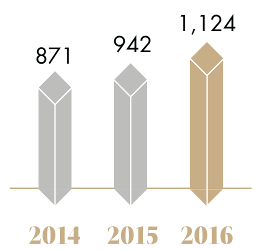
ANNUAL REPORT

CeGeREAL

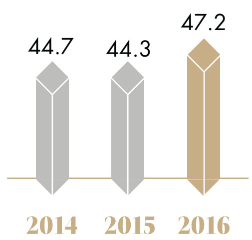
CONTENTS

HIGHLIGHTS

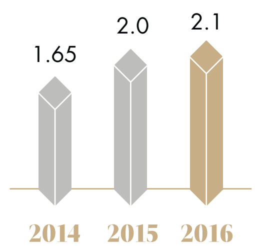
PORTFOLIO VALUE (in €M)



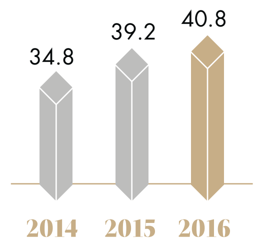
IFRS NET RENTAL INCOME (€M)



DIVIDEND PER SHARE (in €)



NNNAV PER SHARE (in €)



A different kind of property company

Cegereal is a property company that invests in prime office properties in the Grand Paris region. Our unmatched office portfolio comprises large complexes located in the region's most dynamic business districts. Offering a combination of functionality and premium amenities that make them great places to work, the properties are closely aligned with the expectations of first-class tenants and provide Cegereal with high-quality rental revenues. From the outset, our growth strategy has been guided by the principles of social responsibility and environmental stewardship. Because our buildings are used by several thousand employees and visitors every day, they play an important role in enhancing their district's business appeal. Cegereal has an ongoing commitment to improving the quality and performance of its properties by ensuring the well-being of their users. This promising positioning, along with an appropriate loan-to-value ratio, offers shareholders the prospect of high yields and solid rates of capital appreciation over the long term. Cegereal shares have been traded in compartment B of the NYSE Euronext Paris stock exchange since March 2006. The Company has elected for the status of listed real estate investment company (*Société d'Investissement Immobilier Cotée* – SIIC). ◆

€1.1 billion
portfolio value (excluding transfer duties)
Valuations by BNPP RE, Catella and Cushman & Wakefield as of December 31, 2016

13th largest listed real estate investment company in France by market capitalization
Ranking at December 31, 2016 (sources: IEIF, Euronext)

ONE
of the few French property companies specialized in office buildings in the Grand Paris market

RECENT high quality buildings in Paris's inner suburbs

More than 150,000 sq.m
Office portfolio at December 31, 2016

HANAMI **Eight buildings connected by a superb veranda and a Japanese river form a one-of-a-kind, 32,000 sq.m corporate campus, situated in a landscaped park spanning more than three hectares in the center of Rueil Malmaison, the green city in the western Paris suburbs. Designed by Valode & Pistre.**

1.1 OUR GROUP

ETHICS & DETERMINATION

"The current environment provides the ideal backdrop in which to re-evaluate our industry's business models and propose a new investment offer as we build a modern and agile REIT."

John Kukral,
Chairman of the Board of Directors

EUROPE WILL ALWAYS LOOK BACK ON 2016 as the year in which Britain voted to leave the EU, France and Germany will also remember it for their first encounter with negative interest rates.

The initial effects of the drop in rates were felt almost immediately, with the elevated returns on real estate assets relative to bonds triggering a sharp increase in allocations to the sector. Real estate once more regained its reputation as a safe haven, leading to intense competition for high-quality properties in core markets, such as Paris, and a commensurate reduction in capitalization rates to levels not seen since the prior peak. Europe's strong and relatively broad-based economic performance in 2016 has helped underpin some of these valuation gains. In light of these conditions, REITs have a major card to play in that their competitive advantage makes them the right vehicle to satisfy growing demand for yield while providing liquidity. The current environment provides an excellent backdrop to build a modern and agile REIT focused on owning high quality Parisian assets.

In 2016, Cegereal's challenge was to pursue accretive acquisitions while successfully completing its internal restructuring. During the first quarter the company was successful in attracting two significant new shareholders and enhancing the Board of Directors. Our reconfigured Board of Directors includes two new independent members, Marie-Flore Bachelier and Jean-Marc Besson, as well as two representatives from the Government of Singapore Investment Corporation. The Board is there to protect the interests of all of our shareholders and its principles are based directly on the AFEP-MEDEF Code. Its three committees, chaired by independent directors, met several times in 2016 with an excellent attendance rate. Our financial communications are designed to give our shareholders maximum visibility with respect to their assets. We have placed Corporate Social Responsibility (CSR) at the heart of our sustainable performance strategy and appointed an independent third party to verify our buildings' performance and ensure that our real estate activities are aligned with our CSR commitments.

The strategic support of Northwood's teams provided a fresh impetus to pursue new acquisitions. With the successful restructuring of our balance sheet, the company made its first acquisition by acquiring Hanami, a class-A Office property with an excellent credit and long leases.

Paris, one of the world's largest urban economies and home to the greatest number of corporate headquarters after New York and Tokyo, remains a highly sought-after, transparent and secure market in which to invest. The Grand Paris project will position Paris to continue to attract world class companies. After several lackluster years, the French economy looks set to progressively enter a new growth phase. This suggests that the time is ripe for Cegereal to flourish as a new generation REIT in the French office property market. ▲

2016 BEGAN WITH A FRIENDLY TENDER OFFER FROM A FOREIGN INVESTOR, a major event in the life of any company. Besides our legal obligations for this type of operation, Cegereal's teams worked alongside Northwood, our new shareholder, in the placement process to help reduce its stake to below the authorized 60% threshold as quickly as possible. This was vital in paving the way for growth and involved communicating widely on the company and our properties. We achieved our objective within three months of the tender offer.

Our investments were carried out in highly unconventional conditions. Medium-term swap rates continued to fall, hitting negative levels in the second quarter. Cegereal took advantage of this environment and refinanced its debt during the summer, generating immediate interest expense savings. The decision to refinance also gave us additional resources to engage in external growth transactions. In the second half of the year we launched our first investment with the acquisition of Hanami, an eight-property complex. As well as having an immediate accretive impact on revenues, the acquisition further diversified and enhanced our leased property portfolio and geographical coverage and, being located on an extensive site at the heart of Rueil Malmaison, has the potential to deliver long-term value. Our goal is to leverage our strengths to build a portfolio of prime office properties through value added and opportunistic investments. The Hanami acquisition was an opportunistic investment, in which the quality of our teams and our REIT tax status played a key role.

During the year we also completed a number of high priority internal projects in terms of operational management and governance. We wanted to rethink relations with our tenants, most of which are sector leaders and high-growth companies. They are not only our tenants, but also drivers of forward-looking ideas. Meetings with real estate managers and new generation user groups have never been so engaging or generated so much value.

We continue to reap the rewards of our Upgreen Your Business project, and thanks to the close collaboration of all of our stakeholders and the integration of our IT systems, our organization is constantly improving. After coming third in 2015, in 2016 Cegereal was named Sector Leader in the "listed office property companies in Europe" category of the Global Real Estate Sustainability Benchmark. During the year we also adopted an efficient environmental management system, which earned us ISO 14001 certification[1].
Lastly, we received a Gold Award from the European Public Real Estate Association for the quality of financial reporting in our Annual Report.

Following a year of enhancements and new starts, Cegereal remains a high-performing company true to its strategy. Thanks to our highly granular leased property portfolio and strong occupancy rate, our revenue remains solid. The Board of Directors has therefore decided to ask the General Shareholders' Meeting to approve the payment of a €2.10 dividend per share, up 5% from last year. ◆

Raphaël Tréguier,
Chief Executive Officer

"Our goal is to leverage our strengths to build a portfolio of prime office properties through value added and opportunistic investments."

(1) International Organization for Standardization

Proximity & High Standards

CEGEREAL, AN OFFICE PROPERTY COMPANY

Our vision is to be the French benchmark office property company in the global marketplace,
for investors and large corporate tenants alike.

A property strategy focused on the long term

CONSTANTLY IMPROVING THE PORTFOLIO'S QUALITY AND PERFORMANCE

The ongoing optimization of office space and continuous improvements in the amenities offered by Cegereal's buildings are underpinned by an active investment policy. In this way, the value of our portfolio has held steady since the Company was founded in 2006, despite the financial crisis. Initiatives focus on the entire portfolio, with particular emphasis on the versatility of the rental stock and the buildings' quality of life, amenities and environmental performance. In 2016, the project to replace and remotely manage utility installations at the Europlaza and Arcs de Seine buildings was completed, with the goal of improving their energy efficiency. Our teams also took advantage of Boursorama's departure to bring Arc de Seine's remaining 10,000 sq.m into compliance with the latest technical standards.

MAKING CLIENT SATISFACTION A PRIORITY

Cegereal works closely with clients to develop a relationship built on trust, so as to foster customer loyalty over the long term. Listening to tenants' needs on a daily basis is one of our main concerns. Building managers are located at each property to meet with users and provide them with the superior service and quality of life they expect. Satisfaction surveys are carried out frequently so that buildings and amenities can be regularly upgraded and aligned with emerging needs. Of the 27 tenants in place between 2014 and 2016, only three have left, of which one, Boursorama, recently purchased its own building.

SUPPORTING A SELECTIVE, BALANCED RENTAL STRATEGY

Cegereal's rental strategy is rooted in selecting and retaining first-class tenants, including such headline names as Canal+, Hewlett Packard, Cap Gemini, Crédit Foncier, Galderma and Vinci. Several fast growing tenants, such as Gartner, BforBank and Gas Natural, leased additional space during the year. These national and international companies, all leaders in their industry, have solid balance sheets and present a low rent default risk. Overall, 96% of leased space in 2016 was occupied by tenants with a Dun & Bradstreet risk rating of 1 or 2. The diversification of the rental portfolio has improved significantly, rising from 15 to 27 tenants in the space of four years.

INVESTOR INFORMATION

www.cegereal.com

Cegereal

Investor Relations

42 rue de Bassano - 75008 Paris

Phone: +33 (0)1 42 25 76 36

INVESTOR CALENDAR

February 17, 2017
2016 results

April 20, 2017
Annual Shareholders' Meeting

April 21, 2017
First-quarter 2017 revenue

July 13, 2017
Dividend payment

July 21, 2017
First-half 2017 results

October 26, 2017
Third-quarter 2017 revenue

2016 HIGHLIGHTS

JANUARY	Northwood launches a successful tender offer, acquiring 98.44% of Cegereal's share capital
APRIL	GIC acquires a 25% stake in Cegereal
JULY	€525 million credit agreement signed
SEPTEMBER	Cegereal named GRESB Sector Leader among listed office property companies in Europe
SEPTEMBER	Cegereal's Annual Report wins an EPRA Gold Award
DECEMBER	Hanami campus acquired

Fulfilling a responsible corporate vision

BUILDING UPON DISCIPLINED GOVERNANCE

Cegereal's governance endeavors to protect the interests of both the company and all its shareholders, by upholding strict rules concerning transparency and independence. The Company complies with the AFEP-MEDEF Corporate Governance Code and applies a stringent risk management policy. Governance is based on a three-tier structure, with a Board of Directors, three active Board Committees and an Executive Management team. The latter works closely with shareholders, to whom Cegereal offers the security of a high, long-term return on their investment.

MAINTAINING OUR SECTOR LEADERSHIP IN CSR

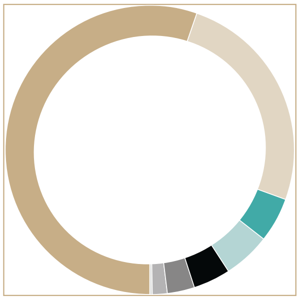
In its commitment to acting as a responsible property company, Cegereal has in recent years been deploying an effective environmental strategy backed by ambitious initiatives. In recognition of our Upgreen Your Business project, Cegereal was named Sector Leader in the Global Real Estate Sustainability Benchmark ranking in the "listed office property companies in Europe" category. Following the roll-out of an environmental management system, Cegereal earned ISO 14001 certification, attesting to the quality of our environmental policies.

MAINTAINING A HEALTHY BALANCE SHEET

The value of our portfolio is nearly twice that of our debt. The signature of a €525 million credit agreement with a pool of European banks in July 2016 enabled us to refinance an existing €405 million loan maturing in August 2017. As a result, we were able to fund growth transactions like the acquisition of the Hanami campus. Taking full advantage of favorable market conditions, we negotiated a very competitive interest rate of 1.35%, for a debt ratio of 55%, while reducing our finance costs by 45%. The loan has a maturity of five years, with the possibility of extending it for a further two years.

