to the shares or debt securities of the Company does not exceed 20% of the assets held in this undertaking,
- Financial Instruments providing exposure to a portfolio of assets in which the exposure to shares or debt securities of the Company does not exceed 20% of the assets in the portfolio,
- units or shares of an undertaking for collective investment or Financial Instruments providing exposure to a portfolio of assets, provided the Executive, Director, High Ranking Official or Closely Associated Person concerned does not know, and could not have known, the breakdown of the investment or the extent of the exposure of said undertaking for collective investment or portfolio of assets with respect to the shares or debt securities of the Company and, furthermore,

³⁷ As defined in Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (known as Solvency II).

³⁸ MAR Regulation, Article 19.7; AMF Position-Recommendation No 2016-08 entitled Guide de l'information permanente et de la gestion de l'information privilégiée (Guide on ongoing disclosure and the management of inside information), Section 2.2.3.

³⁹ MAR Regulation, Article 19.7; AMF Position-Recommendation No 2016-08 entitled Guide de l'information permanente et de la gestion de l'information privilégiée (Guide on ongoing disclosure and the management of inside information), Section 2.2.3.

⁴⁰ MAR Regulation, Article 19.1 bis); AMF Position-Recommendation No 2016-08 entitled Guide de l'information permanente et de la gestion de l'information privilégiée (Guide on ongoing disclosure and the management of inside information), Section 2.2.3.

does not have any reason to believe that the shares or debt securities of the Company exceed the thresholds established in the two paragraphs above.

The declaration must be sent electronically to the AMF within the aforementioned time frame, via the “Onde” extranet, accessible from the AMF’s website at the following address:

<https://onde.amf-france.org/RemiseInformationEmetteur/Client/PTRemiseInformationEmetteur.aspx>

The filing of information with the AMF via Onde requires a private account and related login credentials. To obtain said credentials, you need to create an account at the aforementioned address.

Declarations can be sent by a third party on behalf of the persons subject to these reporting obligations. The name of the third party must be stated clearly in the declaration form available on the AMF’s website.

The AMF does not review the declaration before it is published. It is established under the full and exclusive responsibility of the person subject to the reporting obligation. However, the AMF could decide to review the declaration post-publication.

Declarations are published by the AMF⁴¹.

Declarations sent by Executives, Directors, High Ranking Officials and their Closely Associated Persons to the AMF must also be sent to the Board Secretary within the same time frame.

Executives, Directors and High Ranking Officials must send their list of Closely Associated Persons to the Company, including any necessary updates. They must also notify said Closely Associated Persons in writing concerning their reporting obligations and keep a copy of this notification.⁴²

Directors must also notify the Company regarding the number of Company shares they hold as of 31 December of each year, at the time of any financial transaction, or at any time at the request of the Company⁴³.

⁴¹ French Monetary and Financial Code, Article L. 621-18-2.

⁴² MAR Regulation, Article 19.5.

⁴³ Internal Rules of the Board of Directors of Mercialis (Internal Rules of Mercialis), Article 20.

6. Additional Preventive Measures

6.1 Shares held by Executives and Directors

Under the terms of the Company's Articles of Association, each member of the Board of Directors must own at least 100 Company shares⁴⁴. If, on the day he or she is appointed, a Director does not own the number of shares required or if, while in office, he or she stops being the owner, he or she will be deemed as having automatically resigned in the event that he has not remedied the situation within six months. The Internal Rules also state that each director appointed by the General Shareholders' Meeting, whether a natural person, legal entity, or permanent representative, also undertakes to hold a number of Company shares corresponding to an amount at least equal in value to one year of directors' fees, it being specified that these shares can be acquired using said directors' fees⁴⁵.

The Executives and Directors, as well as their respective spouses, provided the couple is not legally separated, and dependent minors, must register all of the shares they hold, or may hold in the future, within applicable regulatory deadlines⁴⁶.

6.2 Insiders List

The Company must compile and update an Insiders List in accordance with the terms and conditions and in the format required under applicable regulations. The information on this list must include the name, address, job title and the contact information of each Insider⁴⁷, as well as the reason for which said Insider is registered on the list and the corresponding date of registration.

Any person registered on the Insiders List is notified when their name is added to the list. In addition, the Company takes all reasonable measures to obtain an acknowledgement in writing that said person is aware of his or her obligations in connection with his or her possession of Inside Information, and any related sanctions⁴⁸.

Whenever the Insider is a legal entity, the latter must internally compile a list of employees that could potentially hold Inside Information.

This list is updated regularly⁴⁹.

The Group must forward these lists to the AMF as soon as possible upon request⁵⁰.

⁴⁴ Articles of Association of Mercialys, Article 15.

⁴⁵ Internal Rules of Mercialys, Article 4.

