

Messrs. Jacques Dumas, David Lubek (permanent representative of La Forézienne de Participations) and Michel Savart, directors, hold management positions and/or are members of the corporate bodies of the majority shareholder of Mercialis or of companies that control it, and receive compensation in this capacity.

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

There are no service provision agreements between the Company and the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer, or any of the directors. Furthermore, apart from Ms. Élisabeth Blaise, none of the corporate officers hold an employment contract with the Company.

The duties conferred on the Audit, Risks and Sustainable Development Committee, the Investment Committee, and the Appointments and Compensation Committee on which the independent directors sit, prevent conflicts of interest. During Investment Committee discussions about a transaction involving the Casino group, the majority shareholder's two

representatives take part in the deliberations only in an advisory capacity.

The duties conferred on the Audit, Risks and Sustainable Development Committee and the Investment Committee, on which the majority of members are independent directors, prevent conflicts of interest, particularly through the process of prior examination of regulated agreements and commitments.

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

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

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

With the exception of the contracts binding Casino, Guichard-Perrachon and its subsidiaries to Mercialis, (see chapter 6, p. 297 *et seq.*), no other service agreement exists between the Directors and Mercialis.

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, Mercialis 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. Mercialis 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 and Compensation Committee in particular). These reviews are detailed in points 4.1.1, 4.1.6 and 4.1.7 p. 216, 240 and 242.

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

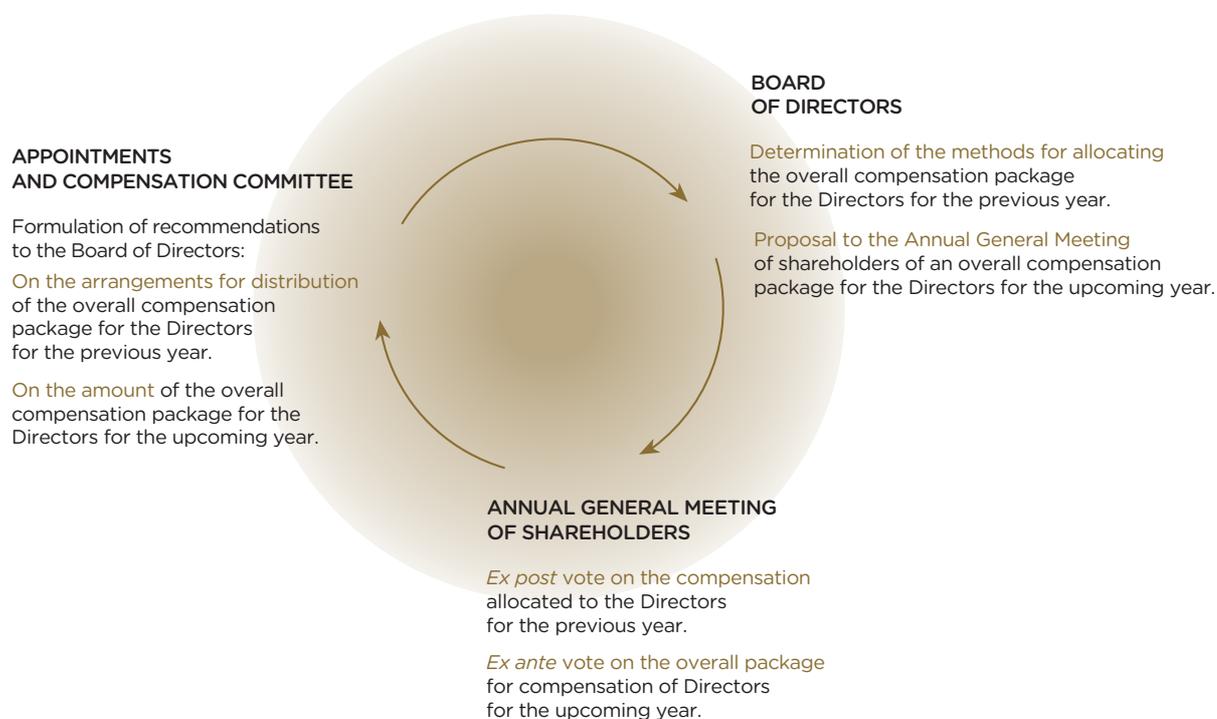
- **membership of one or more governance bodies:** in addition to their membership of the Board of Directors, the Directors' participation in Specialized committees gives rise

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;
- **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;
- **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



4.2.1.2 Compensation of Directors for fiscal year 2019

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 25, 2019 adopted it again.

On the basis of the recommendations of the Appointments and Compensation Committee, the Board of Directors, at its meeting of December 12, 2019, decided to once again adopt the rules used historically to determine allocation of this compensation between members of the Committees and of the Board, 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 allocated 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 Mercialis 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 2020 in respect of fiscal year 2019 to members of the Board of Directors and of the Specialized committees totaled Euro 271,711 compared to Euro 288,841 in respect of fiscal year 2018.

The tables below detail the compensation paid by Mercialis in 2018, 2019 and 2020 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, 2, p. 253.

COMPENSATION PAID TO DIRECTORS IN 2018 AND 2019 (FOR FISCAL YEARS 2017 AND 2018)

<i>(in euros)</i>	Amounts paid in 2018	Amounts paid in 2019
Stéphanie Bensimon	-	12,649 ⁽¹⁾
Victoire Boissier	17,600	24,091
Bernard Bouloc	34,701 ⁽²⁾	-
Anne-Marie de Chalambert	43,889	18,447 ⁽⁴⁾
Élisabeth Cunin	25,945	29,091
Yves Desjacques	9,296 ⁽³⁾	-
Dominique Dudan	-	25,644 ⁽⁴⁾
Jacques Dumas	12,500	12,500
Antoine Giscard d'Estaing	13,889	11,250
Marie-Christine Levet	28,889	11,196 ⁽¹⁾
David Lubek	768 ⁽³⁾	12,500
Ingrid Nappi	20,167	23,182
Pascale Roque	3,154	24,200
Michel Savart	18,300	20,000
Bruno Servant	30,000	0 ⁽⁵⁾
Generali Vie	-	14,091 ⁽⁵⁾
Sub-total excluding Éric Le Gentil, Chairman of the Board of Directors	259,098	238,841
Éric Le Gentil	50,000	50,000 ⁽⁶⁾
TOTAL	309,098	288,841

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

(2) Resignation of Mr. Bernard Bouloc from his position on October 24, 2017 / Co-option of Ms. Pascale Roque on October 24, 2017.

(3) Mr. David Lubek was appointed on November 13, 2017, replacing Mr. Yves Desjacques, as a permanent representative of La Forézienne de Participations.

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

(5) 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. 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.

(6) 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 years 2017 and 2018, he was not however a member of the Appointments and Compensation Committee.

4 CORPORATE GOVERNANCE

Compensation and benefits of Directors and corporate officers

COMPENSATION PAID TO DIRECTORS IN 2020 (FOR FISCAL YEAR 2019)

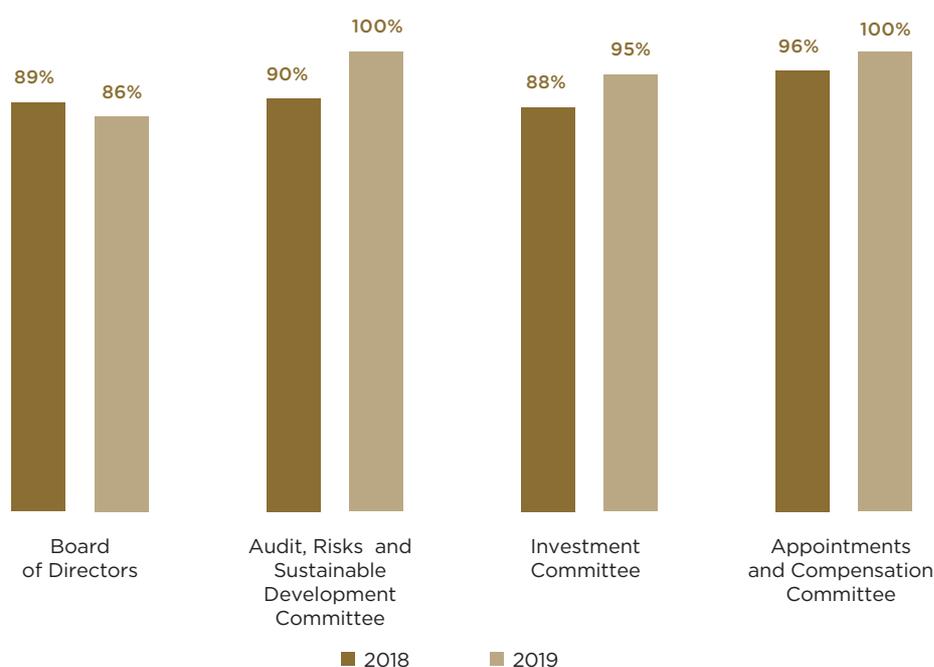
(in euros)	Specialized Committees								Total
	Board of Directors		Investment Committee		Audit, Risks and Sustainable Development Committee		Appointments and Compensation Committee		
	Fixed component	Variable component	Fixed component	Variable component	Fixed component	Variable component	Fixed component	Variable component	
Stéphanie Bensimon	5,000	8,750	-	-	8,425	6,000	-	-	28,175
Victoire Boissier	5,000	8,750	-	-	-	-	4,000	6,000	23,750
Élisabeth Cunin	5,000	8,750	-	-	-	-	9,000	6,000	28,750
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	625	2,000	4,125	-	-	-	-	9,250
Ingrid Nappi	5,000	8,750	-	-	4,000	6,000	-	-	23,750
Pascale Roque	5,000	8,750	-	-	4,575	6,000	-	-	24,325
Michel Savart	2,500	5,000	2,000	5,500	2,000	3,000	-	-	20,000
Generali Vie / Bruno Servant	5,000 ⁽¹⁾	10,000 ⁽¹⁾	0 ⁽²⁾	0 ⁽²⁾	-	-	-	-	15,000
Sub-total excluding Éric Le Gentil, Chairman of the Board of Directors	42,500	74,375	13,000	20,625	19,000	21,000	19,000	21,000	230,500
Éric Le Gentil	7,411 ⁽³⁾	10,000	4,000	11,000	-	-	4,000	4,800	41,211
TOTAL	49,911	84,375	17,000	31,625	19,000	21,000	23,000	25,800	271,711

(1) 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.