CEGEREAL OWNERSHIP STRUCTURE
as at December 31, 2016

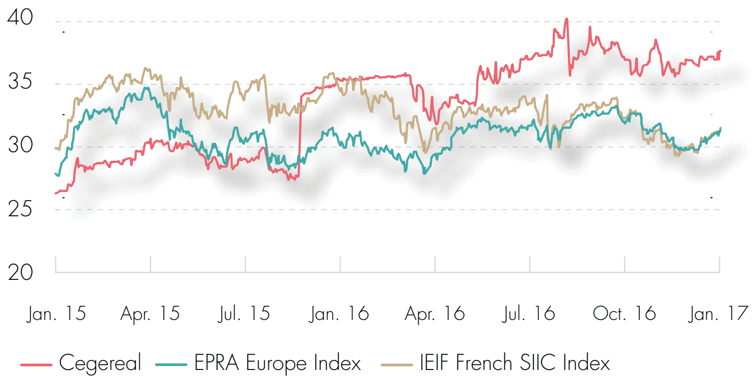
55.4% Northwood
25.0% GIC
5.2% AXA
5.2% University of Texas
4.1% Silas
3.1% Gothic
1.7% Flottant
0.1% Free float



LISTING DETAILS

Name	CEGEREAL SA		
Market	EURONEXT PARIS	**ICB classification**	Sector 8670, Real Estate Investment Trusts
ISIN	FR0010309096	**Indices**	CAC All Shares IEIF SIIC France CAC Financials CAC RE Inv. Trusts Next 150
Symbol	CGR		
CFI	ESVUFB	**Eligibility**	SRD
Type	Eurolist Compartment B	**Registrar**	BNPP Securities Services

SHARE PERFORMANCE COMPARED WITH THE MAIN INDICES



EXECUTIVE MANAGEMENT

The Executive Management team is led by Raphaël Tréguier and Jérôme Anselme, two experts in corporate finance and real estate who are widely recognized for their in-depth knowledge of the greater Paris market.

Raphaël Tréguier,
Chief Executive Officer

Raphaël Tréguier, 42, has solid experience in real estate and corporate finance. Long involved in managing the acquisition of listed and unlisted companies and major portfolios, he spent seven years from 2001 to 2008 as a member of GE Real Estate France's investment management team. He was appointed Chief Executive Officer in early 2012.

Jérôme Anselme
Deputy Chief Executive Officer

Managing Director at Northwood Investors, responsible for investments in Europe. Since joining Northwood in 2012, Mr. Anselme has been actively involved in all of the firm's European investment and asset management activities. He previously worked at Citigroup and JPMorgan before being appointed Director at Bank of America Merrill Lynch in London. He was involved in origination, distribution and asset management of commercial real estate debt. Mr. Anselme holds a Master in Management from EDHEC Business School and a Master in Finance from Sciences Po – Institut d'Etudes Politiques, in France.

Corporate Governance Reference Code

Working groups of the French Association of Private Enterprises (AFEP) and the French Enterprise Movement (MEDEF) have drawn up a set of recommendations defining certain principles of proper operation and transparency intended to improve the management of listed companies and their image with investors and the public. Cegereal has adopted these recommendations as its reference code in application of the Law of July 2008. More information available on www.code-afep-medef.com (in French).

BOARD OF DIRECTORS

GOVERNANCE PRINCIPLES

In compliance with the AFEP-MEDEF Corporate Governance Code of Listed Corporations issued in November 2015, Cegereal is governed by the Board of Directors, the Board's three committees and the Executive Management team. This organization complies with the governance rules issued by the French financial markets authority (*Autorité des Marchés Financiers* – AMF). The company's bylaws may be viewed at www.cegereal.com.

Investment Committee

Jean-Marc Besson (Chairman)

Alec Emmott

Sébastien Abascal

Audit Committee

Marie-Flore Bachelier (Chairman)

Jean-Marc Besson

Sébastien Abascal

Appointments and Compensation Committee

Alec Emmott (Chairman)

Marie-Flore Bachelier

Khaled Kudsi

LIST OF DIRECTORS

John KUKRAL, Chairman of the Board of Directors
President and Chief Executive Officer of Northwood Investors

Jérôme ANSELME, Deputy Chief Executive Officer
In charge of Northwood Investors' investment and asset management activities in Europe

Marie-Flore BACHELIER, independent director
Chief Financial Officer at Novaxia, prior to which she was Chief Financial Officer for nine years at Mercialys

Jean-Marc BESSON, independent director
President & Senior Managing Director at Beacon Capital Partners France since 2006

Erin CANNATA, director
Member of the Investments Department at Northwood Investors in Europe

EUROPROPERTY, independent director, company represented by its manager, Alec Emmott, Managing Director of Société Foncière Lyonnaise from 1997 to 2007

Sophie KRAMER, director
Member of the Asset Management Department at Northwood Investors in Europe

Khaled KUDSI, director
Senior Managing Director at Northwood Investors, in charge of investments in the United States and Europe

EFPL - GIC, GIC, director, company represented by Sébastien Abascal, in charge of investment and asset management activities in France and Germany for GIC Real Estate

ELPL – GIC, GIC, director, company represented by Madeleine Cosgrave, in charge of investment and asset management activities in Europe for GIC Real Estate

ARCS DE SEINE **Four prime office buildings on the banks of the Seine, nestled in a 3,000 sq.m landscaped park, forming the only corporate campus in the heart of France's Telecom Valley. Its prestigious tenants include Canal+, Sagem, Hewlett Packard and Huawei. Designed by Skidmore, Owings & Merrill.**

1.2 PORTFOLIO

Management & Innovation

DRIVING PERFORMANCE WITH WELL-BEING

At Cegereal, we are deeply committed to performance. We want to satisfy the world's most demanding tenants by delivering the best of Paris, in terms not only of space but also of functionality, environmental footprint, accessibility and amenities. Look at our buildings and our corporate campuses. They are unique. And they offer a remarkable user experience.

Europlaza 52,500 sq.m

A prime location in the heart of Europe's largest business district.

The third building in France to earn both HQE Exploitation and BREEAM In-Use International "Very Good" certifications.

Exclusive, private 3,300 sq.m landscaped, tree-covered green space.

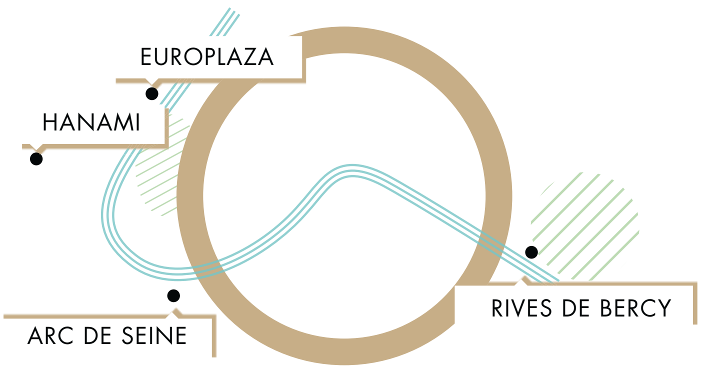
Outstanding amenities: a large private onsite parking garage, a gym with a sauna and physical therapist, a cafeteria with a terrace on a tree-shaded patio, and an intercompany restaurant serving up to 1,200 meals a day.

A resident building manager and two full-time technicians.

Main tenants: Cap Gemini, GE Money Bank, Galderma, BforBank

Interior architect: Juan Trindate

HQE Certification
Garden tower
Outstanding amenities
100m from public transportation links



Hanami Campus 31,700 sq.m

A breath of fresh air in the most popular location in the Western Crescent of Grand Paris.

A complex comprising eight office buildings on a 3.3-hectare site, ideally located between the La Défense, Nanterre and Rueil 2000 business districts and the posh neighborhoods on the bend of the Seine.

Refurbishing program underway designed to earn BREEAM In-Use International ratings of “Very Good” for asset performance and “Excellent” for building management.

High-quality amenities: glass facades, 2.60-meter headroom, raised floors and dropped ceilings, air conditioning, conference room, intercompany restaurant, 838 underground parking spaces.

Direct connections to Paris and optimal accessibility to the entire greater Paris region via the A86 motorway.

Prestigious neighbors: BNP Paribas, Total, Schneider Electric, Novartis, Bristol Myers Squibb, Unilever, PSA, American Express, Heineken, Axens, IFP Energies Nouvelles, etc.

Main tenants: Axens, Brandt and Vinci Environnement

Architect: Valode & Pistre

BREEAM In-Use International
“Very good” certification
Landscaped gardens
High-quality amenities
Close to the A86 and direct connections to Paris

Arcs de Seine 47,200 sq.m

Space, light and views at the crossroads of high tech and sustainability.

Three buildings of five, seven and eight floors, laid out around a private 3,000 sq.m landscaped park.

Completely modular 1,400 to 2,800 sq.m floor plates.

Shared amenities: reception and meeting rooms, an auditorium, comprehensive foodservice facilities, a parking garage and corporate concierge services.

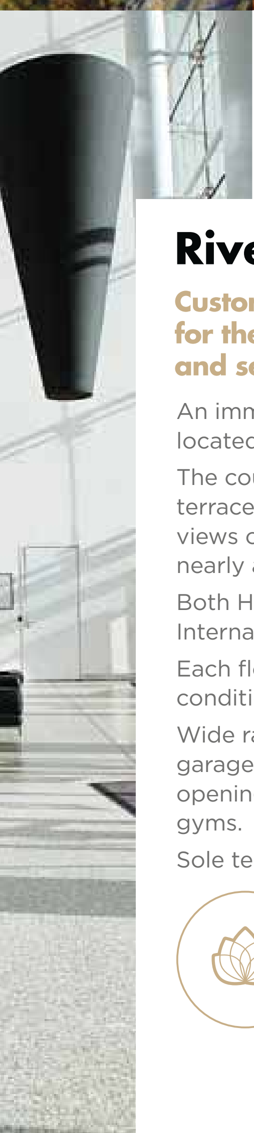
Resident building managers ensure that the entire site operates smoothly and efficiently around the clock.

Arcs de Seine was one of the first office complexes in the district to earn HQE Exploitation certification. It has also been certified BREEAM In-Use International “Very Good” following an audit of its Part 1 (Assets) and Part 2 (Building Management Performance) aspects.

Main tenants: Canal+, Hewlett Packard, Sagem and Huawei

Architect: SOM - Skidmore, Owings & Merrill

HQE Certification
Landscaped gardens
Everyday services
100m from public transportation links



Rives de Bercy 31,900 sq.m

Custom designed interiors and amenities for the French leader in real estate financing and services.

An immense “6”-shaped building complex, ideally located just minutes from central Paris.

The country in the city: lawn-covered panoramic terraces, overhead walkways offering unencumbered views of the Seine on one side and a vista overlooking nearly a hectare of landscaped gardens on the other.

Both HQE Exploitation and BREEAM In-Use International “Very Good“ certifications.

Each floor plate is equipped with state-of-the-art air conditioning, soundproofing and lighting technologies.

Wide range of amenities: meeting rooms, a parking garage, an auditorium, a restaurant and cafeteria opening onto a landscaped garden, club lounges, and gyms.

Sole tenant: Crédit Foncier de France

HQE Certification
Panoramic terraces
On the banks of the River Seine
State-of-the-art technological services

PROPERTY PORTFOLIO

ASSETS

	EUROPLAZA 20, avenue André-Prothin (La Défense)	ARCS DE SEINE 34, quai du Point du Jour (Boulogne-Billancourt)	RIVES DE BERCY 4, quai de Bercy (Charenton-le-Pont)	HANAMI[1] 89, Bd Franklin Roosevelt (Rueil-Malmaison)	TOTAL PORTFOLIO
% holding	100%	100%	100%	100%	n.a.
Value	€362M	€415M	€195M	€152M	€1,124M
Value/sq.m	€6,898/sq.m	€8,788/sq.m	€6,105/sq.m	€4,795/sq.m	€6,881/sq.m
Year-on-year change in value	+0.3%	+9.5%	-3.5%	-	+3.2%
Capitalization rate[2]	5.5%	4.5%	5.3%	6.0%	5.2%
2016 IFRS rental income	€19.2M	€17.7M	€9.9M	€0.4M[3]	€47.2M
2015 IFRS rental income	€18.1M	€16.4M	€9.8M	-	€44.3M
Year-on-year change in rental income (in €m)	€1.2M	€1.3M	€0.0M	-	€2.9M[4]
Year-on-year change in rental income (in %)	+6.4%	+8.0%	0.0%	-	+6.5%[4]
Financial occupancy rate[5]	82%	80%	100%	92%	87%
2016 weighted average residual duration of leases	4.4	5.4	5.0	7.0	5.5
2015 weighted average residual duration of leases	4.0	5.1	6.0		4.9
Total surface area	52,478 sq.m	47,222 sq.m	31,942 sq.m	31,702 sq.m	163,344 sq.m
of which Offices	*47,131 sq.m*	*44,182 sq.m*	*29,136 sq.m*	*28,543 sq.m*	*148,992 sq.m*
of which Service areas	*3,157 sq.m*	*2,041 sq.m*	*2,424 sq.m*	*1,666 sq.m*	*9,288 sq.m*
of which Archives	*2,190 sq.m*	*999 sq.m*	*382 sq.m*	*1,493 sq.m*	*5,064 sq.m*
Parking spaces	722	942	657	838	3,159
Year of acquisition	1999	2000	2003	2016	n.a.
Year of construction	1972	2000	2003	1991	n.a.
Year of refurbishment	1999	2011	n.a.	2010 & 2016	n.a.
Type of leases	Investor	Investor	Investor	Investor	Investor
Main tenants	GE Capital Cap Gemini Galderma	Canal + Huawei Hewlett Packard	Crédit Foncier de France	Axens Brandt France Vinci	Crédit Foncier de France GE Capital Cap Gemini

(1) Property acquired in December 2016.
(2) Source: BNPP RE, Catella and Cushman & Wakefield real estate valuations.
(3) €9.1m in annualized rents.
(4) €2.5m and 5.6% on a constant scope basis.
(5) The financial and physical occupancy rates are defined in section III.1 "Rental Activity"


MÉTIERS
CORPORATES
INTERNATIONAUX

EUROPLAZA **The first "Garden Tower" in La Défense, Europe's largest business district. Its wide array of amenities and private 3,300 sq.m garden, unlike any other in La Défense, make it an outstanding vertical corporate campus. Its longest standing tenants include GE Money Bank, Cap Gemini, BforBank and Galderma. Designed by B&B Architectes, the complex was restyled by Juan Trindade in 2012.**

1.3 THE MARKET

Security & Ambition

LEADING THE WAY IN A FAST GROWING MARKET

Despite the lackluster 1.3% growth in French GDP in 2016, the commercial real estate market remained very robust throughout the year. Brexit and other sources of political uncertainty seem to have had little impact on the business environment and consumer confidence. The office rental market rose by 7% over the year, outpacing its ten-year average. The vacancy rate dropped to 6.7%, the lowest since 2009. As the main alternative, with Germany, to the UK market, French real estate offers large international investors a number of attractive advantages.