⁴⁶ Internal Rules of Mercialys, Article 20. The list of persons subject to this obligation is set under the terms of Article L. 225-109 of the French Commercial Code. Based on current law, the deadline is no later than twenty days following the ownership of the securities (Article R.225-111 of the French Commercial Code).

⁴⁷ MAR Regulation, Article 18.1.

⁴⁸ MAR Regulation, Article 18.2.

⁴⁹ MAR Regulation, Article 18.1.b).

⁵⁰ MAR Regulation, Article 18.1.c).

6.3 Other rules of conduct intended to prevent the Unlawful Disclosure of Inside Information⁵¹

Any person holding Inside Information must protect and treat this information as strictly confidential. Said person must protect it with the same degree of protection and precaution he or she uses for his or her own confidential information by making sure, in particular, that the methods used for its storage and authorised dissemination are secure. He or she cannot engage in any conversation concerning this information other than with people who do already possess it. If he or she must send this information to someone for professional reasons, he or she must notify the Insider Trading Committee as soon as possible (see Article 7.2 below).

The Company reiterates the importance of limiting the number of people in attendance at meetings during which Inside Information could be shared. Access to these meetings should be exclusively reserved for those people with the requisite job functions or responsibilities.

Information technology (“IT”) services must routinely check IT access rights.

The above-described measures apply to both employees of Mercialys as well as to service providers, sub-contractors and any third parties working for the Group.

The entities of Mercialys must obtain non-disclosure agreements from these third parties, and remind them of their obligations with respect to applicable regulations. This Policy must be sent to them.

For any sensitive transactions, Executives, Directors, High Ranking Officials and other employees of the Group concerned must act with heightened vigilance. A code name must always be used for the transactions and the above rules of conduct must be followed. Work teams must be as restrictive as possible. In addition, the insiders list, which may need to be created if applicable, is updated at each step of the transaction to include any person with access to Inside Information. A public disclosure schedule is prepared as soon as possible to lay out when the sensitive information associated with this project must be released to the market.

⁵¹ AMF Position-Recommendation No 2016-08 entitled Guide de l’information permanente et de la gestion de l’information privilégiée (Guide on ongoing disclosure and the management of inside information), Section 2.1.2.1.

7. Compliance with the Policy and Applicable Sanctions

7.1 Insider Trading Committee

The Insider Trading Committee of Mercialys is comprised of the following functions:

- Chief Financial Officer and Human Resources Director,
- Secretary of the Board of Directors.

The Insider Trading Committee can be contacted by email at the following addresses: eblaise@mercialys.com ; cdonadieulefevre@mercialys.com ; crigo@mercialys.com.

The Insider Trading Committee ensures compliance with the provisions of this Policy, it being specified that, ultimately, it is the responsibility of each person concerned to comply with applicable regulations.

In the context of its assignment, the Insider Trading Committee is responsible for:

- notifying insiders and other persons concerned, with sufficient advance notice, regarding the black-out periods in connection with the publication of annual, interim or quarterly financial statements, based on the projected dates for said publication,
- conducting awareness-raising, training and communication actions in the field of stock market conduct;
- responding to employee queries and providing advice on ethics;
- notifying the Chairman and Chief Executive Officer of the Company as soon as possible regarding any discovered violation of this Policy's provisions;

In addition, as part of the Service Agreement signed between Mercialys and the Casino Group, the position of Secretary of the Board of Directors is ensured by Céline Donadieu Lefèvre, who is responsible for:

- receiving the declarations submitted in connection with the reporting obligations mentioned in Article 5 above,
- compiling the list of Insiders based on the information it receives, making sure it is updated, sending it to the AMF at the latter's request, and storing it for five years as from the date on which it was compiled or last updated,
- notifying Insiders of their registration in any of the sections of the above-described list,

- compiling and updating the list of Persons Discharging Managerial Responsibilities and Closely Associated Persons⁵² based on the information it receives, and
- rendering upon demand an advisory opinion prior to any Transaction involving the Financial Instruments of the Company⁵³.

Any advice provided by the Insider Trading Committee is rendered for advisory purposes only. Ultimately, the person concerned is the only party responsible for deciding whether to carry out a Transaction involving Financial Instruments of the Company. Regardless of the Insider Trading Committee's opinion, should said person fail to comply with his or her legal obligations, he or she will be exposed to sanctions.

7.2 Disclosure Obligations

In order to ensure compliance with this Policy within Mercialys, those for whom this Policy is intended must put all measures in place to prevent any violation of said Policy including, in particular:

- informing the Insider Trading Committee regarding any project, not yet released to the public that, by its very nature, could be considered Inside Information and, if that were the case, sending or ensuring that the list of insiders is sent to the Insider Trading Committee on a regular basis as said project advances,
- obtaining a signed non-disclosure letter, prepared in agreement with the Insider Trading Committee, from all persons under their orders, employees or third parties, who may work on assignments considered sensitive or containing Inside Information,
- notifying employees working on sensitive projects of the existence and content of this Policy and making sure they sign a Policy acknowledgement letter,
- notifying the Insider Trading Committee as soon as possible whenever Inside Information is sent to a person whose name does not appear on an insiders list.