(2) 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.

(3) This amount includes Euro 2,411 corresponding to the additional compensation, on a pro rata basis between January 1 and February 12, 2019, of Euro 20,000 up until now payable to the Chairman and Chief Executive Officer, but for which Mr. Éric Le Gentil is no longer eligible since his appointment as Chairman of the Board of Directors on February 13, 2019.

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



4.2.1.3 Compensation policy for Directors in respect of 2020

In December 2019, at the request of the Appointments and Compensation Committee, a benchmark was drawn up relating to compensation of Directors, which shows that the levels of Mercialis' annual fixed and variable unitary compensation are in compliance with practices observed in peer companies of the same size.

In this context, the Board of Directors intends to propose to the Annual General Meeting of April 23, 2020 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. 244 will, subject to any unforeseen events, also remain unchanged in 2020.

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. convergence of internal and external interests;
3. Valuing sustainability dimensions.

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, via 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 quantifiable CSR criteria in the annual variable compensation of executives since 2018 ● Introduction of a quantifiable CSR criterion in the long-term variable compensation of executives in 2020⁽¹⁾ 	<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

(1) Subject to approval of the 2020 compensation policy by the Ordinary General Meeting of April 23, 2020.

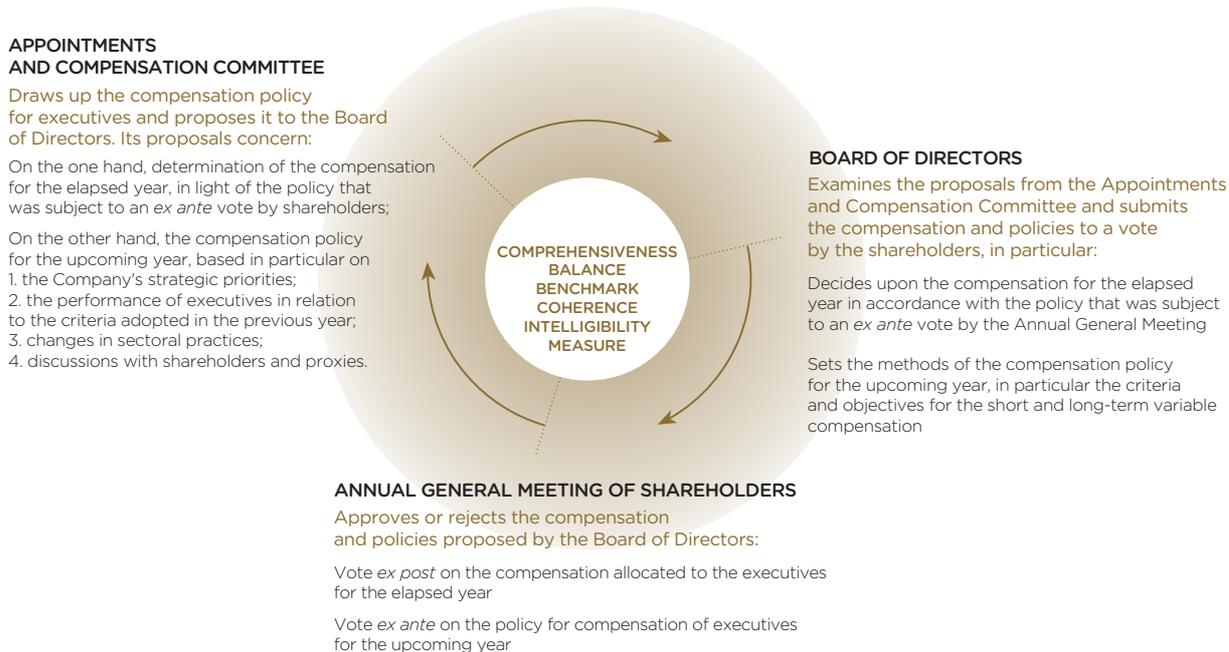
The Board of Directors reviews the compensation policy annually in the light of these criteria, after assessment by the Appointments and Compensation Committee, and the policy is then submitted for a vote by the Annual General Meeting of shareholders in accordance with the applicable legislation (*ex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

In addition to this annual review, the compensation policy voted upon *ex ante* by the Annual General Meeting may, exceptionally, be revised during the year. If an unforeseen event were to occur, the Appointments and Compensation Committee could propose duly justified amendments to the Board of Directors. The Board will assess whether these

amendments are justified and will submit this amended policy for approval by the shareholders in accordance with the steps set out below.

It should not be forgotten that Mercialis, in which 64% and 60% of the members of the Board of Directors and Appointments and Compensation Committee respectively 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. 216, 240 and 242) 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