France, an appealing safe haven

France is a preferred destination for investors looking for the market depth and stability that protects returns. That's one reason why more than €30 billion was invested in French commercial property over the year. The average price of office space in the greater Paris region rose by 2% year on year in the final quarter, to €6,040 per sq.m (including transfer duties). Despite historically low buy-to-let yields and prime rates close to 3%, the risk premium in relation to ten-year French fungible treasury bonds continued to widen in 2016. The prospect of a far higher return than on bonds proved irresistible, and massive amounts of capital poured into the market, especially the office segment, which accounted for the majority of investments. Quality remains the essential criterion. The market was particularly driven by sales of new assets (less than five years old), which represented nearly 40% of transactions.

Fully 80% of the funds invested in France were concentrated in the greater Paris region. The fastest growing demand was in the services sector. The majority of funds were invested in large, well situated properties leased to first-rate tenants, with 80 transactions out of 346 exceeding €50 million accounting for 78% of the total amount invested.

2.4 million sq.m
Office take-up in the greater Paris area over the full year.

+46%
increase in office investments

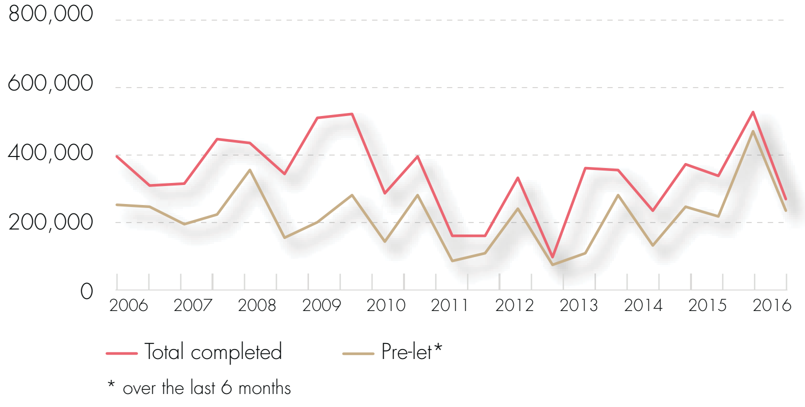
80%
of funds invested in French commercial real estate were committed in the greater Paris area.

Rental activity: a fourth straight year of growth

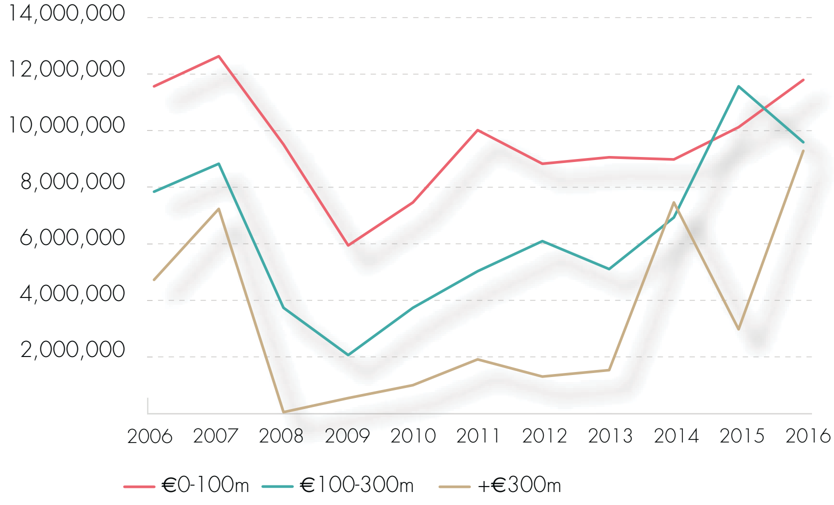
The greater Paris regional office rental market had a good year in 2016, with 2,410,000 sq.m taken up. As always, prime locations were most in demand. In the Métropole du Grand Paris, immediate supply barely matched demand. As well, almost all of the stock delivered during the year was pre leased. Attractive vacancies remained scarce.

With demand from large users massively focused on greater Paris office space, the contraction in supply drove an upturn in rental values. This upward trend could gain momentum in the coming periods, if incentive packages ease from the average 22% observed on leases of more 1,000 sq. m. in 2016. Immediate supply of large office premises declined by 13%, which represents less than 1.5 million vacant sq.m in 147 buildings. Scarcely more than 40% is prime new or remodeled property. Transactions exceeding 5,000 sq.m climbed 46%, led by a large number of over-20,000 sq.m deals. Of these, 80% were located in Paris and the Western Crescent. La Défense enjoyed an excellent performance, with the number of transactions more than doubling (up 166%) year on year. Transactions in Neuilly/Levallois and the south inner suburbs were also up more than 50%. The number of deals under 5,000 sq.m held steady at the high levels reached in 2015.

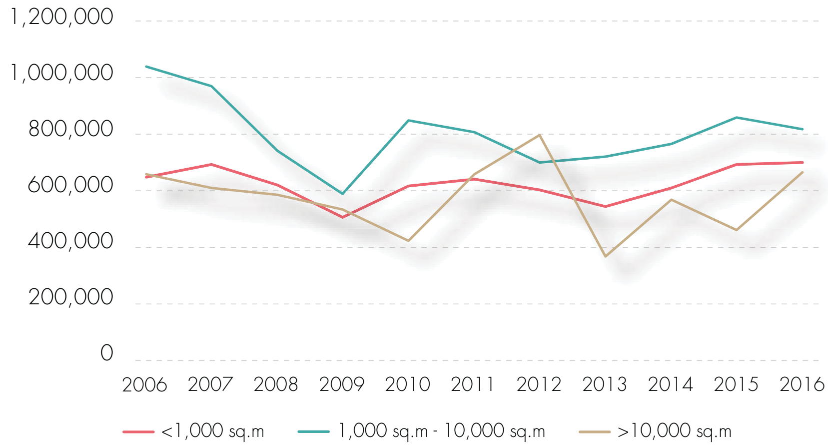
CONSTRUCTION & COMPLETION IN PARIS AND INNER SUBURBS SINCE 2006 (IN SQ.M)



INVESTMENT VOLUMES IN THE PARIS REGION, BY ASSET SIZE



TAKE-UP BY SURFACE AREA IN THE GREATER PARIS REGION SINCE 2006 (IN SQ.M)



Security & Ambition

PARIS, CAPITAL OF THE 21ST CENTURY

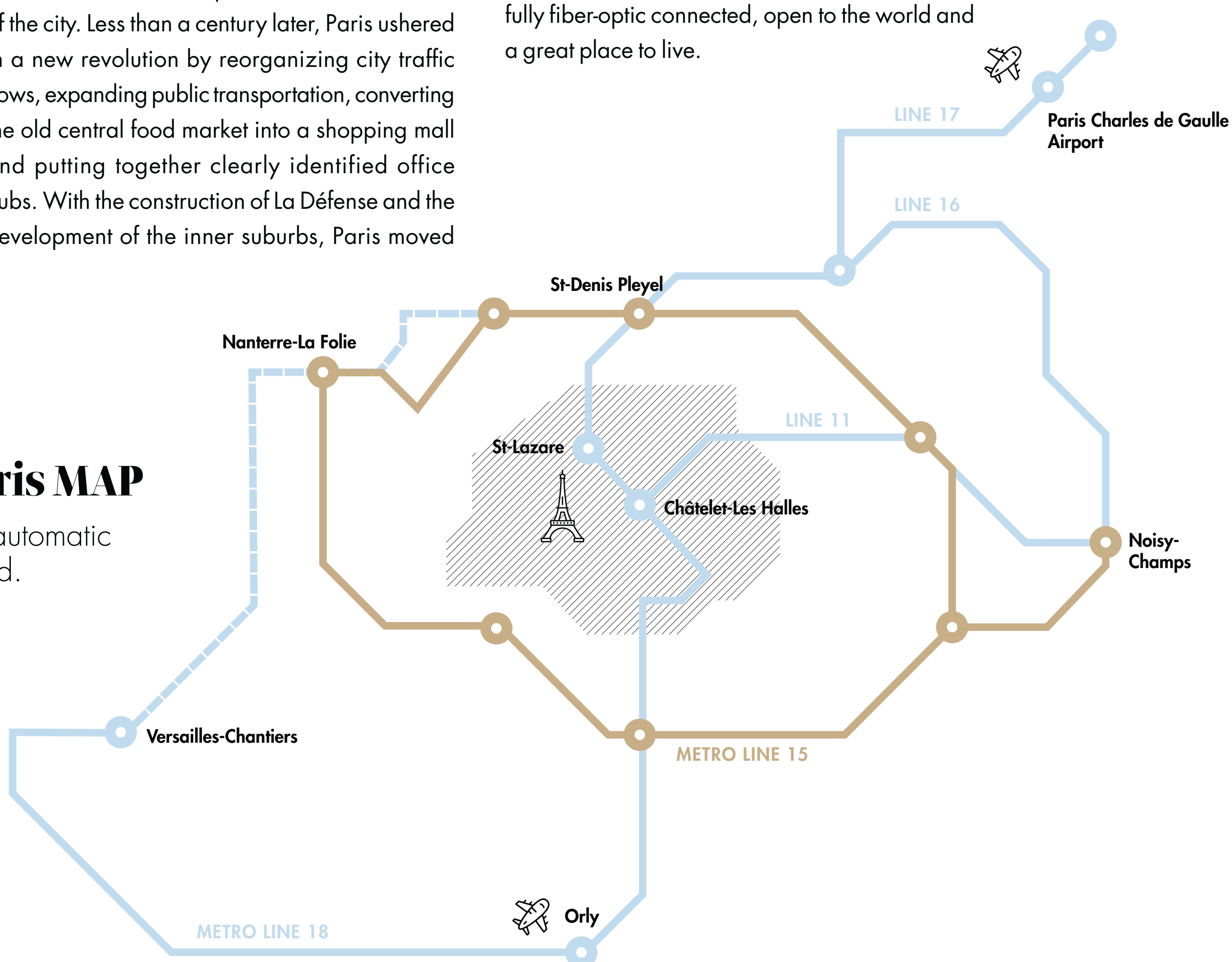
Paris has big dreams and the wherewithal to make them come true. The French capital is bidding to host both the 2024 Olympics and the 2025 World Expo, two mega-projects that amply demonstrate the City of Light's ability to focus everyone's energy on meeting the most exciting challenges.

A potential 20% increase in GDP

This Parisian élan is hardly new, as the Eiffel Tower, beacon of the 1889 Exposition Universelle, elegantly reminds us. At a time of economic expansion and booming industry, Paris was already the symbol of the modern city. People from across the world flocked to marvel at her superb facades and spacious boulevards, her drinking water and sewage networks – the heritage of Baron Haussmann's profound transformation of the city. Less than a century later, Paris ushered in a new revolution by reorganizing city traffic flows, expanding public transportation, converting the old central food market into a shopping mall and putting together clearly identified office hubs. With the construction of La Défense and the development of the inner suburbs, Paris moved up a notch and affirmed itself as a leading capital of business. Today, Paris is looking further into the future and actively investing to get there. Already, €36 billion has been committed to build Grand Paris Express, a new ultra highspeed transportation and communication network. According to the Société du Grand Paris, this mega-project is going to generate a vast amount of investment and a more than 20% increase in GDP. Its ambitious vision is to build a new kind of megapolis – people-friendly, fully fiber-optic connected, open to the world and a great place to live.

Greater Paris MAP

Four high-speed automatic metro lines around.