Should there be any doubt, those for whom this Policy is intended are hereby reminded that they must consult with the Insider Trading Committee regarding the type of transactions involving the Financial Instruments they plan to carry out and obtain the Committee's advisory opinion before engaging in any such transactions.

Those for whom this Policy is intended are also reminded that putting preventive measures in place does not, under any circumstances whatsoever, exempt them from criminal liability in the event of violation.

⁵² MAR Regulation, Article 19.5.

⁵³ AMF Position-Recommendation No 2016-08 entitled Guide de l'information permanente et de la gestion de l'information privilégiée (Guide on ongoing disclosure and the management of inside information), Section 2.1.2.4.

7.3 Sanctions

Persons who do not comply with French regulations on Insider Trading expose themselves to either criminal sanctions (judicial authorities) or administrative sanctions (AMF).

7.3.1 *Insider Trading sanctioned by the procureur de la République (French Attorney General)*

Insider Trading (such as the Unlawful Disclosure of Inside Information) is punishable by five years in prison and a EUR 100 million fine, an amount that can be increased to ten times the benefit derived from the infraction, it being specified that the fine can never be lower than said benefit⁵⁴.

For legal entities, the fine is capped at the highest of the following amounts: EUR 500 million, ten times the benefit derived from the infraction or 15 % of consolidated revenue.

7.3.2 *Insider Trading sanctioned by the AMF's Commission des sanctions (Enforcement Committee)*

Insider Trading (such as the Unlawful Disclosure of Inside Information) can be punishable by a EUR 100 million fine, an amount that can be increased to ten times the value of the benefit derived from the infraction, provided the value of said benefit can be determined⁵⁵.

For legal entities, the fine can be increased to 15 % of their consolidated revenue.

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* *

⁵⁴ French Monetary and Financial Code, articles L. 465-1 to L. 465-3.

⁵⁵ French Monetary and Financial Code, article L. 621-15 III c).

Insider Trading Policy Acknowledgement Letter

(Every Executive, Director, High Ranking Officials, Closely Associated Person, Insider or other person for whom this Policy is intended must fill out and sign this letter and send it to the Insider Trading Committee)

I, the undersigned,

(Last name, First name, Job title)

have reviewed the Mercialys' Insider Trading Policy and undertake to comply with its provisions at all times.

In....., on.....

(Signature)

Appendix 1

Applicable Regulations

- Regulation (EU) No 596/2014 of 16 April 2014 and its amending regulation published on 21 October 2016 in the Official Journal of the European Union,
- Commission Delegated and Implementing Regulations of the MAR Regulation:
 - Delegated Regulation (EU) 2016/522 of the Commission of 17 December 2015 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council as regards [...] the competent authority for notifications of delays, the permission for trading during closed periods and types of notifiable managers' transactions,
 - Implementing Regulation (EU) 2016/347 of the Commission of 10 March 2016 laying down implementing technical standards with regard to the precise format of insider lists and for updating insider lists,
 - Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information,
- ESMA Positions and Recommendations regarding the MAR Regulation,
 - Guidelines on the MAR dated 13 July 2016,
 - Q&A on the implementation of the MAR Regulation,
 - (updated on 14 December 2017).
- AMF Positions-Recommendations (it should be noted that the AMF's General Regulations no longer covers these topics and, instead, now defers to the MAR Regulation):
 - AMF Position-Recommendation No 2016-08 entitled *Guide de l'information permanente et de la gestion de l'information privilégiée* (Guide on ongoing disclosure and the management of inside information): In this guide, the AMF reiterates the main obligations imposed on issuers regarding ongoing disclosure and the management of inside information, including their executives' obligations, and regroups the positions and recommendations of the AMF and ESMA on the matter,
 - AMF Position-Recommendation No 2016-05 entitled *Guide de l'information périodique des sociétés cotées sur un marché réglementé* (Ongoing and periodic disclosure guide for companies listed on a regulated stock exchange).

Appendix 2

Examples of Inside Information

➤ Information deemed precise

Information on a projected tender offer

Information on the projected tender offer of an issuer, even though said project was subject to the acquiring company's board of directors consenting to the conditions set by the Directorate General for Competition of the European Commission, was precise insofar as precise elements of information on the target of the tender offer and the terms of the offer were sent to the board of directors and that it was therefore possible to draw conclusions regarding the impact this could have on the market price of the security of the issuer this project was targeting.