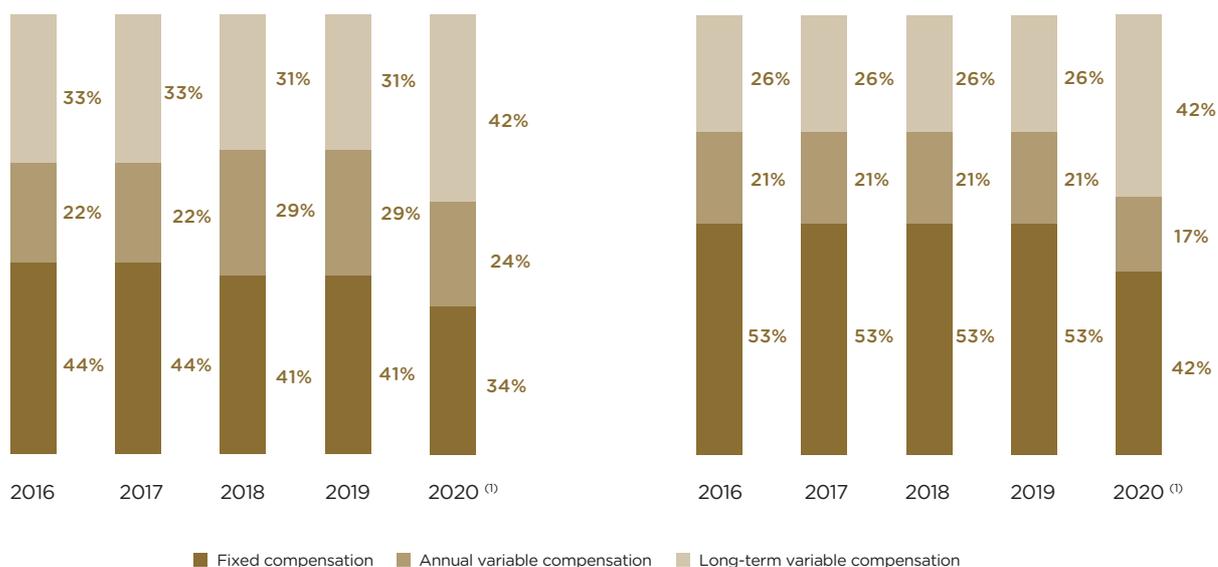


CHANGES IN THE STRUCTURE OF THE TOTAL TARGET COMPENSATION FOR EXECUTIVES

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

(CHAIRMAN)-CHIEF EXECUTIVE OFFICER

DEPUTY CHIEF EXECUTIVE OFFICER

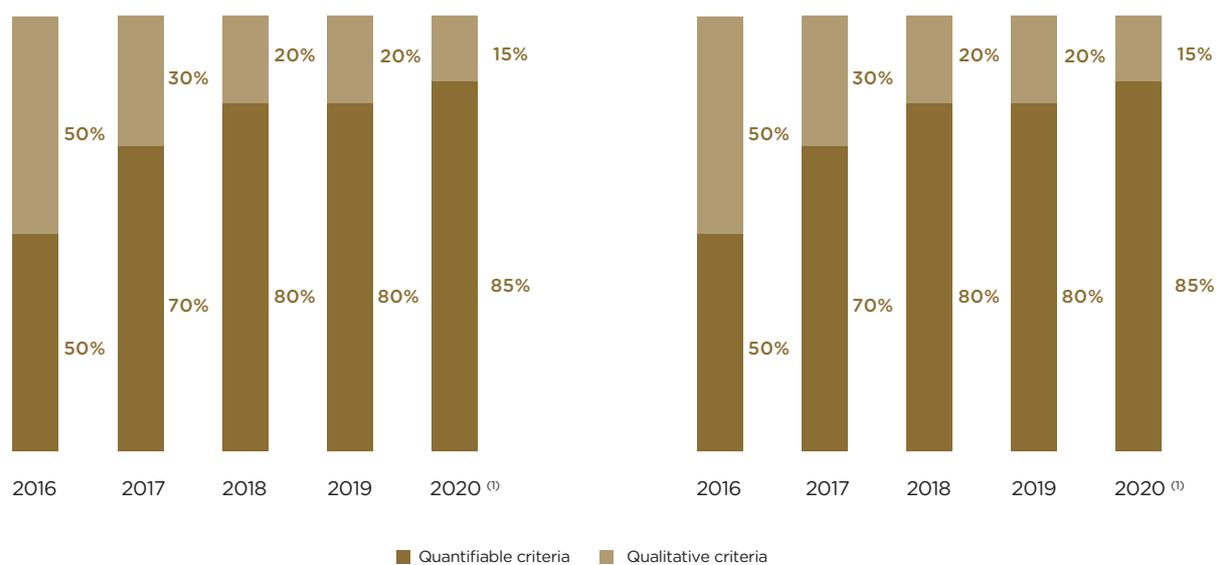


(1) Subject to approval of the 2020 compensation policy by the Ordinary General Meeting of April 23, 2020.

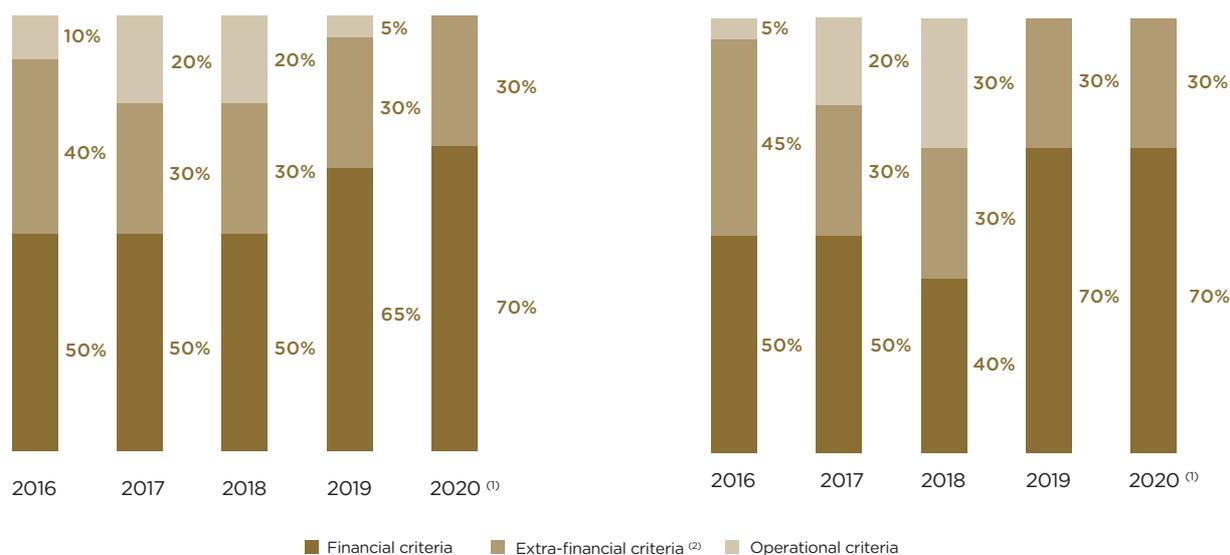
CHANGES IN THE CRITERIA FOR ANNUAL VARIABLE COMPENSATION OF EXECUTIVES

*(On the basis of the compensation policy in respect of the indicated year)***(CHAIRMAN)-CHIEF EXECUTIVE OFFICER****DEPUTY CHIEF EXECUTIVE OFFICER**

BY NATURE



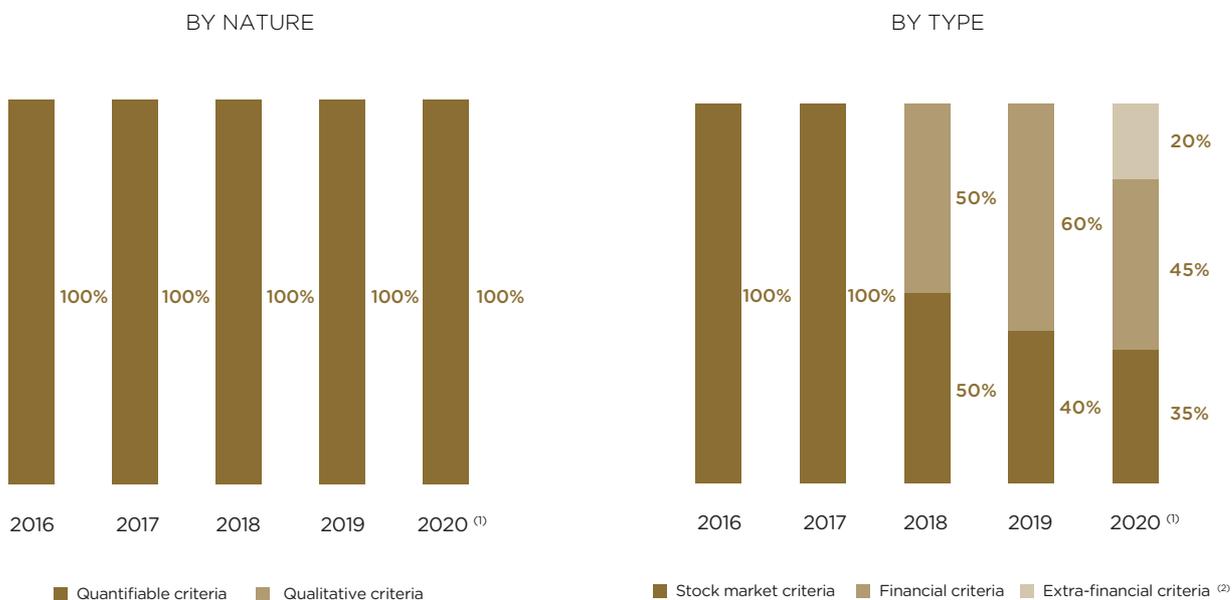
BY TYPE

⁽¹⁾ Subject to approval of the 2020 compensation policy by the Ordinary General Meeting of April 23, 2020.⁽²⁾ Of which within the extra-financial criteria: 10% CSR criteria in 2018 and 2019 and 15% in 2020.

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

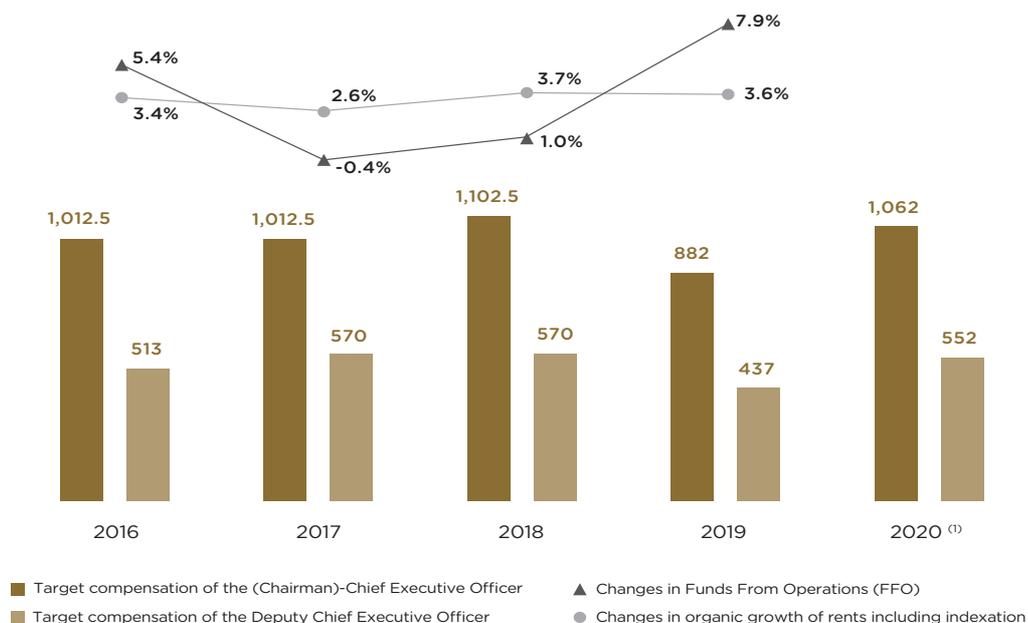
(On the basis of the compensation policy in respect of the indicated year)

(CHAIRMAN)-CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER



CHANGES IN COMPANY PERFORMANCE AND TARGET COMPENSATION POLICIES FOR EXECUTIVES

(in euro thousands)



(1) Subject to approval of the 2020 compensation policy by the Ordinary General Meeting of April 23, 2020.