MARKETS

The major challenges of Grand Paris

BECOME THE CAPITAL OF INTERMODAL TRAVEL

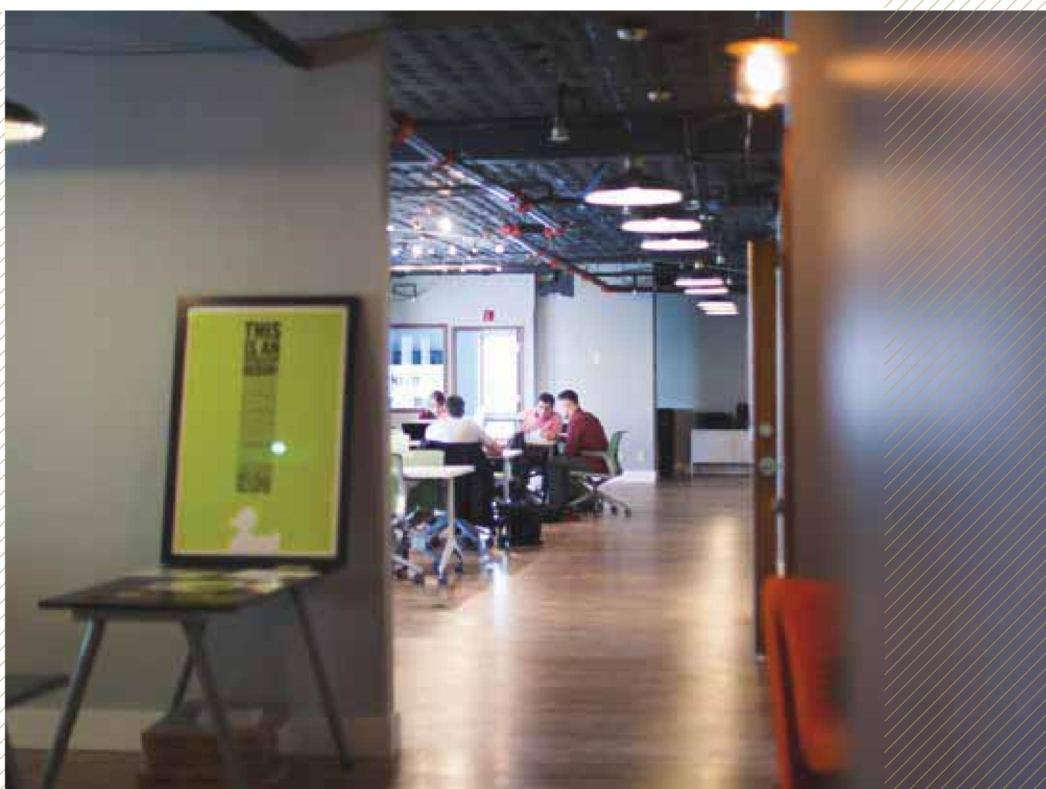
The construction of 200 kilometers of automated metro lines and 68 new stations by 2030 will create new public spaces throughout the greater Paris region. More than just stations, these "Grand Paris plazas" are going to bring intermodal capabilities to millions of public transit users in the form of accessible, comfortable, friendly city spaces. What's more, and unlike in other "world cities", the urban development projects around Paris are structured as public-private development zones (ZACs). Local development plans (PLUs) addressing the real needs of their communities will ensure a harmonious, sustainable mix of retail outlets, offices and housing. This is a considerable advantage for an investor like Cegereal, which can plan for the developments around the new Grand Paris stations. In all, the Grand Paris project is reinventing urban performance, with seamless traffic flows, ultra-fast airport connections (CDG Express) and port infrastructure consolidated with the Rouen and Le Havre facilities (HAROPA).

ESTABLISH ITSELF AS THE CAPITAL OF INNOVATION

Paris has become one of the most popular cities for startups, with 170 investment projects ranking it third after London and Shanghai, according to KPMG's Global Cities Investment Monitor. The capital of fashion, luxury and refinement, Paris is also an exciting creative center for new information and communication technology giants and fertile ground for the startups that will shape the digital economy of tomorrow. Between the second and third quarters of 2016, capital invested in France increased by $584 million (€550 million), compared with only $76 million (€71 million) in the United Kingdom. Paris is clearly becoming the European capital of innovation financing. More than 100 companies from the greater Paris region exhibited at the latest Consumer Electronics Show in Las Vegas. In the third quarter alone, the capital saw 65 transactions for a total of €286 million. The new economy, as exemplified by such companies as Octo Technology, BlaBlaCar and Zenly, is putting down roots in Paris. For their offices, these emerging technology companies prefer the prestigious environments and quality of life found in the western Paris suburbs, such as Arcs de Seine, home to Huawei, Hewlett Packard, Sagem, BBC, Exclusive Networks and others. The same is true for the strategic energy, transportation, environmental services, pharmaceuticals and agrifoods industries. The Plateau de Saclay campus and the eight other clusters in the greater Paris region now attract researchers from around the world. For investors, this innovation drive provides the assurance that their assets are invested in a metropolis that is designing the future.

BECOME THE CAPITAL OF VERY HIGH-SPEED BROADBAND

The circular Grand Paris Express transit network will link all the major centers of research, manufacturing, services and jobs in the greater Paris area. It will also directly interconnect the communities with fiber optics, densifying existing networks by equipping the inner suburbs with fully secure redundant pathways. This will deliver better quality of service and the capacity to handle the exponential growth in bandwidth needs in the coming decades. On April 8, Orange, SFR, the French government and the greater Paris region jointly agreed to finance the deployment of fiber to the home (FTTH) networks to every home and business in the Paris region. Business in Paris is moving into the fast lane.



RIVES DE BERCY **Crédit Foncier's head office since 2003, the Rives de Bercy complex symbolizes the vibrancy of Paris' eastern suburbs. Its sole tenant particularly appreciates its panoramic views over the Seine, suspended terraces and proximity to the other buildings of the Natixis BPCE group. Designed by HRO.**

1.4 PROPERTY STRATEGY



Understanding & Responsiveness

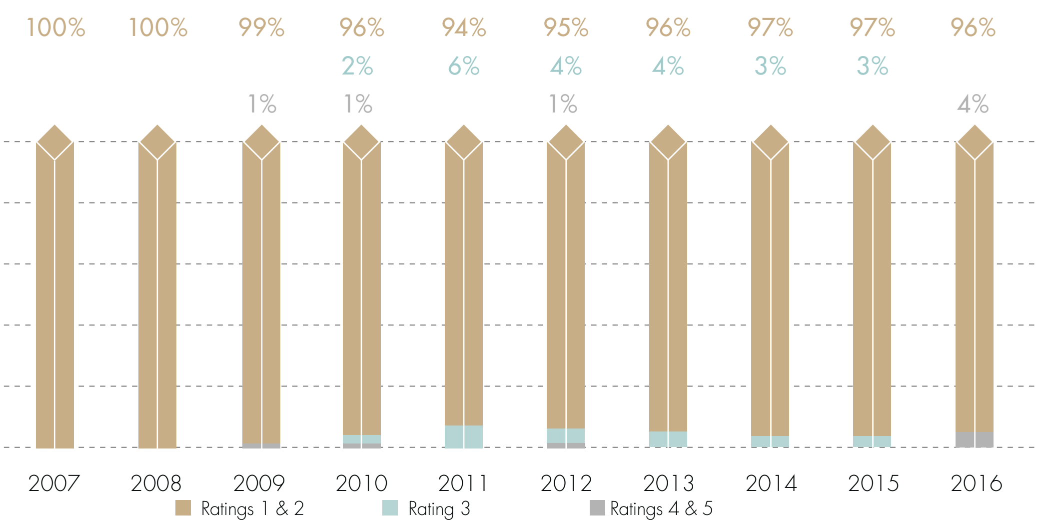
A RENTAL STRATEGY FOCUSED ON THE LONG TERM

Securing our income stream is a top priority, which is why our property strategy is highly selective and clearly geared to the long term. We focus on first-class tenants and retain their business by exceeding their expectations.

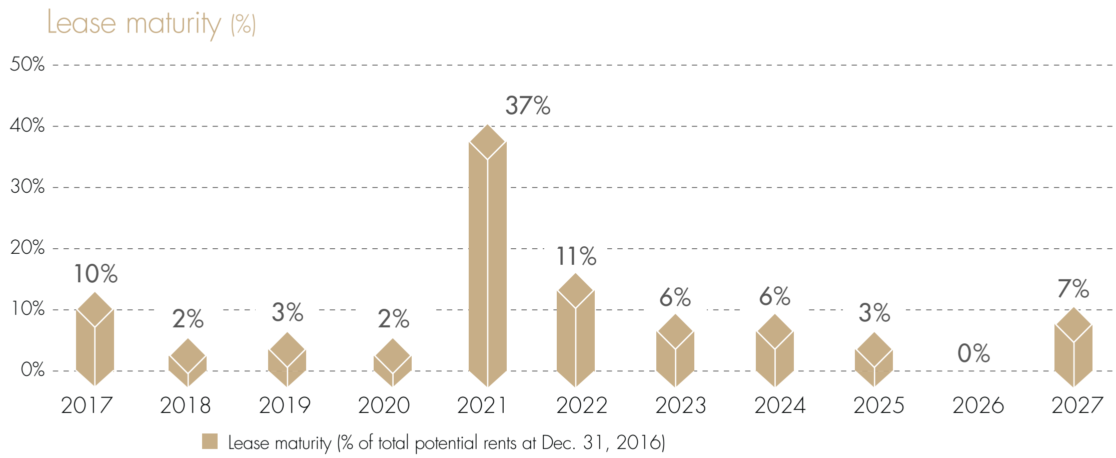
Prestigious tenants

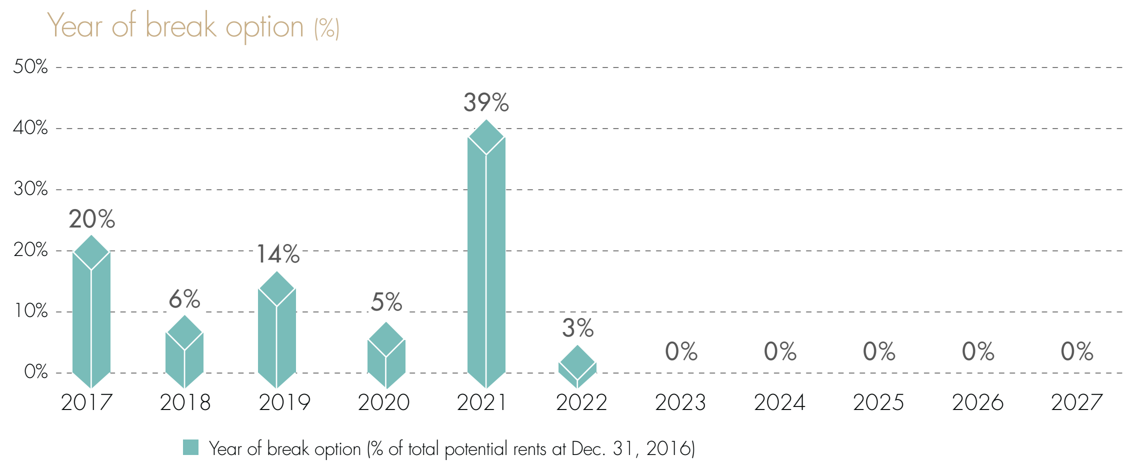
A full 96% of our tenants have a Dun & Bradstreet financial rating of 1 or 2. Most of them are companies with a national or international footprint, including such first-class tenants as Cap Gemini France, Crédit Foncier, Hewlett Packard and Huawei. These industry leaders, who have chosen our buildings to enhance their reputation and image, help to keep our balance sheet robust and underpin our sustainability and credibility.

First-class tenants



Source: D&B ratings





Commitments over the long term

We prefer to sign long commercial leases, generally with fixed terms of six to nine years, or in certain cases with more flexible time-frames as part of long-term partnerships. Rents are generally indexed to the ILAT, which consists of the average of the consumer price index (50%), the cost of construction index (25%) and GDP (25%). Our contracts permit the recovery of all building operating and maintenance costs from the tenants, as well as certain repair costs. In addition, the related property taxes are reinvoiced to our tenants.

Understanding & Responsiveness

HIGH VALUE-ADDED AMENITIES...