- AMF Enforcement Committee, 23 December 2008, SAN-2009-27

The contract according to which the issuer mandated a bank to file a simplified tender offer, in its name, for the securities of the target company, specified the number of securities that could potentially be contributed to the offer and described the terms and conditions of the projected procedure. Although the final price of the share was set a little later, it corresponded exactly to the instructions given prior to accepting the mandate. In addition, even if the mandate contract had included a termination clause, the state of advancement of the project and the fact that the respondent, in connection with his work duties, controlled both the bidding company and the targeted company, would have rendered the enforcement of this clause highly unlikely.

In this case, information on the preparation of a tender offer was related to a project precise enough to have reasonable chances to reach completion.

- AMF Enforcement Committee, 17 December 2009, SAN-2010-07

The information, at the time it was used, was sufficiently precise, the project had since fully developed and its likelihood of completion had significantly increased.

Indeed, in the context of his work duties, the respondent had provided an initial study on the tender offer. In addition, the decision to undertake more robust transactions after test purchases of the target company's securities and to initiate a more in-depth analysis in view of a possible tender offer had already been taken for several days. Lastly, a launch meeting had just taken place.

- AMF Enforcement Committee, 14 January 2010, SAN-2010-08

Insofar as the target company and the issuer, after negotiating then having more in-depth discussions to determine the conditions of their merger, entrusted a firm of statutory auditors with an independent expert assignment in the context of the projected tender offer, and later had many more meetings and conversations to finalise the terms and conditions of the offer, the information on this offer could be considered precise.

- AMF Enforcement Committee, 27 May 2010, SAN-2010-14

According to the date specified in the statement of objections, the status of the projected tender offer to be launched by the potential buyer for the target company was as follows:

- a business bank had been mandated by the potential buyer,
- contact had been made and direct meetings had taken place between representatives of the potential

buyer and those of the target company,

- a non-disclosure agreement had been signed by both companies,
- legal counsel had been selected by the target company,
- an initial “tentative and non-binding” price had been formulated by the potential buyer.

This initial price had been approved by the potential buyer’s investment committee based on a project that included, in particular, an in-depth look into the target company’s businesses, very detailed multi-criteria financial evaluations, potential synergies between the two companies, the legal terms of a merger, the challenges for the potential buyer and the recommendation of an initial tentative price to submit to the target company, which was 33% higher than the company’s market value at that time and 40% higher than the average share price recorded the previous month.

The Enforcement Committee concluded that, as of that date, at the latest, the projected acquisition of the target company by the potential buyer was sufficiently well defined between the parties to have reasonable chances of being completed, regardless of the existence of unforeseen events inherent in this type of transaction, and that it was therefore possible to draw a conclusion from this project regarding the impact it could have on the price of the target company’s share.

- AMF Enforcement Committee, 28 September 2012, SAN-2012-16

The signing of a non-disclosure agreement between the potential target and buyer, then the issuing of a letter of intent including an offer, subject to the usual reservations, concerning the acquisition of a majority block followed by a mandatory tender offer based on a set price, then the determination by the target’s supervisory board of a negotiating strategy for potential offers, demonstrate that the proposed takeover is sufficiently definite to have a reasonable chance of being completed.

- AMF Enforcement Committee, 11 January 2016, SAN-2016-02

Information on a rival tender offer, in a context of competing bids

Information concerning a projected tender offer is considered to be precise if the projected tender offer to acquire securities can be considered to have a reasonable chance of being completed and may therefore be subject to inside information, even when there are rival offers or even competing bids.

- Court of Cassation, Commercial Chamber, 3 May 2016, No 15-10.044

The unforeseen events of a projected tender offer

Once it is established that a projected tender offer had reasonable chances of being completed relatively soon, the existence of unforeseen events, inherent in this type of transaction, did not matter a lot in determining whether this information qualified as inside information.

- AMF Enforcement Committee, 23 December 2008, SAN-2009-27
- Paris Appeals Court, 5 January 2010, No 09/06017

The projected transaction was a simplified tender offer (French *offre publique d’achat simplifiée*, or “OPAS”) launched by a group of shareholder relatives who already controlled the target company. This type of transaction appears less random than an ordinary tender offer, insofar as the management and controlling shareholders of the target company and the offer’s initiator seem to share similar interests. Despite the beginnings of a credit limit being imposed late in the second quarter of 2008, the lead and presenting bank’s agreement in principle, taken on 20 May 2008, was released on 21 May 2008, two

days after the request was made. As from 20 May 2008, this bank places the target company's security on its no-trade list and compiled a list of insiders in connection with this OPAS for the target company. Therefore, based on the aforementioned, the Enforcement Committee rightfully deduced that the information contained in the statement of objections and concerning the preparation of an OPAS for the target company by the potential buyer referred to, at the very least by 20 May 2008, a project sufficiently well-defined to have reasonable chances of being completed, regardless of the existence of unforeseen events inherent in this type of transaction that could impact the effective completion of this project and, as of that date, met the precision criteria required under Article 621-1 of the AMF's General Regulations.