(2) The extra-financial criteria introduced into long-term variable compensation in 2020 relate entirely to CSR.

CHANGES IN DIFFERENCES IN COMPENSATION BETWEEN EMPLOYEES AND SENIOR EXECUTIVES AND NON-EXECUTIVES

Compensation equity ratios (amounts paid in respect of the indicated year)

Average ratios	2015	2016	2017	2018	2019
Chairman and Chief Executive Officer	13.54	18.93	19.63	16.82	-
Chairman of the Board of Directors	-	-	-	-	16.31
Chief Executive Officer	-	-	-	-	11.05
Deputy Chief Executive Officer	7.15	6.52	9.49	7.50	6.72

Median ratios	2015	2016	2017	2018	2019
Chairman and Chief Executive Officer	15.54	23.08	23.94	18.63	-
Chairman of the Board of Directors	-	-	-	-	18.71
Chief Executive Officer	-	-	-	-	12.68
Deputy Chief Executive Officer	8.21	7.95	11.58	8.31	7.71

Calculation methodology

In accordance with the AFEP guidelines dated January 28, 2020 concerning compensations multiples, and to accurately reflect the changes in governance that have come into effect at Mercialis since 2015⁽¹⁾, the information is presented in respect of the positions.

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

- Year N average ratio = compensation paid in year N in respect of the position/average compensation paid in year N to employees (excluding executives and interns);
- Year N median ratio = compensation paid in year N in respect of the position/median of compensation paid in year N to employees (excluding executives and interns).

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

- Fixed salaries paid during year N, including employee's and employer's social security contributions;
- Variable salaries paid during year N, including employee's and employer's social security contribution⁽²⁾;
- Exceptional compensation paid during year N, including employee's and employer's social security contributions;
- Bonus shares allocated definitively during year N⁽³⁾;
- Compensation in respect of directorships paid in year N, including employer's and employee's social security contributions.

Explanation of the main changes

The change observed in 2016 for the Chairman and Chief Executive Officer is due to the payment of his allowances for taking up the position, allocated in 2013 but paid after a period of three years.

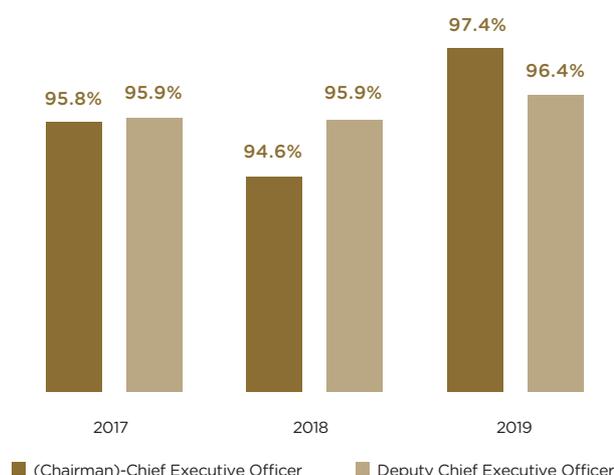
The changes observed in 2017 for the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer are due to the fact they received long-term variable compensation.

Finally, 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 overall analysis of compensation equity ratios above demonstrates that the compensation of Mercialis executives is reasonable. In addition to contributing to social cohesion within the company, these levels of compensation correspond broadly to the recommendations of the *proxies*, leading to very strong support from the shareholders observed for several years at the Annual General Meetings when these resolutions were voted upon.

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 Mercialis holds its Annual General Meeting in April)



(1) In April 2016, Mr. Vincent Ravat took over from Mr. Vincent Rebillard in the position of Deputy Chief Executive Officer. It is considered that a single position was available during the year, and that it was occupied by two successive executives. In 2019, following the separation of the positions of Chairman and Chief Executive Officer, Mr. Eric Le Gentil was appointed Chairman of the Board of Directors, Mr. Vincent Ravat was appointed Chief Executive Officer, and Ms. Elizabeth Blaise was appointed Deputy Chief Executive Officer. A *pro rata temporis* arrangement was applied to the compensation of Ms. Elizabeth Blaise as Deputy Chief Executive Officer, a new corporate officer.

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

(3) 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.

4.2.2.2 Compensation policy of the Chairman of the Board of Directors, non-executive corporate officer, in respect of the fiscal year 2019

A. Reminder of the principles and criteria for determining, distributing and allocating the components of compensation of the Chairman of the Board of Directors in 2019

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind, attributable for 2019 to the Chairman of the Board of Directors, were submitted for the approval of the Ordinary General Meeting of April 25, 2019 (12th Resolution).

At this Meeting on April 25, 2019, the shareholders approved the compensation policy thereby proposed for the Chairman of the Board of Directors.

A reminder is provided below of the 2019 compensation policy for the Chairman of the Board of Directors. The way in which this policy was followed is set out in point B below.

You are reminded that this compensation was set after consideration of the benchmark studies analyzed by the Appointments and Compensation Committee and 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 of Directors and Senior Management.

The compensation of the Chairman of the Board of Directors consists of fixed compensation and compensation due to his

Board membership and his participation in the Investment Committee and the Appointments and Compensation Committee:

- annual fixed compensation: Euro 225,000;
- compensation due his Board membership: according to the rules applicable in the Company, as set out in § 4.2.1.1, p. 243 *et seq.*

This compensation was paid to him as from February 13, 2019, the date he was appointed in his capacity as Chairman of the Board of Directors. Up until February 12, 2019, Mr. Éric Le Gentil was compensated in his capacity as Chairman and Chief Executive Officer.

The Chairman of the Board of Directors receives no variable compensation in cash or securities.

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.

Finally, in view of his previous executive positions, the Chairman of the Board of Directors is subject to a non-competition clause, which terminated the previous clause binding him to the Company in his capacity as Chairman and Chief Executive Officer. In this respect, he may benefit, as a result of this clause, from a monthly compensation equivalent to one-twelfth of 50% of his fixed annual compensation in his capacity as Chairman of the Board of Directors, it being specified that the Company may decide to waive application of the non-competition clause or to reduce its duration. If the Company implements the clause, payment of the allowance would be made in installments during the period of the non-competition obligation, and would apply for a maximum period of one year. This allowance will not be paid if Mr. Éric Le Gentil exercises his entitlement to retire. In any case, no allowance may be paid to him beyond the age of 65.

B. Details of the compensation awarded in respect of fiscal year 2019 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 2018 and 2019

TABLE 1 - AFEP-MEDEF CODE

<i>(in euros)</i>	Fiscal year 2019	Fiscal year 2018
Compensation allocated in respect of the fiscal year (see § 2, below)	265,000	1,205,021
Valuation of multi-annual variable compensation awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Valuation of bonus shares awarded ⁽¹⁾	268,549	268,549
TOTAL	533,549	1,473,570

(1) Potential valuation of the shares awarded, not yet vested, under plans 24 and 27 and subject to a condition of presence as a corporate officer as well as performance conditions over 3 years (see § 6 below).

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 Chief Executive Officer in, and in respect of, fiscal years 2018 and 2019:

TABLE 2 - AFEP-MEDEF CODE

<i>(in euros)</i>	Fiscal year 2019		Fiscal year 2018	
	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾
Fixed compensation ⁽¹⁾⁽²⁾	225,000 ⁽³⁾	302,762 ⁽³⁾	452,755	452,755
Annual variable compensation ⁽¹⁾⁽³⁾	-	504,630	504,630 ⁽³⁾	344,250
Multi-annual variable compensation ⁽¹⁾	-	70,313	70,313	184,140
Exceptional compensation ⁽⁴⁾	-	112,500	112,500	175,000
Compensation allocated on account of the directorship	40,000 ⁽⁵⁾	50,000	50,000	50,000
Benefits in kind ⁽⁶⁾	-	14,823	14,823	14,823
TOTAL	265,000	1,055,028	1,205,021	1,220,968

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

(2) The amounts indicated 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 2019 fiscal year.

(4) See § 5 below.

(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 and benefit plan covering all the Company's employees.

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

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

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. In April 2019, he received annual variable compensation in the amount of Euro 504,630 corresponding to his positions as Chairman and Chief Executive Officer in 2018.

4. Long-term variable compensation - Obligation to hold Mercialys shares

As Chairman and Chief Executive Officer, Mr. Éric Le Gentil benefited from long-term variable compensation arrangements.