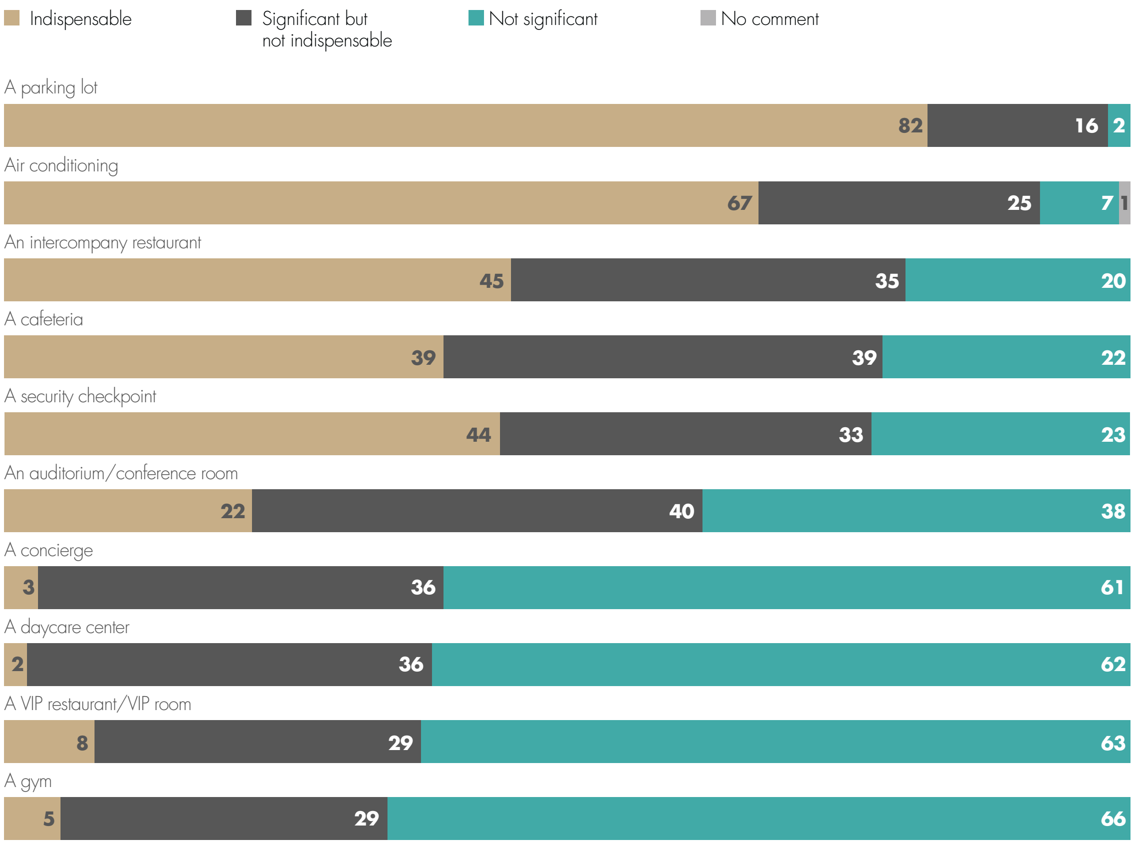
Remodeling and upgrading offices is becoming an important issue for more and more companies, in line with the increasing focus on user friendliness and well-being at work.

BNP Paribas Real estate conducted a national survey of 200 major users to identify what tenants expect in the way of services and amenities.

Our four office complexes offer not only all the amenities considered essential by the surveyed tenants (parking lot, air conditioning, security, intercompany restaurant and cafeteria), but also such quality-of-life features as an auditorium and a gym.

Importance of Various Criteria in a Future Workplace

Would you consider the following services to be Indispensable, Significant but not indispensable, or Not significant in your future workplace?



Companies seek to strike a balance between surface area and amenities to foster loyalty among their employees.

Base: 100% of respondents

… and a close relationship with each tenant…

In a commitment to constantly maintaining the highest occupancy rate in its buildings, Cegereal has built its rental strategy around the tenant experience, based on a close relationship and transparency. Our building management teams pay constant, careful attention to tenant expectations and complaints, and work with them to deliver the services and amenities they need (caretakers, maintenance, etc.). A management representative meets regularly with each tenant to review their needs and plans.

… enable us to respond proactively and effectively to their needs

This accessibility fosters trust-based relationships with tenants and helps to retain their loyalty. In return, they inform us well in advance of their real estate plans so that we can quickly and proactively address their needs with appropriate, project-specific solutions. In this way, we can regularly invest in optimizing our buildings to maintain their appeal.

Understanding & Responsiveness

OUR PARTNERS IN CREATING VALUE

Prestigious buildings and exceptional tenants need constant attention and special management skills. To optimize the value of our portfolio, we have clearly separated our Asset Management and Property Management operations and called upon two experts, widely recognized in the office property market, to run them. This decentralized organization enables us to benefit from the best available expertise, while reducing our operating costs.

Northwood's disciplined asset management

A consulting contract between Cegereal and Northwood Investors Asset Management, our main shareholder's management company, gives us access to the resources of a world leader in office building management. Its experts serve as advisors during property investment transactions and review the business operation of our assets. In particular, the agreement calls for an annual business plan with regard to investments carried out by Cegereal, a review of the Company's assets and performance, an analysis of real estate market data and lease trends, and the issuance of recommendations. Northwood also prepares quarterly building inspection reports, with a focus on tenant improvements and installations held in common. Lastly, it reviews our rental strategy and recommends ways to optimize it.

Yxime's property management expertise

Since Cegereal was founded, the day-to-day operations of our buildings have been managed by Yxime, a property management company that oversees assets totaling six million sq.m. Yxime acts as a strategic partner, with comprehensive knowledge of the operating history and tenants of the Europlaza, Arcs de Seine and Rives de Bercy complexes. It ensures that lease clauses are properly applied and that tenants fulfill all of their contractual obligations with respect to maintenance, insurance coverage and compliance with building rules. Its teams manage the buildings' administration and accounting, in particular invoicing, rent collection and managing cases of non-payment prior to legal proceedings. They are in charge of the utilities in the Europlaza and Arcs de Seine buildings, negotiating maintenance, supply and service contracts and deploying and tracking operations and maintenance contracts for all of the utilities and technical installations. Yxime also oversees the maintenance of the Rives de Bercy building, which is directly managed by its sole tenant.

Precision & Transparency

EPRA PERFORMANCE

The indicators published by Cegereal are aligned with the recommendations of the European Public Real Estate Association (EPRA), of which Cegereal is a member. EPRA's role is to promote, develop and represent the publicly listed real estate sector.

EPRA notably publishes its "Best Practice Recommendations" (BPRs) whose purpose is to enhance transparency, uniformity and comparability of financial reporting by real estate companies.

PERFORMANCE SUMMARY

In thousands of euros

	2016	2015
EPRA earnings	28,204	18,220
Net cash flows from operating activities	34,809	22,474
EPRA NAV	554,210	533,637
EPRA NNNAV	545,410	523,267
EPRA vacancy rate	14%	7%
EPRA NIY	5.0%	4.8%
EPRA "topped-up" NIY	5.2%	5.3%
EPRA cost ratio (including cost of vacancy)	20.1%	20.7%
EPRA cost ratio (excluding cost of vacancy)	17.1%	17.8%

EPRA NET INITIAL YIELD & EPRA "TOPPED-UP" NET INITIAL YIELD

In thousands of euros

	2016	2015
Net value of investment property	1,124,100	942,000
Expenses and transfer duties	84,380	61,802
Gross up completed property portfolio evaluation (B)	**1,208,480**	**1,003,802**
Annualized net rents (A)	**60,198**	**47,790**
Add: notional rent expiration of rent-free periods or other lease incentives	2,875	4,969
Topped-up net annualized rents (C)	**63,072**	**52,759**
EPRA NIY (A)/(B)	5.0%	4.8%
EPRA "topped-up" NIY" (C)/(B)	5.2%	5.3%

EPRA VACANCY RATE

In thousands of euros

	2016	2015
Total market rental value	66,572	55,863
Market rental value of vacant spaces	9,141	4,175
EPRA vacancy rate	**14%**	**7%**

BNPP RE, Catella and Cushman & Wakefield valuation data

EPRA COST RATIOS

In thousands of euros

	2016	2015
Net property expenses	(1,862)	(2,781)
Overheads[1]	(7,638)	(6,465)
Net provisions for depreciation, amortization and impairment	(9)	(5)
Other income covering G&A expenses	9	65
Land-related expenses	0	0
EPRA costs (including cost of vacancy) (A)	**(9,500)**	**(9,186)**
Cost of vacancy	1,425	1,299
EPRA costs (excluding cost of vacancy) (B)	**(8,076)**	**(7,887)**
Gross rental income less land-related expenses	47,196	44,310
Gross rental income (C)	**47,196**	**44,310**
EPRA cost ratio (including cost of vacancy) (A)/(C)	20.1%	20.7%
EPRA cost ratio (excluding cost of vacancy) (B)/(C)	17.1%	17.8%

(1) Non-recurring costs linked to the change in shareholder adjusted in 2015.

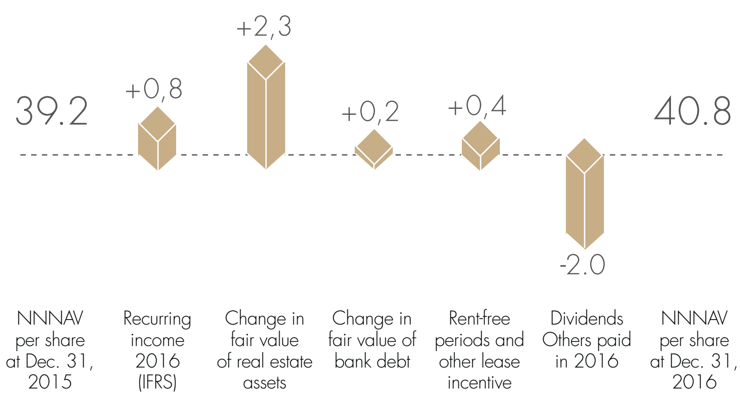
EPRA NAV & EPRA NNNAV

In thousands of euros, except per share data

	2016	2015
Shareholders' equity under IFRS	583,048	568,309
Portion of rent-free periods	(29,732)	(34,673)
Elimination of fair value of interest rate caps	(25)	
Elimination of fair value of interest rate swaps	205	
Elimination of fair value of share subscription warrants	716	
EPRA NAV	**554,210**	**533,637**
EPRA NAV per share	*41.5*	*39.9*
Market value of the loan	(585,977)	(413,074)
Carrying amount of the loan	578,071	402,664
Revaluation to fair value of interest rate caps	25	
Revaluation to fair value of interest rate swaps	(205)	
Revaluation to fair value of share subscription warrants	(716)	
EPRA NNNAV	**545,410**	**523,267**
EPRA NNNAV per share	*40.8*	*39.2*
Number of shares (excl. treasury shares)	**13,357,581**	**13,358,962**

NNNAV PER SHARE

In euros per share



EPRA EARNINGS

In thousands of euros, except per share data

	2016	2015
Net income under IFRS	41,265	80,957
Restatement of the changes in fair value of investment property	(20,392)	(62,736)
Other restatements of changes in fair value	997	
Restatement of loan breakage costs	6,334	
EPRA earnings	**28,204**	**18,220**
EPRA earnings per share	*2.1*	*1.4*
IFRS adjustments (rent-free periods, etc.)	5,314	3,478
Spreading of financial costs	1,290	776
Net cash flows from operating activities	**34,809**	**22,474**

SIMPLIFIED FINANCIAL DATA

IFRS ACCOUNTS

In thousands of euros

	12/31/2016	12/31/2015	12/31/2014
BALANCE SHEET ASSETS			
Investment property	1,124,100	942,000	871,000
Other non-current assets	23,194	28,989	30,941
Non-current assets	**1,147,294**	**970,989**	**901,941**
Accounts receivable	16,539	13,132	6,469
Other operating receivables	13,063	6,996	6,383
Cash and cash equivalents	18,634	8,723	23,499
Current assets	**48,236**	**28,850**	**36,351**
Total assets	**1,195,530**	**999,839**	**938,292**

	12/31/2016	12/31/2015	12/31/2014
EQUITY AND LIABILITIES			
Capital	66,863	160,470	160,470
Merger premium and retained earnings	474,920	326,883	306,267
Net income for the period	41,265	80,957	42,398
Shareholder's equity	**583,048**	**568,309**	**509,135**
Non-current liabilities	582,476	406,615	406,055
Current borrowings	2,224	1,626	1,716
Other current liabilities	27,783	23,289	21,386
Liabilities	**612,483**	**431,530**	**429,157**
Total equity & liabilities	**1,195,530**	**999,839**	**938,292**

	2016	2015	2014
INCOME STATEMENT			
Net rental income (1)	43,965	38,504	41,579
Change in the fair value of investment property	20,392	62,736	18,704
Operating income	59,987	96,323	57,226
Net financial expense	(17,919)	(14,705)	(14,515)
Tax expense	(802)	(662)	(312)
Net income	**41,265**	**80,957**	**42,398**

(1) Rent + other services = building related costs

II

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

GROWTH & Responsibility

"UPGREEN YOUR BUSINESS"

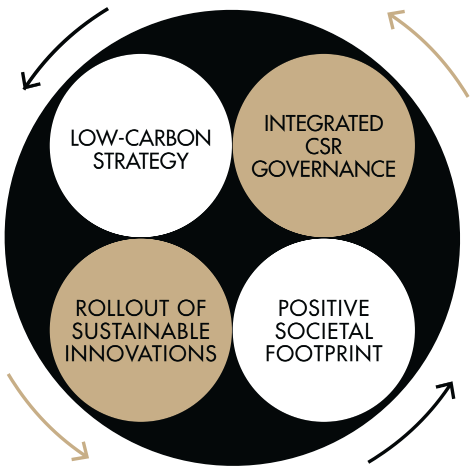
**Boosting capital
for our clients through
our CSR Strategy**

In 2016, Cegereal pursued its corporate social responsibility approach through its Upgreen Your Business strategy launched in 2015. The Group will have achieved 90% of the targets set out in the 2015-2018 CSR Strategy in 2016. We will therefore conduct a forward-looking review of our CSR strategy in 2017, taking into consideration tomorrow's property market so we can make ever greater progress. Our efforts have been rewarded. Cegereal's real estate activities have received ISO 14001 certification and recognition from influential bodies such as the Global Real Estate Sustainability Benchmark (GRESB) and the European Public Real Estate Association (EPRA). In 2016, GRESB named Cegereal Sector Leader in the "listed office property companies in Europe" category for its CSR commitments and performance.