- Paris Appeals Court, 3 May 2012, No 11/02607

Information on a *projet d'offre publique d'achat simplifiée* (French projected simplified tender offer)

The contemplated transaction was a simplified tender offer, a transaction that appears less random than an ordinary tender offer, insofar as the management and controlling shareholders of the target company and the offer's initiator seem to share similar interests. In addition, an agreement in principle entered into by the lead and presenting bank had been approved and announced the following day, and the bank had then added the target company's security to its no-trade list and compiled a list of insiders in connection with this projected tender offer.

Overall, all these elements support the view that the information on the projected simplified tender offer referred to a project sufficiently well-defined to have reasonable chances of being completed, and met the precision criteria required under Article 621-1 of the AMF's General Regulations.

- AMF Enforcement Committee, 18 November 2010, SAN-2010-2

It can also be deduced from several other elements – preparation of a document by a law firm and the bank advising on the transaction, specifying the date of the public announcement of the project and the possibility of a delisting after the simplified tender offer, followed by a Audit Committee meeting to present the transaction, its schedule, the projected price range, and formalise the independent expert's opinion – that the projected simplified tender offer that is sufficiently well-defined to have reasonable chances of being completed, regardless of the existence of unforeseen events inherent in this type of transaction.

- AMF Enforcement Committee, 17 February 2011, SAN-2011-04

Information on a projected public exchange offer

The imminence of a public exchange offer, followed by a merger, is considered to be sufficiently definite between the parties to have a reasonable chance of being completed when they have signed a non-disclosure agreement, they have appointed legal and financial advisors, and they have discussed the transaction's legal structure, the new combined structure's governance and the minimum exchange ratio.

- AMF Enforcement Committee, 19 April 2017, SAN-2017-03

The projected tender offer is abandoned

Insofar as a projected tender offer is, based on trusted material elements, deemed sufficiently well-defined between the parties, the fact that this project was ultimately abandoned (in this case a merger between the target of the offer and a public company had been designed to prevent the acquisition) does not have any impact on the degree of precision of the information.

- AMF Enforcement Committee, 10 April 2008, SAN-2008-15

Information on an acquisition (project sufficiently well-defined between the parties)

Information, regardless of whether it is certain, is considered precise insofar as it establishes a project sufficiently well-defined between the parties. For example, in November 2005, the corporate officers of two major groups had a meeting in order to study the feasibility of a joint acquisition. Later, approximately thirty similar meetings took place in which a bank also participated. On 2 December 2005, the principle of the transaction was set and the financial structure was defined. In early January 2006, both groups enlisted several business banks to launch a joint tender offer for the targeted company. On 30 January 2006, both groups' advisors decided to launch a joint tender offer as soon as one of them finds a partner to manage the "environmental" businesses of the target company. As a result, from 2 to 8 February 2006, the date on which the respondent acted on the market, the information on this projected acquisition was precise.

- AMF Enforcement Committee, 10 April 2008, SAN-2008-15

Information on the projected acquisition of a company by an issuer, the terms and conditions and price of which had been determined, and where certain elements point towards the existence of a common interest, shared by all participants, of seeing this transaction through, is considered precise.

- AMF Enforcement Committee, 4 December 2008, SAN-2009-11

Information on the imminence of a corporate acquisition

The information is precise, insofar as it was presented as the imminent outcome of advanced negotiations in view of the acquisition of a company. It does not matter much that the projected acquisition never completed and that no information was provided regarding the price paid.

- AMF Enforcement Committee, 3 April 2008, SAN-2008-11

Information on a projected takeover

Due to the structure of the transaction and the credibility of the price referenced in the tentative letter of intent sent by a company wishing to take control of an issuer, it can be deduced that the takeover was now a fully developed plan in the mind of the buyer. In addition, other information in this matter, namely the dispersed shareholding of the target, rendered this financial backing transaction necessary for the target company. Lastly, the intermediary responsible for formalising this transaction was negotiating the terms of the offer while preparing for the launch of the data room phase, which demonstrated that this offer, regardless of the formal support it received, was materialising, such that at the time the tentative letter of intent was sent, the information was precise.

- AMF Enforcement Committee, 9 October 2008, SAN-2008-26

Information on a projected purchase of equity in a company

After both parties negotiated, the acquisition price had been set and the signing of the corresponding agreement was imminent.

As such, the information on the equity purchase, designed to trigger a simplified tender offer, concerned a transaction sufficiently well-defined in principle and relative to its terms and conditions to have significant chances of being completed. Furthermore, the agreement was later signed. Therefore, it can be deemed sufficiently precise.