Under the arrangements of March 11, 2014, Mr. Éric Le Gentil received the sum of Euro 326,188 in March 2017 and, in accordance with the obligation to reinvest, acquired 17,400 shares (Euro 289,000, *i.e.*, the allotted amount, net of payroll taxes) corresponding to an amount exceeding the obligation set by the Board of Directors' Meeting of March 11, 2014 (Euro 162,000). Under the arrangements of March 23, 2015, he received the sum of Euro 184,140 in April 2018 at the end of the Annual General Meeting and acquired, pursuant to the reinvestment obligation, 6,400 shares (Euro 105,216) *i.e.* an amount in excess of the obligation set by the Board of Directors on March 23, 2015 (Euro 66,000). Under the arrangements of March 11, 2016, he received the sum of Euro 70,313 in April 2019 at the end of the Annual General Meeting and acquired, pursuant to the reinvestment obligation,

3,000 shares (Euro 38,870) *i.e.* an amount in excess of the obligation set by the Board of Directors on March 11, 2016 (Euro 35,156).

Mr. Éric Le Gentil is required to hold the number of shares corresponding to the various reinvestment obligations described above, throughout the term of his directorship.

5. Exceptional compensation

The Board of Directors decided, on February 13, 2019 to change the 2018 compensation policy to be able to pay Mr. Éric Le Gentil exceptional compensation to be fully paid by Casino, Guichard-Perrachon as part of the disposal process by Casino, Guichard-Perrachon of all or some of its investment in the capital of 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 major involvement by the Chairman and Chief Executive Officer during the 2018 fiscal year. This compensation amounting to Euro 112,500 was paid following approval by the Ordinary General Meeting on April 25, 2019.

6. 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 2019 by the Company and/or companies that it controls to Mr. Éric Le Gentil.

Mr. Éric Le Gentil is the beneficiary of two bonus share plans, according to the following criteria and arrangements:

TABLE 6 - AFEP-MEDEF CODE

Bonus shares awarded to Mr. 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 24, of 04/27/2017	19,269 ⁽¹⁾	Euro 97,116	04/27/2020	04/28/2022 ⁽²⁾	YES ⁽³⁾
Plan 27, of 04/26/2018	21,673 ⁽⁴⁾	Euro 171,433	04/26/2021	04/27/2023 ⁽²⁾	YES ⁽⁵⁾
TOTAL	40,942	EURO 268,549			

(1) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mr. Éric Le Gentil will be 28,904 shares corresponding to a valuation of Euro 145,676.

(2) 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.

(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 two performance criteria: 1/ the absolute performance of the Company's share price, including dividends (Total Shareholder Return - TSR) measured as an annual average between January 1, 2017 and December 31, 2019, for 25% of the initial award; and 2/ the relative performance of the Company's share price including dividends (Total Shareholder Return - TSR) compared to the performance of the companies in the EPRA/NAREIT Eurozone index at January 1, 2017, measured between January 1, 2017 and December 31, 2019, for 75% of the initial award.

(4) 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 value of Euro 257,146.

(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 Company's share price, including dividends (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 of rental revenues, including Casual Leasing, excluding indexation, measured as the three-year annual average between January 1, 2018 and December 31, 2020, for 25% of the initial award; and 3/ FFO growth (excluding the carrying cost of the 2019 debt financing, for fiscal year 2018) measured as the three-year annual average between January 1, 2018 and December 31, 2020, for the remaining 25% of the initial 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 bonus share plan.

7. Employment contract, special pension plans, severance pay and non-competition clause

TABLE 11 - AFEP-MEDEF CODE

Employment contract		Supplementary pension plan		Allowances or benefits payable or likely to be payable, due to termination of, or a change in, duties		Compensation linked to a non-competition clause	
Yes	No ⁽¹⁾	Yes	No ⁽²⁾	Yes	No	Yes ⁽³⁾	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 plan. He is included in the mandatory group pension plan (ARRCO and ARGIC) and the benefit plan covering all the Company's employees.

(3) Finally, in view of his previous executive positions, the Chairman of the Board of Directors is subject to a non-competition clause, which terminated the previous clause binding him to the Company in his capacity as Chairman and Chief Executive Officer. In this respect, he may benefit, as a result of this clause, from a monthly allowance equivalent to one-twelfth of 50% of his fixed annual compensation in his capacity as Chairman of the Board of Directors, it being specified that the Company may decide to waive application of the non-competition clause or to reduce its duration. If the Company implements the clause, payment of the allowance would be made in installments during the period of the non-competition obligation, and would apply for a maximum period of one year.

Note that the AFEP-MEDEF tables which do not appear in the foregoing pages do not apply to Mr. Éric Le Gentil for the fiscal year 2019, namely:

- table 3, on compensation received by non-executive corporate officers;
- table 4, on the stock warrants or stock options awarded in the fiscal year to each executive corporate 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 corporate officer;
- table 7, on performance shares that have vested during the fiscal year in favor of each executive corporate officer;
- table 8, on the history of granted stock warrants and stock options;
- table 9, on the history of performance share grants;
- table 10, summarizing multi-year variable compensation.

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

Board of Directors' report on the compensation policy for the Chairman of the Board of Directors for fiscal year 2020

(Eighth Resolution of the Ordinary General Meeting of April 23, 2020)

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind, attributable for 2020 to the Chairman of the Board of Directors, must be submitted for the approval of the Ordinary General Meeting of April 23, 2020.

In this connection, the Board of Directors, at its meeting on February 12, 2020, established, on the basis of the recommendations of the Appointments and Compensation 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 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 243 *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.

Finally, in view of his previous executive positions, the Chairman of the Board of Directors is subject to a non-competition clause, which will terminate on December 31, 2020. In this respect, he may benefit, as a result of this clause, from a monthly allowance equivalent to one-twelfth of 50% of his annual fixed compensation in his capacity as Chairman of the Board of Directors, it being specified that the Company may decide to waive application of the non-competition clause or to reduce its duration. If the Company implements the clause, payment of the allowance would be made in installments during the period of the non-competition obligation, and would apply for a maximum period of one year. This allowance will not be paid if Mr. Éric Le Gentil exercises his entitlement to retire.

4.2.2.4 Compensation of the Chief Executive Officer in respect of fiscal year 2019

A. Principles and criteria for determining, distributing and awarding the compensation components of the Chief Executive Officer in 2019

Pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind attributable for 2019 to the Chief Executive Officer in respect of his corporate term of office, were submitted for approval by the Annual General Meeting on April 25, 2019 (13th Resolution).

At the Ordinary General Meeting of April 25, 2019, 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. 247 *et seq.*

A reminder is provided below of the 2019 compensation policy for the Chief Executive Officer. The way in which this policy was followed is set out in point B below.

Fixed compensation

Appointed Chief Executive Officer on February 13, 2019, it was decided, after consideration of the benchmark studies analyzed by the Appointments and Compensation Committee, to increase Mr. Vincent Ravat's fixed compensation from Euro 300,000 to Euro 360,000 with respect to his new functions.

This compensation was due as from February 13, 2019.

Mr. Vincent Ravat is no longer bound by any employment contract, his employment contract with Mercialis Gestion having expired at the end of the Annual General Meeting of April 25, 2019.

With regard to the annual variable compensation and long-term compensation, the Board of Directors decided, on the proposal of the Appointments and Compensation Committee, to align this compensation policy with that granted in 2018 to the serving Chief Executive Officer.

Annual variable compensation

It was proposed to the Annual General Meeting to maintain the variable compensation mechanism put in place in 2018, which included a CSR objective.

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

1. quantitative objectives, weighted at 80%, of which 1 CSR objective at 10%; and
2. managerial objectives, weighted at 20%.

As indicated above, to align the variable compensation with that of the former Chief Executive Officer, the decision was made to increase the annual variable compensation of the Chief Executive Officer to 70% of his fixed annual compensation (compared to 40% in 2018 in his capacity as Deputy Chief Executive Officer) if the objectives set are achieved. This rate can reach up to 140% of this fixed annual compensation (compared to 80% in 2018 in his capacity as Deputy Chief Executive Officer) if the objectives are exceeded.

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

		% of the fixed compensation		
		Minimum	Target	Maximum
Quantitative objectives Mercialis (80% of the total variable compensation)	FFO growth	0%	17.5%	35.0%
	Organic growth excluding indexation	0%	10.5%	21.0%
	EBITDA margin	0%	10.5%	21.0%
	Reduction in emissions (scopes 1 and 2: energy consumption and refrigerant leaks) as part of the 2030 carbon strategy (-47% between 2017 and 2030)	0%	7.0%	14.0%
	Footfall spread in Mercialis centers as compared to the total CNCC market	0%	3.5%	7.0%
	Buyback and partial refinancing of the 2023 bond issue to extend the duration (without carrying cost impact)	0%	7.0%	14.0%
Managerial objectives (20% of the total variable compensation)		0%	14.0%	28.0%
TOTAL VARIABLE AS % OF FIXED COMPENSATION		0%	70.0%	140.0%

For each quantitative 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 fashion between the minimum threshold and the maximum threshold.

Pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, payment of the variable portion of the compensation due for fiscal year 2019, 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 23, 2020.

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. 225-197-6 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 represents a target of 75% of the fixed salary (*i.e.* Euro 270,000) and could represent up to 112.5% of the fixed salary (*i.e.* Euro 405,000) in the event that the performance conditions are exceeded.

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 corporate officer) and of company performance. This performance is assessed over all three years, on the basis of the following criteria and evaluation 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, 2019, measured between January 1, 2019 and December 31, 2021, for 40% 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, 2019.