Raphaël Tréguier, Chief Executive Officer of Cegereal

OUR CSR STRATEGY

Cegereal aims to become a benchmark in a real estate sector that is constantly reinventing itself to adapt to tomorrow's world.
The massive expansion of digital technology, new working practices and methods, a commitment to the environmental transition, and new business models, are all shaping a world that is changing faster than ever.
Our strategic review in 2017 will revolve around four main priorities that were identified following discussions with our stakeholders:



Certain targets that have already been achieved will be raised, and new objectives will be set. In 2016, this strategy applied to the Europlaza, Arcs de Seine and Rives de Bercy properties. The new Hanami campus acquired in December 2016 will be included in the scope of the review in 2017.

HISTORY & HIGHLIGHTS

2013

"HQE Exploitation" certification awarded to ARCS DE SEINE, with a "high performance" rating in five target areas

"HQE Exploitation" certification obtained for EUROPLAZA, with a "high performance" rating in six target areas

BREEAM In-Use Very Good certification obtained for the EUROPLAZA and ARCS DE SEINE sites

2014

Inaugural participation in GRESB questionnaire with "Green Star" rating

CSR materiality matrix carried out

Cegereal becomes the first real estate company certified 100% NF HQE Exploitation and finalizes its "GO GREEN" project

"HQE Exploitation" certification obtained for the RIVES DE BERCY site and launch of BREEAM In-Use certification

2015

Launch of the "Upgreen your Business" policy

Ecological studies conducted on entire portfolio

Developpment and rollout of the environmental management system

2016

ISO 14001 certification granted for real estate activities

Membership of Global Compact France's GC Advanced Club

"Most improved Award" for the 2015 Annual Report and "Gold Award" in 2016 granted by EPRA

Named Sector Leader in GRESB's "listed office property companies in Europe" category

2017

Holder: Prothin SAS
N° NF 428-12/074
Certification characteristics
available on www.certivea.fr

"Upgreen your Business"

2016-2020 CSR STRATEGY

THEME	COMMITMENT	OBJECTIVE
ENVIRONMENTAL		
Monitor and control our environmental impact	Map the environmental performance of our entire portfolio	100% of our portfolio
	Audit the carbon footprint (Bilan Carbone) of all assets	100% of our portfolio
Energy performance	Reduce energy consumption by 15% by 2020	-15%
GHG emissions and climate change	Reduce our greenhouse gas emissions by 20% and control our portfolio's carbon footprint	-20%
Environmental labeling and certification	Ensure that 100% of assets receive "HQE Exploitation" certification	100% of our portfolio
	Ensure that 100% of assets receive BREEAM In-Use certification	100% of our portfolio
	Obtain ISO 14001 certification	100% of real estate activities
Charter for clean building sites	Control the environmental impact of buildings and implement an environmental code of conduct at all of our sites	100% of our portfolio
Green leases	Ensure that all leases contain an environmental appendix	100% of leases concerned
Accessibility	Encourage the use of public and low-impact transportation	-
	Make our portfolio accessible to people with reduced mobility (PRM)	-
Waste	Set up recycling and waste sorting points across 100% of our portfolio	100% of our portfolio
	Achieve 100% coverage in terms of collection of waste tonnage that falls within the scope of environmental reporting	100% of our portfolio
Water	Reduce building water consumption by 10% by 2020	-10%
Biodiversity	Draw up a biodiversity management strategy for 100% of our portfolio	100% of our portfolio
SOCIETAL		
GHG emissions and climate change	Reduce the carbon footprint of Cegereal's operations	Headquarters
	Offset Cegereal's GHG emissions	20%
Societal footprint	Assess our contribution to economic activity and the distribution of our added value	
Ethics	Comply with the ILO's fundamental conventions and guarantee a framework for ethical business conduct	
Transparency of non-financial reporting	Contribute to relevant, non-financial benchmarks	
Partnerships and corporate sponsorships	Participate in think tanks and industry initiatives	
	Continue corporate sponsorship initiatives	
Stakeholder relationships	Involve external stakeholders in Cegereal's CSR policy and take their opinions into consideration	
Responsible purchasing	Consult 100% of service providers on their sustainable development policy and assess their progress	100% of purchase volume
	Ensure that 100% of asset and property management (AM and PM) mandates contain a sustainable development clause	100% of AM and PM mandates
Responsible investment	Incorporate climate and environmental risk assessments in the due diligence process	100% of acquisition processes
HR		
Encourage employee involvement and instill CSR principles across the business lines	Educate and train employees in sustainable development principles	
	Have employees sign the internal code of ethics	100% of employees
Diversity and equal treatment	Ensure that human resources management provides equal treatment for all employees and combats all forms of inequality	
Talent and skills management	Ensure employee well-being	
Governance	Implement efficient CSR policy governance and seek management committee involvement	

TIME FRAME	KPI	ACHIEVED – 2016
Continuous	% of surface area mapped	100%
2020	Number of buildings audited for their carbon footprint	100%
2020	Average energy consumption per sq.m	40%
2020	Average GHG emissions per sq.m	32%
2018	% surface area of assets with “HQE Exploitation” certification	100%
2018	% surface area of assets with “BREEAM In-Use” certification	100%
2018	Certificate obtained	100%
Continuous	% of service providers who have signed the charter	100%
2020	% of the rental space covered by a lease that includes a signed environmental appendix	85%
Continuous	% of assets (by value) located less than 150m from a public transportation hub	100%
2018	% of surface area accessible	100%
2018	% of surface area where recycling and waste sorting takes place	74%
2018	Coverage with regard to environmental reporting	100%
2020	Average water consumption in cu.m/sq.m/year	50%
2018	% of portfolio covered by ecological studies	100%
Continuous		n/a
2020	% of corporate-activity GHG emissions offset	100%
Continuous	-	n/a
Continuous	-	n/a
Continuous	-	n/a
Continuous		n/a
Continuous	Amount invested annually in corporate sponsorship activities	n/a
Continuous	% responses to the materiality matrix and tenant questionnaires based on number of stakeholders	63%
2018	% responses to the annual “service providers and suppliers” questionnaire as a % of the Company’s purchase volume	86%
2018	% of AM and PM mandates observing the sustainable commitment charter	100%
Continuous	% of acquisitions that incorporate an environmental risk assessment	100%
Continuous	% of employees given CSR training	100%
2018	% of employees who have signed the charter	100%
Continuous		n/a
2018	% responses to the annual satisfaction survey	100%
Continuous		n/a

ENVIRONMENTAL PERFORMANCE

WIDESPREAD RECOGNITION

After being awarded "Green Star" status, the highest category in the Global Real Estate Sustainability Benchmark (GRESB), in its first year in the index, Cegereal is now the **Sector Leader in the "listed office property companies in Europe" category**.

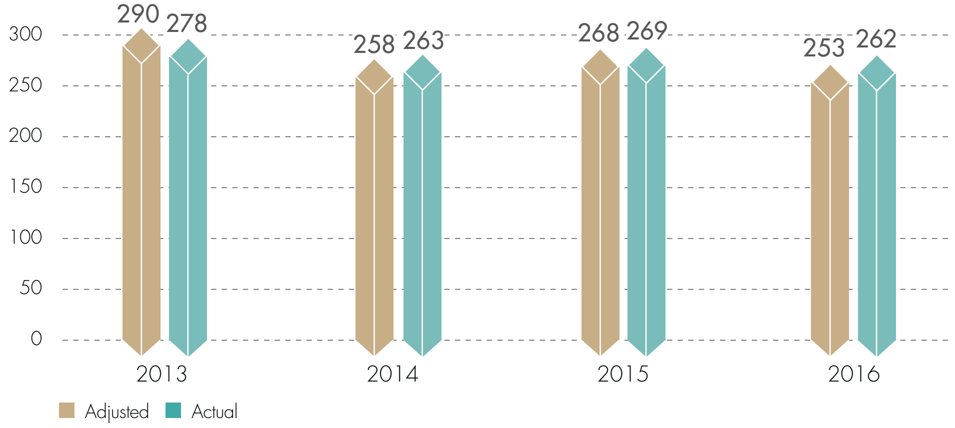
The GRESB ranking rewards the work performed by Cegereal and its customers and partners within the framework of the Upgreen Your Business collaborative program, which resulted in **a continuous improvement in its GRESB score amounting to 33% between 2014 and 2016**.

This performance reflects the Cegereal management team's deep commitment to carrying out all its activities in a responsible and sustainable manner and demonstrates the transparency of its non-financial reporting.

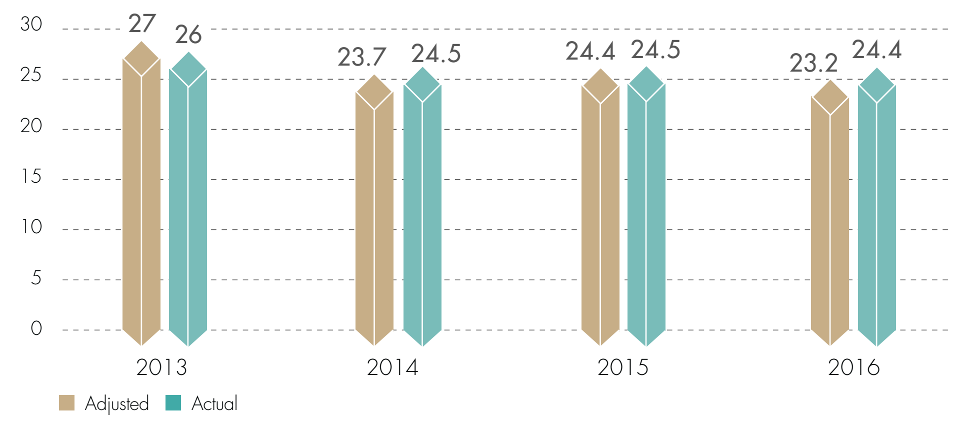
Environmental Indicators

Cegereal's roadmap for improving in the portfolio's environmental performance is well underway.

Portfolio energy consumption (in kWhEF/sq.m)



Portfolio greenhouse gas emissions (kg.CO_2e/sq.m)



Cegereal has set targets to reduce its portfolio's final energy consumption by 15% (in kWhFE/sq.m/year) and direct greenhouse gas (GHG) emissions by 20% (in kg CO_2eq/sq.m) between 2013 and 2020.

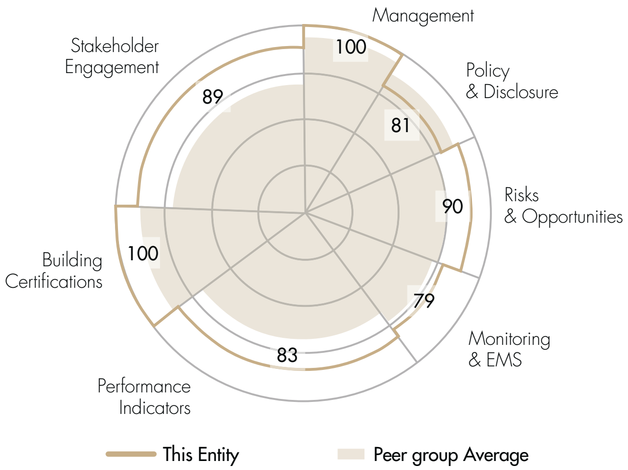
In 2016, final energy consumption declined 6% compared to 2013, with a 3% improvement on 2015, while greenhouse gas emissions also dropped by 6% compared to 2013, with a 1% improvement on 2015.

This significant improvement, which is stronger each year, is part of the long-term progress called for in the Upgreen Your Business plan. It allows Cegereal to look to the future with confidence, particularly in respect to meeting the 25% reduction required by 2020 under France's energy transition law.

Waste produced by Cegereal's various assets also declined between 2015 and 2016 by 14%.

As part of its efforts to improve environmental performance, Cegereal is also looking into the possibility of using renewable energy supplies for its portfolio in order to improve its energy mix.

GRESB ASPECTS



Source: Cegereal GRESB Aspects 2016

About GRESB GRESB is an international organization whose objectives include assessing the sustainable development performance of the real estate sector. In 2016, 733 companies and funds were assessed worldwide.

INTERVIEW

Loïs Moulas,

Chairman of the French organization for the promotion of sustainable real estate, the *Observatoire de l'Immobilier Durable* (OID)

WHAT DO YOU THINK OF THE CSR APPROACH DEPLOYED BY CEGEREAL SINCE 2012?

Cegereal has taken a regulatory obligation and transformed it into a competitive advantage. All of Cegereal's buildings have been brought up to the highest environmental standards in terms of certification, and the company's environmental management strategy for its real estate operations is ISO 14001 certified.

From the OID's point of view, Cegereal's vitality and success are primarily the result of the effectiveness of its CSR organization, which encourages suppliers and service providers, particularly the asset and property managers, to integrate an environmental approach into every aspect of the acquisition and portfolio management cycle.

That's why these policies are so important: by implementing a responsible purchasing policy, a listed company is able to involve its business ecosystem in its own environmental transition.