- AMF Enforcement Committee, 25 June 2009, SAN-2009-26

Information on a projected repurchase of a company's equity in the share capital of another company

In accordance with the terms of Sub-paragraph 2 of Article 621-1 of the AMF's General Regulations, the degree of precision of information is assessed objectively, independently of the way in which it was sent to the respondent. In this case, precise information existed as from the day of the meeting at which those concerned were in attendance. Indeed, even though there was no certainty as to whether an agreement would be reached that day, the equity repurchase "could have taken place."

- AMF Enforcement Committee, 21 September 2009, SAN-2009-32

Information on a projected sale of a significant portion of equity in the company

Precise information need not be certain. Indeed, it need only refer to a project sufficiently well-defined between the parties to have reasonable chances of being completed, even if its effective completion is subject to uncertainties.

In this case, the projected sale was sufficiently developed, the main aspects of the projected sale, especially its price and share capital structure, had been presented at a meeting and, following more discussion, a memorandum of understanding defining the elements of this transaction, particularly the sale price per share, had been signed.

All of these elements show that there was significant likelihood that the project would be completed. As a matter of fact, it moved forward.

- AMF Enforcement Committee, 8 January 2009, SAN-2010-04

The projected sale of a company by its founder and controlling shareholder that had significant chances of being completed and that, as a matter of fact, was successfully completed, was a sufficiently precise project (main aspects of the projected sale presented at a meeting, memorandum of understanding signed) to be considered inside information.

- Paris Appeals Court, 24 November 2009, No 09/02626

See also:

- AMF Enforcement Committee, 11 December 2008, SAN-2009-13
- Paris Appeals Court, 12 January 2010, No 09/05546

Information on a projected partnership between a distributor and a producer

Even if we consider that there was no information regarding the name of the partner or the price offered for the share capital increase, the claimant received information on the existence of a projected serious strategic partnership between the distributor and the energy producer. As such, it was informed of a future very likely event that would lead someone to believe that the market price of the distributor's security was likely to increase sharply.

- Paris Appeals Court, 20 October 2009, No 08/16852

Information on quarterly revenue (having an impact on the annual revenue growth forecast announced to the market)

Information on both the moderate revenue growth recorded by the company in the third quarter of the year as well as on its impact on meeting the annual revenue growth forecasts it announced to the market, was derived from the internal reporting system's management data and, as such, was precise.

- AMF Enforcement Committee, 9 June 2009, SAN-2009-23

Information on a significant drop in the company's revenue

Information on a drop in the company's revenue, supported by sufficient circumstantial evidence, can be considered precise.

- AMF Enforcement Committee, 12 November 2009, SAN-2010-03

Information on the improvement of the company's financial position

(a) The "reporting," which implies knowledge of the exact figures for revenue and income, was completed nearly in real time. It is not plausible to think, with respect to some arbitrages carried out prior to their publication, that the executive did not have copies of the corresponding fiscal year's evaluations.

(b) Far from constituting a draft budget, the document, albeit provisional, yet of which the executive was fully aware prior to its publication, specified the revenue and provided a monthly income forecast.

Therefore, information on the company's financial position was precise.

- Paris Appeals Court, 20 October 2009, No 09/01281

Information on the appointment of an ad hoc corporate officer

Information on the appointment of an ad hoc external legal corporate officer and the definition of his assignment was precise.

- AMF Enforcement Committee, 5 March 2009, SAN-2009-21

The information, as it concerned the appointment of an ad hoc external legal corporate officer, was precise. Indeed, it entailed submitting a claim before the commercial court, discussed significant hardships that could trigger insolvency proceedings (*procédure collective* under French law), and set forth a legally detailed plan that could not mislead neither the creditors, nor third parties, nor unit holders.

- Paris Appeals Court, 30 March 2010, No 09/13348

Block Trade

The information is precise in that it not only pertains to the principle of an acquisition of securities, but also on details of the transaction, including certain numeric figures, such as the acquisition price, the size of the block of securities in question, and the specific terms and conditions of off-market transactions, which highlights the extent of the buyer's acquisition.

- AMF Enforcement Committee, 29 March 2007, SAN-2007-13

The existence of a memorandum of understanding on a sale of assets

If the existence of a memorandum of understanding is not in itself inside information, the specific terms and conditions of the sale of assets, the volume and the maturities of the credit lines granted, as well as the hedging of securities, were other precise indications unknown to the public, and the dissemination of which could have had a significant impact on the market price.

- AMF Enforcement Committee, 14 April 2005, SAN-2005-09

Failure to meet the result forecasts announced to the public

It is indisputable that an issuer's failure to meet the result forecasts it had announced to the public constitutes precise information. It matters very little that the numbers associated with these results were not finalised, insofar as the company's observed inability to meet its own forecasts, such as the company had announced them to the public, represents, in itself, the precise nature of this type of information.