2. Organic growth of rental revenues, including Casual Leasing, excluding indexation, measured as the three-year annual average between January 1, 2019 and December 31, 2021, for 20% 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 average obtained, using the table presented below, it being understood that the multiplier value will change on a linear basis between the defined limits:

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

3. FFO growth measured as the three-year annual average between January 1, 2019 and December 31, 2021, for the remaining 40% of the initial award.

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

Annual three-year average FFO growth	Multiplier
2.00%	0%
3.00%	100%
4.00% or more	150%

The bonus shares awarded in 2019 will only become the beneficiary's property after a vesting period lasting three years which will end in 2022.

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

No severance allowance shall be paid to the Chief 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. This clause terminates the previous non-competition clause binding Mr. Vincent Ravat in his capacity as Deputy Chief Executive Officer.

B. Details of the compensation, in respect of the 2019 fiscal year, of Mr. Vincent Ravat, Chief Executive Officer until February 13, 2019

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 2019 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. Furthermore, it is specified that following the appointment of Mr. Vincent Ravat as Chief Executive Officer on February 13, 2019, the reading of the two fiscal years is not comparable:

TABLE 1 - AFEP-MEDEF CODE

<i>(in euros)</i>	Fiscal year 2019	Fiscal year 2018
Compensation allocated in respect of the fiscal year (see § 2, below)	784,967	584,043
Valuation of multi-annual variable compensation awarded during the fiscal year	-	-
Valuation of options awarded during the fiscal year	-	-
Valuation of bonus shares awarded ⁽¹⁾	259,557	119,360
TOTAL	1,044,524	703,403

(1) Potential valuation of the shares awarded, not yet vested, under plans 24, 27 and 30 and subject to a condition of presence as a corporate officer as well as performance conditions over 3 years (see § 5 below).

2. Compensation paid by Mercialys and the companies it controls

Mr. Vincent Ravat received the following compensation and benefits of all kinds from the Company in his capacity as Chief Executive Officer in, and in respect of, fiscal year 2019:

TABLE 2 - AFEP-MEDEF CODE

<i>(in euros)</i>	Fiscal year 2019		Fiscal year 2018	
	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾
Fixed compensation ⁽¹⁾⁽²⁾	360,000	316,439	200,404	200,404
Annual variable compensation ⁽¹⁾⁽³⁾	412,650	124,960	124,960	115,200
Multi-annual variable compensation ⁽⁴⁾	-	-	-	-
Exceptional compensation ⁽⁵⁾	-	108,340	75,000	-
Compensation allocated on account of the directorship	-	-	-	-
Benefits in kind ⁽⁶⁾	12,317	12,317	13,347	13,347
TOTAL	784,967	562,056	413,711	328,951

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

(2) The amounts indicated also include paid leave.

(3) The methods for determining variable compensation are restated in the 2019 compensation policy, as approved at the Ordinary General Meeting of April 25, 2019, under § 4.2.2.4, A, p. 256 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 fifth resolution presented to the Annual general meeting of April 23, 2020.

(4) Mr. Vincent Ravat does not benefit from any multi-annual compensation but benefits from a bonus share allocation plan.

(5) See § 4 below.

(6) Senior executive unemployment insurance and benefit plan covering all the Company's employees and company car.

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

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

In addition, up to April 25, 2019, Mr. Vincent Ravat performed the duties of Director of Operations, letting and marketing at Mercialis Gestion. The amounts of compensation and benefits of all kinds due for the period ended in 2019 in this respect were as follows:

TABLE 2 - AFEP-MEDEF CODE

(in euros)	Fiscal year 2019		Fiscal year 2018	
	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾
Fixed compensation ⁽¹⁾⁽²⁾	-	54,372	102,193	102,193
Annual variable compensation ⁽¹⁾⁽³⁾	-	62,480	62,480 ⁽³⁾	57,600
Multi-annual variable compensation ⁽¹⁾⁽⁴⁾	-	-	-	-
Exceptional compensation ⁽⁵⁾	-	16,660	-	25,000
Compensation allocated on account of the directorship	-	-	-	-
Benefits in kind ⁽⁶⁾	-	-	5,659	5,659
TOTAL	0	133,512	170,332	190,452

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

(2) The amounts indicated also include paid leave.

(3) The methods for determining the variable compensation are given in § 4.2.2.4, A, p. 256 et seq., and details are provided in § 3 below.

(4) Mr. Vincent Ravat does not benefit from any multi-annual compensation but benefits from a bonus share allocation plan.

(5) See § 4 below.

(6) Senior executive unemployment insurance and benefit plan covering all the Company's employees and company car.

(7) Compensation allocated 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 Mr. Vincent Ravat for fiscal year 2019 was determined by the Board of Directors at its meeting of February 12, 2020, on the proposal of the Appointments and Compensation Committee, applying the criteria in the table below:

			% of the fixed compensation			
			Minimum	Target	Maximum	Actual
Quantitative objectives Mercialis (80% of the total variable compensation)	FFO growth	Value of the indicator	0%	17.5%	35.0%	35.0%
				4.5%		7.9%
	Organic growth excluding indexation	Value of the indicator	0%	10.5%	21.0%	14.7%
				1.5%		1.7%
	EBITDA margin	Value of the indicator	0%	10.5%	21.0%	21.0%
				84.0%		85.0%
	Reduction in emissions (scopes 1 and 2: energy consumption and refrigerant leaks) as part of the 2030 carbon strategy (-47% between 2017 and 2030)	Value of the indicator	0%	7.0%	14.0%	14.0%
			-3.0%		-7.2%	
Footfall spread in Mercialis centers as compared to the total CNCC market	Value of the indicator	0%	3.5%	7.0%	6.2%	
			240bps		270bps	
Buyback and partial refinancing of the 2023 bond issue to extend the duration (without carrying cost impact)	Value of the indicator	0%	7.0%	14.0%	0.0%	
			100M€		0M€	
Managerial objectives (20% of the total variable compensation)			0%	14.0%	28.0%	23.8%
TOTAL VARIABLE AS % OF FIXED COMPENSATION			0%	70.0%	140.0%	114.6%

More specifically, considering the rate of achievement of the managerial criteria, the Board of Directors deemed that Mr. Vincent Ravat, while supporting the Company's economic model by extremely demanding operating standards and strong financial discipline, was able to redirect the strategy to incorporate new development focuses and thus prepare the company to seize future growth opportunities.

This variable compensation will be paid subject to the approval of the 6th Resolution proposed to the Company's Ordinary General Meeting on April 23, 2020 (see chapter 8, p. 341).

4. Exceptional compensation

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 to be 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 will be 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.

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

In 2019, Mr. Vincent Ravat, as Chief Executive Officer, was the beneficiary of a bonus share plan by the Company, as described below (Plan 30).

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. 332 *et seq.*).

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

TABLE 6 - AFEP-MEDEF CODE

Bonus shares awarded to Vincent Ravat						
No. and date of the 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 24, of 04/27/2017	8,564 ⁽¹⁾	€43,163	04/27/2020	04/28/2022 ⁽²⁾	YES ⁽³⁾	
Plan 27, of 04/26/2018	9,633 ⁽⁴⁾	€76,197	04/26/2021	04/27/2023 ⁽²⁾	YES ⁽⁵⁾	
Plan 30, of 04/25/2019	21,339 ⁽⁶⁾	€140,197	04/25/2022	04/25/2024 ⁽²⁾	YES ⁽⁷⁾	
TOTAL	39,536	€259,557				

(1) If the performance criteria are exceeded, the maximum number of shares that can be awarded to Mr. Vincent Ravat will be 12,846 shares corresponding to a valuation of Euro 64,744.

(2) 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.

(3) Bonus shares become vested only if the beneficiaries (in the capacity of corporate officer) is still present at the Company on the vesting date of the shares, and subject to fulfillment of two performance criteria: 1/ the absolute performance of the Company's share price, including dividend, (Total Shareholder Return - TSR), measured as an annual average between January 1, 2017 and December 31, 2019, for 25% of the initial award; and 2/ 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, 2017, measured between January 1, 2017 and December 31, 2019, for 75% 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 14,450 shares corresponding to a valuation of Euro 114,299.

(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 Company's share 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 of rental revenues, including Casual Leasing, excluding indexation, measured as the three-year annual average between January 1, 2018 and December 31, 2020, for 25% of the initial award; and 3/ FFO growth (excluding the carrying cost of the 2019 debt financing, for fiscal year 2018) measured as the three-year annual average between January 1, 2018 and December 31, 2020, for the remaining 25% of the initial award.

(6) 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.

(7) 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 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.

No shares became available in fiscal year 2019.

6. Employment contract, special pension plans, severance pay and non-competition clause

TABLE 11 - AFEP-MEDEF CODE

Employment contract		Supplementary pension scheme		Allowances or benefits payable or likely to be payable, due to termination of, or a change in, duties		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 plan. He is included in the mandatory group pension plan (ARRCO and ARGIC) and the benefit plan 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, he would be paid a monthly sum equivalent to one-twelfth of 50% of his annual fixed compensation. This compensation will be paid in installments during his term of office.