CEGEREAL WAS NAMED SECTOR LEADER IN GRESB'S "LISTED OFFICE PROPERTY COMPANIES IN EUROPE" SURVEY IN 2016. WHAT DOES THAT TELL YOU ABOUT THE COMPANY?

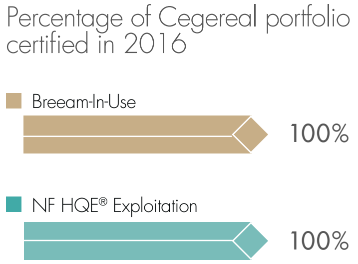
This top ranking rewards Cegereal for three years of work to ramp up and implement a CSR strategy, all with a relatively small team.

The company was recognized with "Green Star" status in 2013 and is now Sector Leader in the "listed office property companies in Europe" category. Cegereal stands out for its ability to involve stakeholders in its own approach, which is the idea that underpins the Upgreen Your Business strategy. This is reflected in the continuous improvement in its buildings' energy efficiency since 2013, the way stakeholders' concerns are integrated into the development of the company's strategy, and a risk management approach that takes environmental and climate risk into account. All of these factors helped Cegereal to become number one in its category in 2016.

Labeling and Certification

ALL OF CEGEREAL'S ASSETS HAVE BEEN CERTIFIED SINCE 2015

- 100% of assets have received BREEAM In-Use International certification, with a Very Good ranking
- 100% of assets have received NF HQE® certification for commercial buildings in operation



Environmental appendices

Cegereal, working with its tenants in a joint commitment to a sustainable development approach, has set the goal of ensuring that all leases contain environmental appendices by 2020. These appendices promote frequent discussions about environmental responsibility between Cegereal and its tenants.

> **"As of December 31, 2016, appendices had been signed for 85% of the leased surface of the Cegereal portfolio."**

Stable Water use

Consumption of water from the public water supply system remained stable between 2013 and 2016. Cegereal aims to reduce the water consumption of its assets by 10% by 2020 (in cu.m/sq.m/year). In 2016, water consumption declined 5% compared to 2013 and 3% compared to 2015.

INTERVIEW

Sophie Kramer,

Northwood Investors
Asset Management

HOW ARE YOU INCORPORATING ENVIRONMENTAL RISK MANAGEMENT INTO CEGEREAL'S ASSET MANAGEMENT PROCEDURES?

We are aware of the importance that Cegereal places on existing environmental performance standards. We have incorporated new practices into all our activities, from acquisition and management to the signing of leases in order to manage environmental risks effectively.
These practices are beneficial to our activities as they improve the longevity of the buildings we manage. What's more, by placing people at the center of our concerns, we create a closer relationship with our tenants.
The technical management of our buildings is excellent now and we have also created closer ties with our tenants. In this way, Cegereal has created a virtuous cycle of continuous improvement through the Upgreen Your Business strategy.

Our management strategy is proactively innovative

Our involvement is not limited to the environment. We are increasingly focused on the challenges of tomorrow's property market. Although we certainly have no concerns as to the accessibility of the buildings, we need to see improvement in terms of connectivity, the availability of shared work spaces and enhanced user comfort and well-being. That is why we need to incorporate innovation in each step of our management processes. One example of that innovation is the vast 3,000 sq.m wooded garden that we designed and planted at the Europlaza site in the center of the La Défense business district.

Biodiversity and Soil Utilization

In 2015, Cegereal had already met its goal of conducting ecological studies for its entire portfolio. These studies were used to perform an environmental analysis of the sites where Cegereal's various properties are located and assess their environmental value. Following the analysis, environmental management plans to preserve and develop biodiversity were drawn up for each of the properties.

Biodiversity indicators, like the biotope coefficient, have mainly been calculated to assess initial biodiversity levels in order to measure changes in the management of biodiversity across the portfolio.

These indicators, defined and calculated by an ecologist, are used to reveal the ordinary or remarkable biodiversity of a site, identify representative species at a given time, assess surface changes and the diversity of biotopes, and measure the nuisances and pollution to which species on the site are exposed.
Cegereal's communication on biodiversity and its related commitments have also been assessed.

As part of Cegereal's efforts to develop biodiversity, Europlaza was relandscaped in 2015 and became the new "Garden Tower". Some 3,000 square meters of wooded garden now encircle the property, and the lobby was remodeled to provide users with services and a sitting area. The project, with all the tower's private gardens, was delivered in 2015 and complied with all the recommendations made in the ecological study.
At the Arcs de Seine site, the restaurant has also been relandscaped with a living roof, and nest boxes for birds and information panels on biodiversity have been installed as part of the steps taken to preserve and develop biodiversity.

> **Cegereal invested €1,030,011 in 2015 and 2016 in renovations to improve energy performance.**"

Environmental Risk Management

As a real estate company, Cegereal can be exposed to environmental risks and cause pollution specific to the property sector. The main risks relate to indoor air quality, as well as the possible presence of asbestos or lead in its buildings. In order to demonstrate its commitment to creating a comfortable environment for its occupants and to respecting environmental quality standards, Cegereal obtained "HQE Exploitation" and BREEAM In-Use certification for its entire property portfolio in 2014. None of the above risks have been identified in any of Cegereal's properties.

In addition, environmental risks are directly anticipated and managed as part of Cegereal's building renovation and maintenance policies through its green capital and operating expenditure ("green capex" and "green opex") and close monitoring of certifications. As a result, no provisions for environmental risks have been recognized in Cegereal's financial statements.

In 2016, building work was undertaken at the Arcs de Seine and Europlaza sites, notably to overhaul the generators and horizontal liquid cooling pipes. In addition, LEDs were installed at Europlaza and cooling systems were replaced at Arcs de Seine.

Preventing pollution, and measures taken to promote health and safety

Cegereal has put several measures in place to effectively prevent the risk of pollution and to limit its environmental impacts. This includes encouraging its building management service providers to take eco-design, sustainable development and energy efficiency into consideration when selecting the materials and technologies used in the properties. Furthermore, to ensure that these recommendations are followed, Cegereal has its asset and property managers sign a "Charter for clean building sites", which lists preventive measures vis-a-vis the different buildings' tenants, as well as the health, safety and the environmental criteria to be complied with during renovation and refurbishment projects.

In order to reduce its environmental impact and more specifically its carbon footprint, Cegereal also encourages the use of public transportation, which is facilitated at each of its sites by the presence of a public transportation network less than 130 meters from the properties.

Cegereal also incorporates climate and environmental risk assessments in the due diligence process, which can be used to assess the extent to which any assets that the Company is interested in acquiring have integrated these issues, and weigh the related risks. This risk assessment is performed jointly with the asset manager Northwood Investors.

By obtaining ISO 9001 and ISO 14001 certification, property manager Yxime is committed to factoring in potential environmental impacts and carbon footprint considerations when making renovation choices. In addition, Yxime has deployed an innovative management approach for preventing risk, combined with strict safety regulations through its own management system.

PRM Accessibility Plan

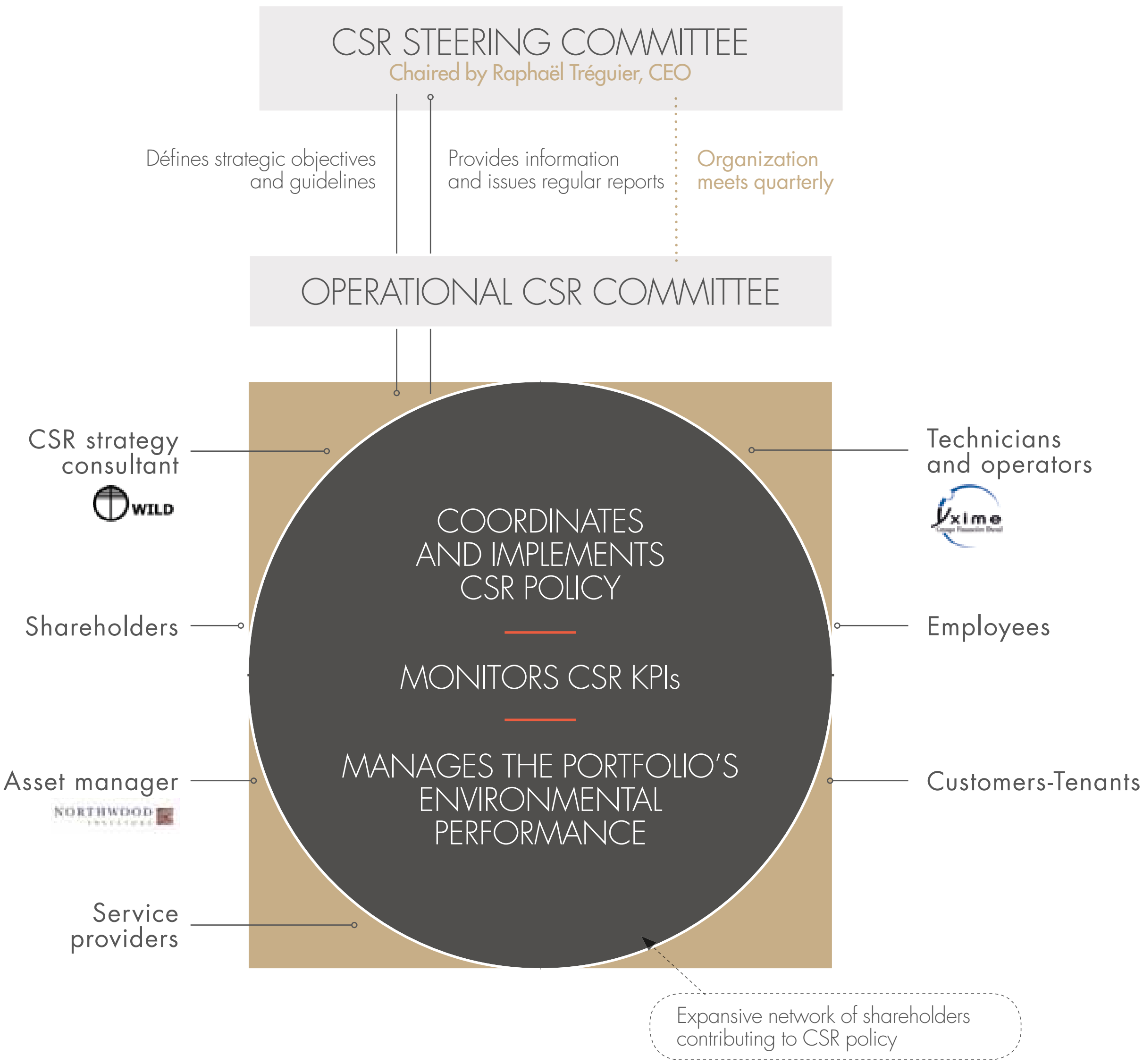
Cegereal has implemented a PRM (persons with reduced mobility) plan at each of its sites to encourage a proactive policy toward disability. The PRM plans are included in the safety notices at the properties.

INTEGRATED CSR GOVERNANCE

Cegereal's CSR Strategy

The CSR strategy is led by a steering committee chaired by Raphaël Tréguier. Since 2013, this steering committee has met once each quarter to define and monitor Cegereal's short- and long-term CSR targets. The committee's objectives draw on the concerns of our stakeholders in regard to our overall strategy.

In this process, Cegereal bases its strategic thinking on various sources, including a materiality matrix and customer satisfaction questionnaires. Cegereal tracks the CSR commitments of its business partners and conducts effective monitoring through its various networks.

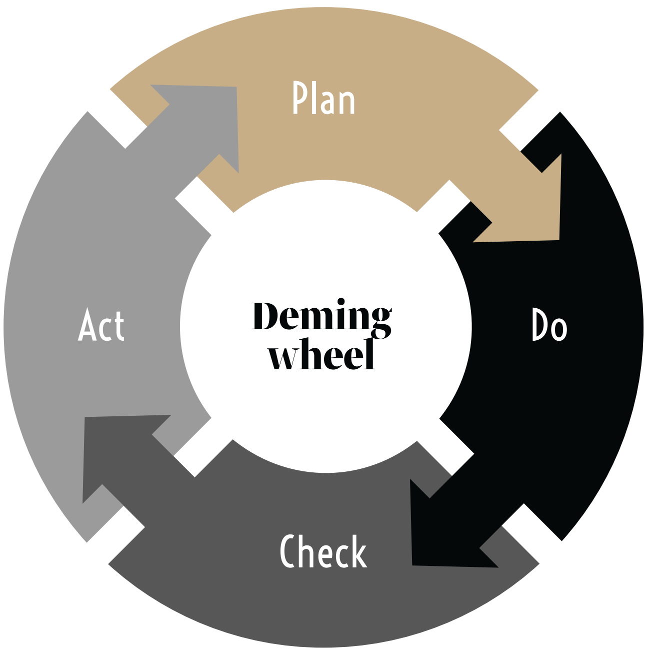


Our ISO 14001-certified environmental management system

Cegereal has decided to officially demonstrate its commitment to the environment by gaining AFNOR (the French International Organization for Standardization member body) certification for its property business's Environmental Management System (EMS) under ISO 14001. The EMS covers all of our real estate activities, namely acquisitions, disposals and management in relation to our Europlaza, Arcs de Seine and Rives de Bercy sites. In this way, Cegereal's strategy is guided by a continuous quality improvement cycle, in accordance with the Deming wheel's plan-do-check-act.

afaq ISO 14001 Environnement AFNOR CERTIFICATION

PRINCIPLE OF CONTINUOUS IMPROVEMENT DEMING WHEEL



EMPLOYEES

Putting people at the center of Cegereal's concerns

LABOR RELATIONS

Each year, a satisfaction questionnaire is distributed to Cegereal's employees to gain insight into their expectations and views on well-being and working conditions. Cegereal does not have a staff representative body due to its limited number of employees.