- AMF Enforcement Committee, 1 March 2007, SAN-2007-12

Information on the extent of the net loss

The information was precise, not because it was the confirmation of a net loss already known to the market, but due its extent, which was quantified and higher than the market's expectation, including explanations on its causes, which were also quantified and unexpected by the market.

- AMF Enforcement Committee, 1 March 2007, SAN-2007-12

The information qualified as precise information due to the fact that it concerned not the confirmation of a net loss but the quantified extent of this loss, even higher than the market's expectation and including quantified explanations on its causes that were unexpected by the market.

- Paris Appeals Court, 15 May 2008, No 07/09505

The documents available internally concerning the results for the past year make it possible to consider that as of 1 February, the information concerning the significant net loss of around -5 million euros after tax, even when this result was provisional, was information relating to an event that was "likely to occur" and information from which it was possible to draw a conclusion concerning its possible impact on the issuer's share price, such that it was precise as defined by Article 621-1 of the AMF's general regulations.

- AMF Enforcement Committee, 2 April 2015, SAN-2015-07
- Paris Appeals Court, 24 March 2016, 15/11472

Information on the challenges associated with implementing guarantees of refund in the context of a market

Information on the challenges associated with implementing guarantees of refund in the context of an operation constitutes objectively precise information.

- AMF Enforcement Committee, 4 October 2007, SAN-2007-30

Information on a share capital increase

The executive and sole shareholder of a company for which a share capital increase is reserved, is understood as holding precise information in the meaning of Article 621-1 of the AMF's General Regulations, whenever he knows of the existence and main characteristics of the projected transaction and the existence of an agreement, verbal or written, concerning the principle and the amount of said transaction.

- AMF Enforcement Committee, 6 December 2007, SAN-2008-04

Whistle-blowing Procedure

The letter triggering a second whistle-blowing procedure by the Statutory Auditors (describing, on the one hand, the failure to meet forecasts based on results recorded earlier and, on the other hand, the absence of a memorandum of understanding with the banks, while significant cash requirements had not been financed), followed by elements justifying the continuation, at an extraordinary shareholders' meeting, of this whistle-blowing procedure, constitutes precise information in the meaning of Article 621-1 of the AMF's General Regulations, insofar as it included detailed information defined under the terms of Article 234-1 of the French Commercial Code.

- AMF Enforcement Committee, 25 October 2007, SAN-2008-05

Information on the imminence of a suspension of payments

Information concerning, first, a company's inability, despite a share capital increase, to meet its financial commitments and, second, the necessity of declaring a suspension of its payments, constitutes precise information.

- AMF Enforcement Committee, 28 February 2008, SAN-2008-12

Information relating to cash flow difficulties and short-term prospects (2 to 3 months) for the suspension of the company's payments make it possible to determine consequences, in this case negative, concerning the company's share price. This information is therefore considered to be precise.

- AMF Enforcement Committee, 27 April 2016, SAN-2016-06

A project sufficiently well-defined between the parties

A letter sent to several banks by an organisation interested in launching a public exchange offer, and the purpose of which was to request information enabling it to specify the scope and terms and conditions of this exchange offer, and that provided only a broad context in order to instigate an exchange of viewpoints and information, does not constitute inside information in the meaning of Article 621-1 of the AMF's General Regulations. Indeed, this letter, concerning both the securities in question and corresponding balances, provided indications falling within wide ranges (of 13 lines of credit initially projected for an amount of EUR 9 billion, only 5 were retained representing EUR 5 billion in debt; similarly, outstanding balances to be repurchased, initially valued at EUR 1 to EUR 2 billion, were reduced to EUR 704 million). Therefore, the project, as described in the consultation letter, was not sufficiently well-defined between the parties to have a reasonable chance of being completed.

- AMF Enforcement Committee, 27 September 2007, SAN-2007-29

Information on a projected partnership between a distributor and a producer

The draft agreement according to which a major electric power producer had sent a firm and final offer to a distribution company, and the purpose of which was, on the one hand, the launch of a share capital increase reserved exclusively for said producer and intended to increase the distribution company's share capital by 25% and, on the other hand, the creation of a joint electric power producing subsidiary, constitutes precise information pertaining to a project sufficiently well-defined between the parties to have reasonable chances of being completed.

- AMF Enforcement Committee, 22 May 2008, SAN-2008-19

Information on excess inventory

The information was precise since it appeared that the subsidiary was faced with excessively high inventory and that the resulting negative profit margin would require the registration of a significant provision that could potentially impact the parent company's results.

- AMF Enforcement Committee, 26 June 2008, SAN-2008-22

Information on a current risk factor concerning the company's activity

To determine the precision of the information, the regulations and legislation applicable do not make it necessary to establish the exceptional or unprecedented nature of all the circumstances or the event which it relates to. The fact that the risk of delays with a product's release (in this instance a videogame) is a standard occurrence in this industry is not on its own likely to result in the information not being considered to be precise, given that the significant probability of delays with the product was likely to call into question the company's ability to meet its financial guidance.