As mentioned for Mr. Éric Le Gentil on p. 255, note that the AFEP-MEDEF tables which do not appear in the foregoing pages do not apply as regards to Mr. Vincent Ravat's compensation.

Pursuant to the provisions of Article L. 225-100, III, of the French Commercial Code, the Ordinary General Meeting of April 23, 2020 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 2019. Details and comments about this information can be found in chapter 8, appendix 2, p. 358 *et seq.*

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

Board of Directors' report on the compensation policy for the Chief Executive Officer for fiscal year 2020

(Ninth Resolution of the Ordinary General Meeting of April 23, 2020)

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind attributable for 2020 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 23, 2020.

In this connection, the Board of Directors, at its meeting on February 12, 2020, established, on the basis of the recommendations of the Appointments and Compensation Committee, the determining principles and the structure of compensation of the Chief Executive Officer for 2020.

I. 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 its approach are given in § 4.2.2.1 p. 247 *et seq.*

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

II. 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 per year and will not be changed in 2020.

Annual variable compensation

It is 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 is, however, proposed that the proportion of qualitative criteria should continue its reduction and change from 20% to 15%.

The variable compensation would therefore be 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 would remain at 70% of his annual fixed compensation if the objectives set are achieved. It would 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, would be as follows:

		% of the fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (85% of the total variable compensation)	FFO growth	0%	14.0%	28.0%
	Organic growth including indexation	0%	10.5%	21.0%
	EBITDA margin	0%	10.5%	21.0%
	Reduction in greenhouse gas emissions as part of the Mercialys climate strategy (scopes 1 and 2)	0%	3.5%	7.0%
	GRESB classification of Mercialys (at constant methodology)	0%	7.0%	14.0%
	Disposal of assets during the fiscal year (<i>in millions of euros</i>)	0%	7.0%	14.0%
	Mandatory debt maturity management	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)	0%	10.5%	21.0%
TOTAL VARIABLE AS % OF FIXED COMPENSATION		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 or graduated fashion between the minimum threshold and the maximum threshold.

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, payment of the variable portion of the compensation for 2020 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 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. 225-197-6 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. In any case, the combination of these 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.

Bonus shares 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 corporate officer), it being specified that in the case that his term of corporate office is not renewed (excluding resignation or dismissal), the Board of Directors may decide to maintain the benefit of the plan. Adding the company's performance conditions, this performance is assessed over the full three years based on the following criteria and evaluation tables:

1. the relative performance of the Mercialys 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 Mercialys 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 Mercialys ranking will be obtained by dividing the Mercialys 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 rating (Carbon Disclosure Project), for 20% of the initial award:

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

CDP (1 rating per year)	Multiplier
Rating once > B on a constant standard	0%
Rating twice > B on a constant standard	100%
Rating 3 times > B on a constant standard	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 using 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 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 additional pension plan. He participates in the mandatory group supplementary pension plan (ARRCO and AGIRC) and in the pension plan in force within the Company for all employees. He also benefits from senior executive unemployment insurance. He does not receive any other benefit of any kind, except a company car.

No severance allowance shall be paid to the Chief 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 of the Deputy Chief Executive Officer in respect of fiscal year 2019

A. Principles and criteria for determining, distributing and awarding the compensation components of the Deputy Chief Executive Officer in 2019

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind attributable for 2019 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 25, 2019 (14th Resolution).

At the Ordinary General Meeting of April 25, 2019, 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 247 *et seq.*

A reminder is provided below of the 2019 compensation policy for the Deputy Chief Executive Officer. The way in which this policy was followed is set out in point B below.

Fixed compensation

After her appointment as Deputy Chief Executive Officer on February 13, 2019, it was decided to set her fixed compensation at the sum of Euro 230,000.

This compensation is due as from February 13, 2019.

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

Annual variable compensation

Similarly to the compensation of the Chief Executive Officer, it was proposed to maintain the variable compensation mechanism set up in 2018, which included a CSR objective.

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

1. quantitative objectives, weighted at 80%, of which one CSR objective at 10%; and
2. managerial objectives, weighted at 20%.

The variable compensation of the Deputy Chief Executive Officer may represent 40% of her fixed annual compensation if the objectives set are achieved and may equal up to 80% of her fixed annual compensation if these objectives are exceeded.

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

		% of the fixed compensation		
		Minimum	Target	Maximum
Quantitative objectives Mercialys (80% of the total variable compensation)	FFO growth	0%	6.0%	12.0%
	Organic growth excluding indexation	0%	4.0%	8.0%
	EBITDA margin	0%	6.0%	12.0%
	Reduction in emissions (scopes 1 and 2: energy consumption and refrigerant leaks) as part of the 2030 carbon strategy (-47% between 2017 and 2030)	0%	4.0%	8.0%
	Asset disposals during the fiscal year	0%	4.0%	8.0%
	Increase in the debt hedging with a maximum budget (Euro 500,000)	0%	4.0%	8.0%
	Buyback and partial refinancing of the 2023 bond issue to extend the duration (without carrying cost impact)	0%	4.0%	8.0%
Managerial objectives (20% of the total variable compensation)		0%	8.0%	16.0%
TOTAL VARIABLE AS % OF FIXED COMPENSATION		0%	40.0%	80.0%

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

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, payment of the variable portion of the compensation due for 2019 fiscal year, after determining the amount based on the achievement of the objectives defined above, is conditional upon the approval by the Ordinary General Meeting to be held in 2020.

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. 225-197-6 of the French Commercial Code (as mentioned p. 262 for the Chief Executive Officer), on the principle of bonus share awards.

This award represents a target of 50% of the fixed salary (*i.e.* Euro 115,000) and could represent up to 75% of the fixed salary (*i.e.* Euro 172,500) in the event that the performance conditions are exceeded.

The bonus shares awarded will 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) and of company performance. This performance is assessed over all three years, on the basis of the following criteria and evaluation tables:

1. the relative performance of the Mercialys share, including dividend (Total Shareholder Return - TSR) 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:

Ranking of the three-year average annual TSR of Mercialys 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 Mercialys ranking will be obtained by dividing the Mercialys ranking in the index by the number of companies constituting the index at the date decided.

2. Organic growth of rental revenues, including Casual Leasing, excluding indexation, measured as the three-year annual average between January 1, 2019 and December 31, 2021, for 20% of the initial allocation.

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

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

3. FFO growth measured as three-year annual average between January 1, 2019 and December 31, 2021, for the remaining 40% of the initial award.

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

Annual three-year average FFO growth	Multiplier
2.00%	0%
3.00%	100%
4.00% or more	150%

The bonus shares awarded in 2019 will only become the beneficiary's property after a vesting period lasting three years which will end in 2022.

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 and/or her position.

Furthermore, in accordance with the provisions of the final sub-paragraph of Article 24.3.3 of the AFEP-MEDEF Code, the Deputy Chief Executive Officer undertakes not to make

TABLE 1 - AFEP-MEDEF CODE

(in euros)	Fiscal year 2019	Fiscal year 2018
Compensation allocated in respect of the fiscal year (see § 2, below)	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 ⁽¹⁾	59,688	-
TOTAL	435,416	-

(1) Potential valuation of the shares awarded, not yet vested, under plan 30 and subject to a condition of presence as a corporate officer and/or employee as well as performance conditions over 3 years (see § 5 below).

use of risk hedging transactions until the end of the period for holding the shares.

Moreover, it should be noted that Ms. 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 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 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 2019 fiscal year, of Ms. Élisabeth Blaise, Deputy Chief Executive Officer as of February 13, 2019

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

The compensation and benefits of any kind payable by Mercialis and the companies it controls to Ms. Élisabeth Blaise for fiscal year 2019 are as follows. It should be remembered that Mercialis is not controlled within the meaning of Article L. 233-16 of the French Commercial Code.

2. Compensation paid by Mercialys and the companies it controls

Ms. Élizab eth Blaise received the following compensation and benefits of all kinds from the Company in her capacity as Deputy Chief Executive Officer in, and in respect of, fiscal year 2019:

TABLE 2 – AFEP-MEDEF CODE

<i>(in euros)</i>	Fiscal year 2019		Fiscal year 2018	
	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾	Amounts awarded	Amounts paid
Fixed compensation ⁽¹⁾⁽²⁾	115,000	100,434	-	-
Annual variable compensation ⁽¹⁾⁽³⁾	72,864	-	-	-
Multi-annual variable compensation ⁽⁴⁾	-	-	-	-
Exceptional compensation ⁽⁵⁾	-	-	-	-
Compensation allocated on account of the directorship	-	-	-	-
Benefits in kind ⁽⁶⁾	-	-	-	-
TOTAL	187,864	100,434	-	-

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

(2) The amounts indicated also include paid leave.

(3) The methods for determining variable compensation are restated in the 2019 compensation policy, as approved at the Ordinary General Meeting of April 25, 2019, under § 4.2.2.6, A, p. 263 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 fifth resolution presented to the Annual General Meeting of April 23, 2020.

(4) Ms. Élizab eth Blaise does not benefit from any multi-annual compensation but benefits from a bonus share allocation plan.

(5) See § 4 below.