- AMF Enforcement Committee, 7 December 2016, SAN-2016-15

Information on accounting irregularities

Information on accounting irregularities, insofar as their scope, their amount and their consequences are quantifiable and accurately determined, is precise information.

- AMF Enforcement Committee, 28 June 2016, SAN-2016-09

Information on a press release containing falsehoods

Information on an inaccurate, imprecise or misleading press releases communicated by the company, wrongfully taking into account petrol reserves that are not ultimately intended for the company and, based on this first mistake, setting an abnormally low purchase price per barrel, constitutes precise information in the meaning of Article 621-1 of the AMF's General Regulations.

- AMF Enforcement Committee, 4 December 2008, SAN-2009-06
- Paris Appeals Court, 2 February 2010, No 09/02623

Information on the characteristics of a new internal credit model of the company

The knowledge of the fact that this internal credit model of the company, which allowed for the assessment of potential losses on securitised real estate debt products (such as collateralised debt obligations (CDO) or residential mortgage-backed securities (RMBS)), did not take into account the liquidity risk, and that the application of this model led to an estimate of losses that was substantially

lower than the reference ABX price-based estimate, constituted, in the meaning of Article 621-1 of the AMF's General Regulations, a set of circumstances from which, in the context at that time, one could draw a conclusion regarding the possible impact on the market price of the security. Therefore, this information was precise.

- AMF Enforcement Committee, 10 June 2010, SAN-2010-17

➤ **Information deemed non-precise**

Information on the sale of an issuer's majority stake owned by such issuer's original founder

Information on the sale of the majority stake owned by an issuer's original founder, insofar as it does not include, concerning the terms and conditions of the transaction, information that would enable someone to sufficiently gauge the potential impact of that type of event on the price of this issuer's security, does not constitute information precise enough to be considered inside information.

- AMF Enforcement Committee, 19 June 2008, SAN-2008-20

Information contained in the company's business plan (internal planning document covering "three rolling years")

As they inherently differ based on their expected outlook, forecasts provided in this plan over a one, two or three-year period, respectively, cannot offer the same degree of reliability. In addition, since this plan covers rolling years and, therefore, is redrafted every year, the data pertaining to each year, other than the first year covered by the plan, is intended to be reviewed, updated and modified based, on the one hand, on decisions that may be taken by the management teams and, on the other hand, on the evolution of various assumptions on which the plan relies and concerning, in particular, the US Dollar/Euro exchange rate and research and development costs, as well as with respect to one of the company's divisions called into question, and the price and the number of planes delivered. As such, the information contained in such a plan, other than the information on the first year covered by the plan, is not precise enough to be considered inside information.

- AMF Enforcement Committee, 27 November 2009, SAN-2009-33

Information on delivery schedule delays

The manufacturing challenges explaining possible delivery delays did not, in this case, appear substantially different than those typically encountered in the aeronautics field. Appropriate measures had also been taken to mitigate the impact of manufacturing delays on customers' delivery schedule.

As such, this information did not pertain to a sufficiently precise "set of circumstances" for a reasonable investor to use it as the basis for his or her investment decisions and, therefore, could not have had a significant impact on the share price.

- AMF Enforcement Committee, 27 November 2009, SAN-2009-33

Information on holding credit default swaps ("CDS") and no other details

In this case, the bank held CDSs granted by monoline insurance companies intended to hedge a portfolio of super-senior collateralised debt obligation ("CDO") tranches exposing the bank, in the event

any of these companies defaulted, to a risk of guarantee call (*appel en garantie*) valued at an estimated EUR 700 million.

This information was delivered at a board of directors' meeting of the bank without any other details than this overall amount and the reference to a single insurance company. At that point, it did not qualify as inside information.

- AMF Enforcement Committee, 10 June 2010, SAN-2010-17

Information pertaining only to the principle and existence of an internal credit model

If, at the board of directors' meeting, it was disclosed that an internal credit model had been implemented, there is no evidence to prove that this information included comments on the details of how it differed from the ABX-based model. In particular, there is no proof that the respondent had been informed that this new valuation model used a linear present value rate and did not take the illiquid factor into account. As it stands, the information could not be considered precise.

- AMF Enforcement Committee, 21 April 2017, SAN-2017-04

Information on the principle for a future sale of a block of shares

Based exclusively on the information concerning the certain nature, for several months, of a future sale of securities, while the seller and its advisors have still not determined a threshold for triggering the transaction and even a target sales price for the block of securities, it is not possible to demonstrate that the sale was imminent. As such, the simple fact that the circumstances at a given time might indicate that the future seller was going to sell its interest does not demonstrate that the transaction was imminent, which means that the information is not sufficiently precise.