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

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

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

In addition, Ms. Élizab eth Blaise performs the duties of Chief Financial Officer at Mercialys. The amounts of compensation and benefits of all kinds due for the period ended in 2019 in this respect were as follows:

TABLE 2 – AFEP-MEDEF CODE

<i>(in euros)</i>	Fiscal year 2019		Fiscal year 2018	
	Amounts awarded ⁽⁷⁾	Amounts paid ⁽⁸⁾	Amounts awarded	Amounts paid
Fixed compensation ⁽¹⁾⁽²⁾	115,000	126,279	-	-
Annual variable compensation ⁽¹⁾⁽³⁾	72,864	117,325	-	-
Multi-annual variable compensation ⁽⁴⁾	-	-	-	-
Exceptional compensation ⁽⁵⁾	-	48,500	-	-
Compensation allocated on account of the directorship	-	-	-	-
Benefits in kind ⁽⁶⁾	-	-	-	-
TOTAL	187,864	292,104	-	-

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

(2) The amounts indicated also include paid leave.

(3) The methods for determining the variable compensation are given in § 4.2.2.6, A, p. 263 et seq., and details are provided in § 3 below.

(4) Ms. Élizab eth Blaise does not receive any multi-annual compensation.

(5) See § 4 below.

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

(7) Compensation allocated 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 Ms. Élisabeth Blaise for fiscal year 2019 was determined by the Board of Directors at its meeting of February 12, 2020, on the proposal of the Appointments and Compensation Committee, applying the criteria in the table below:

			% of the fixed compensation			
			Minimum	Target	Maximum	Actual
Quantitative objectives (80% of the total variable compensation)	FFO growth	Value of the indicator	0%	6.0%	12.0%	12.0%
				4.5%		7.9%
	Organic growth excluding indexation	Value of the indicator	0%	4.0%	8.0%	5.6%
				1.5%		1.7%
	EBITDA margin	Value of the indicator	0%	6.0%	12.0%	12.0%
				84.0%		85.0%
	Reduction in emissions (scopes 1 and 2: energy consumption and refrigerant leaks) as part of the 2030 carbon strategy (-47% between 2017 and 2030)	Value of the indicator	0%	4.0%	8.0%	8.0%
				-3.0%		-7.2%
	Asset disposals during the fiscal year	Value of the indicator	0%	4.0%	8.0%	5.8%
				100M€		122M€
Increase in the debt hedging with a maximum budget (Euro 500,000)	Value of the indicator	0%	4.0%	8.0%	8.0%	
			75%		86%	
Buyback and partial refinancing of the 2023 bond issue to extend the duration (without carrying cost impact)	Value of the indicator	0%	4.0%	8.0%	0.0%	
			100M€		0M€	
Managerial objectives (20% of the total variable compensation)			0%	8.0%	16.0%	12.0%
TOTAL VARIABLE AS % OF FIXED COMPENSATION			0%	40.0%	80.0%	63.4%

More specifically, considering the rate of achievement of the managerial criteria, the Board of Directors deemed that Ms. Élisabeth Blaise obtained tangible results in the implementation of control procedures, strict management of risks and the re-internalization of support functions, a momentum which should continue in 2020.

This compensation will be paid subject to the approval of the 7th resolution proposed to the Company's Ordinary General Meeting on April 23, 2020 (see chapter 8, p. 342).

4. Exceptional compensation

To compensate Ms. Élisabeth 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 Mercialis, 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, Ms. Élisabeth Blaise received exceptional compensation. This compensation amounting to Euro 48,500, received in respect of her employment contract, was paid in 2019.

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

In 2019, Ms. Élisabeth Blaise, as Deputy Chief Executive Officer, was the beneficiary of a bonus share plan by the Company, as described below (Plan 30).

It is also stated that Ms. Élisabeth 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. 332 *et seq.*).

TABLE 6 – AFEP-MEDEF CODE

Bonus shares awarded to Ms. Élisabeth Blaise					
No. and date of the 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 ⁽¹⁾	€59,688	04/25/2022	04/25/2024 ⁽²⁾	YES ⁽³⁾
TOTAL	9,085	€59,688			

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

(2) 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.

(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 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.

No shares became available in fiscal year 2019.

6. Employment contract, special pension plans, severance pay and non-competition clause

TABLE 11 – AFEP-MEDEF CODE

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

(1) In accordance with the provisions of the AFEP-MEDEF Code, Ms. Élisabeth Blaise, as Chief Financial Officer, holds an employment contract with Mercialys SA.

(2) Ms. Élisabeth Blaise does not benefit from any supplementary pension plan. She is included in the mandatory group pension plan (ARRCO and ARGIC) and the benefit plan covering all the Company's employees.

(3) Ms. Élisabeth 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 Mr. Éric Le Gentil on p. 255, note that the AFEP-MEDEF tables which do not appear in the foregoing pages do not apply as regards to Ms. Élisabeth Blaise's compensation.

Pursuant to the provisions of Article L. 225-100, III, of the French Commercial Code, the Ordinary General Meeting of April 23, 2020 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 2019. Details and comments about this information can be found in chapter 8, appendix 3, p. 360 *et seq.*

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

Board of Directors' report on the policy for the Deputy Chief Executive Officer for fiscal year 2020

(Tenth Resolution of the Ordinary General Meeting of April 23, 2020)

Pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and awarding the fixed, variable and exceptional components of the compensation package and benefits of any kind, attributable for 2020 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 23, 2020.

In this connection, the Board of Directors, at its meeting on February 12, 2020, established, on the basis of the recommendations of the Appointments and Compensation Committee, the determining principles and the structure of compensation of the Deputy Chief Executive Officer for 2020.

I. 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 its approach are given in § 4.2.2.1 p. 247 *et seq.*

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

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

II. Compensation components of the Deputy Chief Executive Officer

Fixed compensation

Following the benchmark surveys carried out by the Appointments and Compensation Committee, it was decided to set the fixed compensation of the Deputy Chief Executive Officer at the sum of Euro 265,000.

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

It is 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 is, however, proposed that the proportion of quality criteria should continue its reduction and change from 20% to 15%.

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

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

The target annual variable compensation of the Deputy Chief Executive Officer would remain 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, would be as follows:

		% of the fixed compensation		
		Minimum	Target	Maximum
Quantifiable objectives (85% of the total variable compensation)	FFO growth	0%	8.0%	16.0%
	Organic growth including indexation	0%	6.0%	12.0%
	EBITDA margin	0%	6.0%	12.0%
	Reduction in greenhouse gas emissions as part of the Mercialis climate strategy (scopes 1 and 2)	0%	2.0%	4.0%
	EPRA and <i>Grands Prix de la Transparence</i> (at constant methodology)	0%	4.0%	8.0%
	Disposal of assets during the fiscal year (<i>in millions of euros</i>)	0%	4.0%	8.0%
	Mandatory debt maturity management	0%	4.0%	8.0%
Qualitative objectives (15% of the total variable compensation)	Gradual reintegration of support functions and related people organization	0%	6.0%	12.0%
TOTAL VARIABLE AS % OF FIXED COMPENSATION		0%	40.0%	80.0%

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. 225-37-2 of the French Commercial Code, payment of the variable portion of the compensation for 2020 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 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. 225-197-6 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.

Bonus shares will 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). Adding the company's performance conditions, this performance is assessed over the full three years based on the following criteria and evaluation 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 rating (Carbon Disclosure Project), for 20% of the initial award:

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

CDP (1 rating per year)	Multiplier
Rating once > B on a constant standard	0 %
Rating twice > B on a constant standard	100 %
Rating 3 times > B on a constant standard	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 using 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 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 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 Ms. 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 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.

When appointed by the Board of Directors on February 13, 2019, it was agreed to take out the executive unemployment insurance in favor of Ms. Élisabeth Blaise relating to the compensation received for her office as Deputy Chief Executive Officer. For reasons beyond Mercialis's control, this insurance was not taken out within the agreed deadlines.

As a result, the Company confirmed that from February 2020, it had assumed the contributions and expenses related to the executive unemployment insurance from GSC, for an initial period of 12 months. This insurance cover gives rise to a benefit in kind, which bears the social security expenses and contributions.

It should be noted that if the insurance had been taken out within the agreed deadlines, the 12-month deductible period starting from the date of taking out the required insurance cover would have ended on February 12, 2020.

Under these conditions and taking into account the foregoing, it is specified that in the event of revocation of her term of office by February 28, 2021, the Company undertakes to pay Ms. Élisabeth Blaise an amount, net of social security contributions and income tax, equivalent to the sum that would have been paid to her, net of social security contributions and income tax, by GSC and for a maximum period of 12 months. No deductible period will be applied to the termination of the office for the payment of the allowance.

This allowance will be paid in monthly installments, which will be paid as long as Ms. Élisabeth Blaise is in a state of involuntary loss of professional activity. It will cease to be paid, once any professional activity is resumed. In any case, the allowance will not be paid beyond the 12-month allowance period. It is specified that this allowance will not be due if Ms. Élisabeth Blaise resigns from her office, or if her mandate is transformed into a single employment contract.

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, which will be paid in installments during its term.