EQUAL TREATMENT

Cegereal has made gender balance one of the core values of its employment policy. All of the Company's employees are treated fairly and have equal access to professional training opportunities. Each employee takes part in a biannual performance review with management.

Cegereal is under no obligation to employ workers with a disability due to the low number of staff currently employed.

COMPLIANCE WITH THE INTERNATIONAL LABOUR ORGANIZATION CONVENTIONS

Cegereal is governed by French law and undertakes to comply with the French Labor Code in its entirety, particularly the aspects concerning child labor, forced labor and the employment of people with disabilities.
Furthermore, the nature of Cegereal's property business, which involves managing office buildings, does not pose any direct risks in relation to the working conditions of its employees.

CEGEREAL'S PRINCIPLES AND VALUES

All of Cegereal's employees showed their support for the Company's principles and values by signing an internal code of ethics in 2015. This code of ethics sets out the principles that cover human rights and labor law; employees; shareholders; sub-contractors and suppliers; and the environment.

About the UN Global Compact

Cegereal has once again renewed its membership in Global Compact France, and its commitment to comply with and support the Global Compact's Ten Principles.
Furthermore, in 2016 Cegereal also met the membership requirements for the association's GC Advanced Club, which demands a higher level of performance in terms of corporate social responsibility, and is greatly encouraged. It corresponds to the level of GC Active, but also covers reporting on the Company's implementation of 21 advanced criteria and best practices related to strategy, governance, stakeholder commitment, contribution to United Nations objectives, implementation of the principles along the value chain, and transparency.

CATEGORY BY CATEGORY, THE GLOBAL COMPACT'S TEN PRINCIPLES ARE AS FOLLOWS:

HUMAN RIGHTS

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

LABOR

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labor;
5. The effective abolition of child labor; and
6. The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

These principles have been integrated into the Group's strategy and operations through the 21 criteria that must be met to achieve GC Advanced status.

A POSITIVE SOCIETAL FOOTPRINT (COMMUNITY IMPACT)

Materiality matrix

Cegereal produced its first materiality matrix in 2014. In 2016, the matrix was updated based on responses to a questionnaire addressed to Cegereal's stakeholders and on a hierarchy of the Group's challenges.

The information gathered from stakeholders was used to assess levels of expectation, as well as Cegereal's level of control over each of the identified challenges. In the following charts, Cegereal's level of control is represented by the size of the circles.

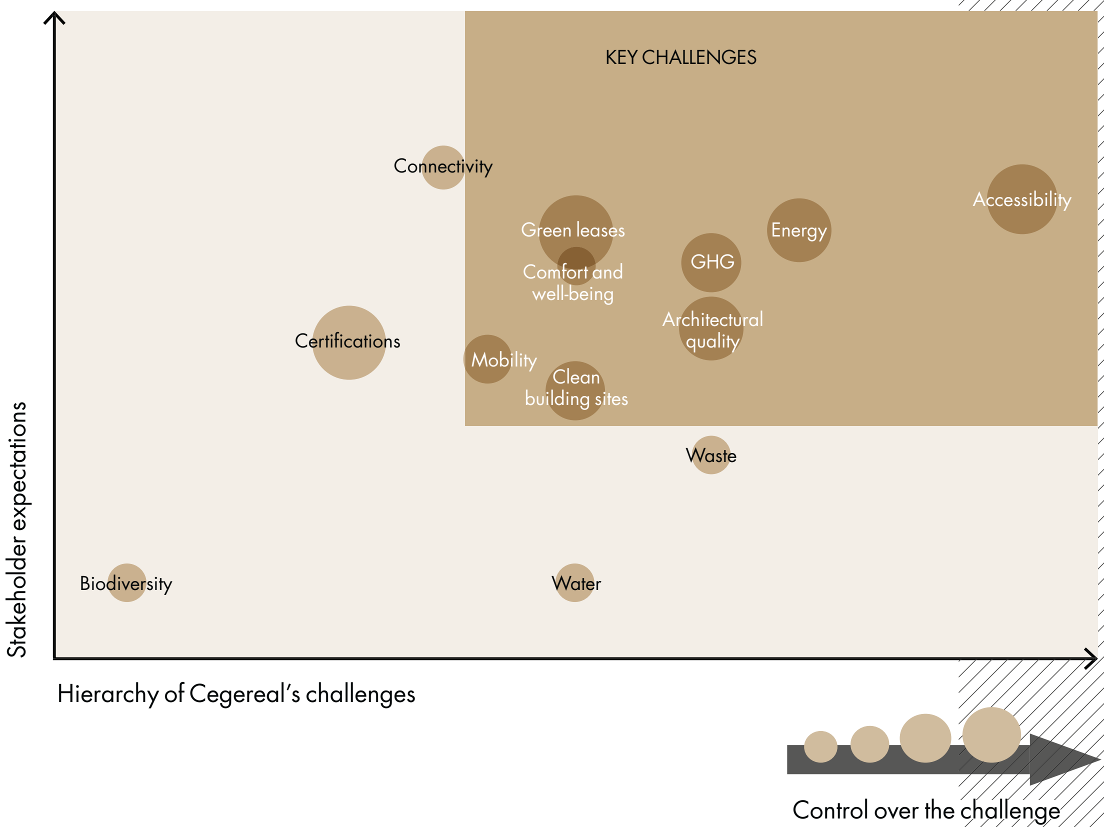
The challenges break down into two broad categories: "property portfolio" and "societal". **Of the 24 challenges facing Cegereal, 13 are property portfolio challenges and 11 are societal challenges.**

The two matrices highlight the importance of accessibility and energy among the challenges relating to the property portfolio, and working conditions and business ethics in the category of societal challenges.

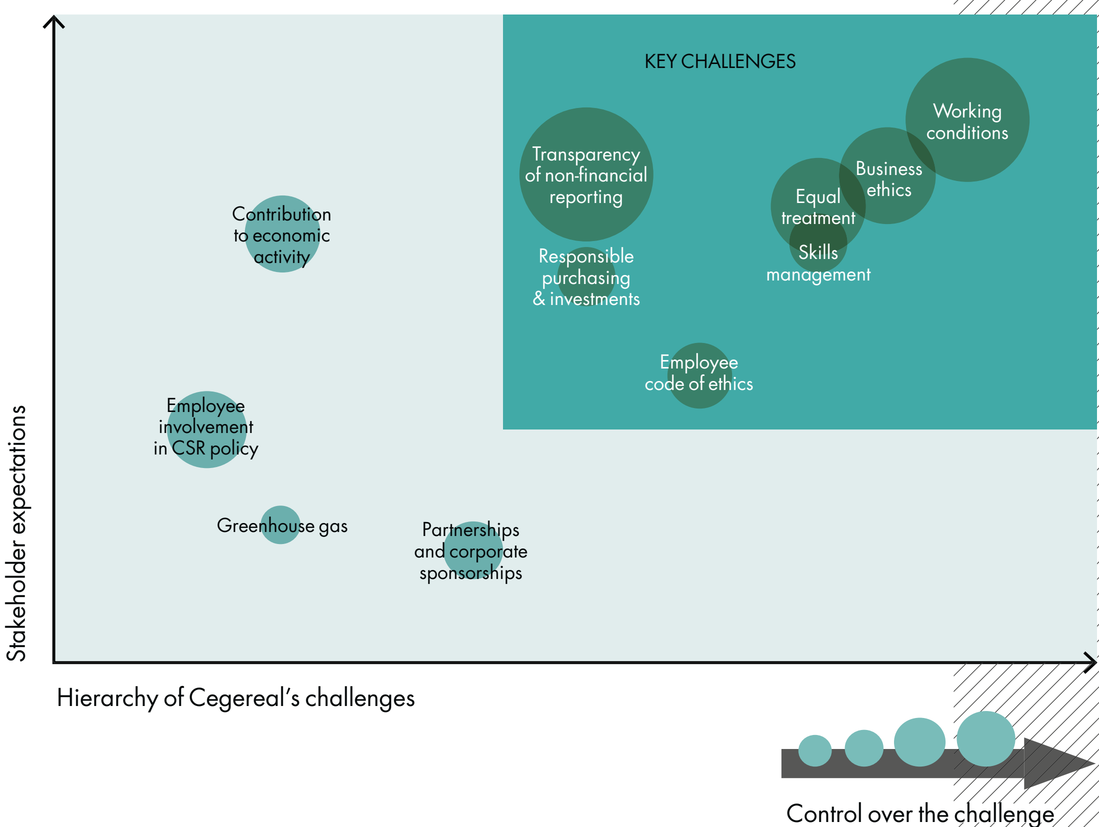
These priority challenges are all included and addressed in the Upgreen Your Business strategy.

Areas for improvement concern the new challenges of building connectivity and user comfort and well-being. They have been incorporated into Cegereal's priorities in terms of innovation.

PROPERTY PORTFOLIO MATERIALITY MATRIX



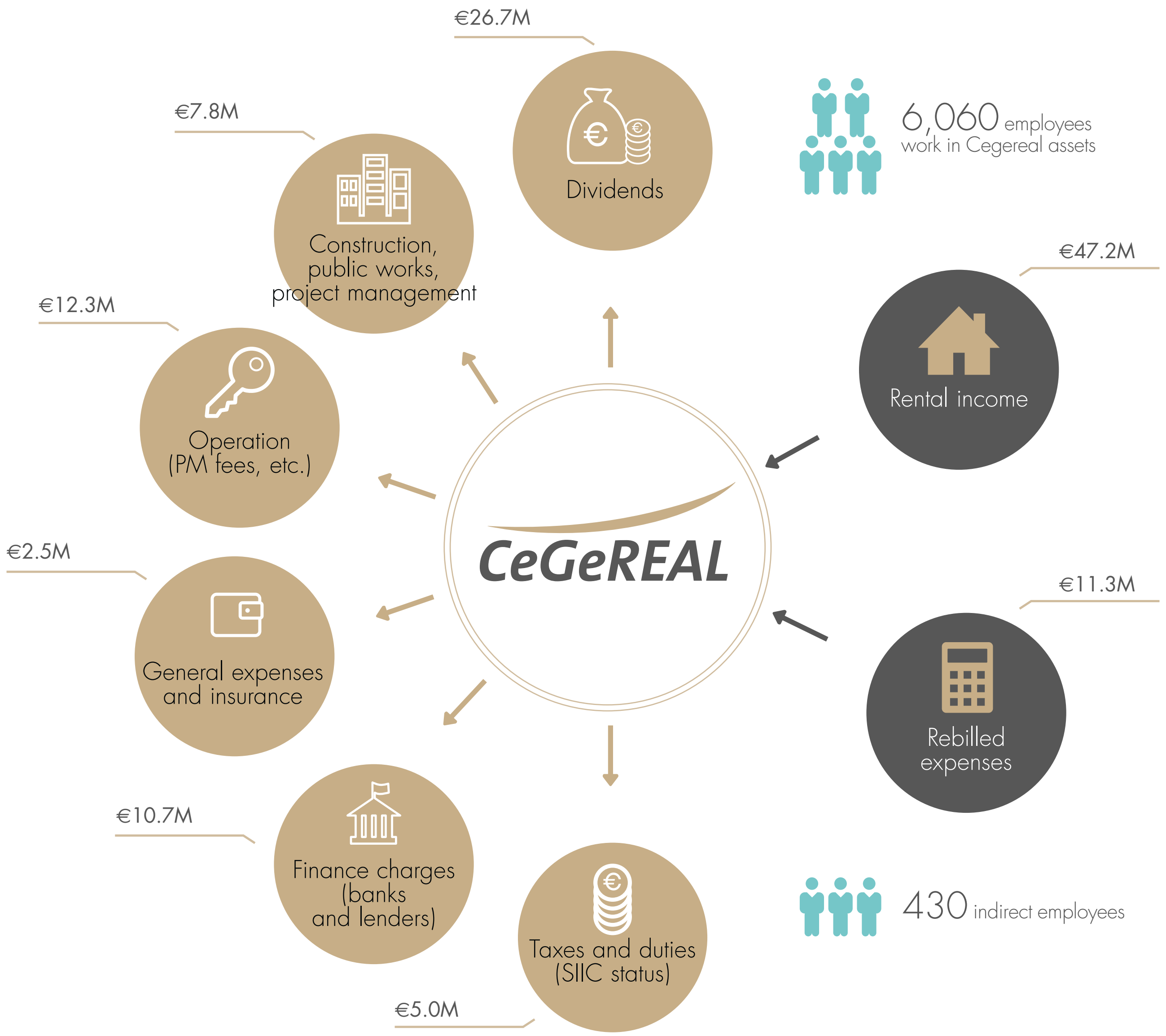
SOCIETAL MATERIALITY MATRIX



Managing the societal footprint

By developing its CSR policy and taking a responsible approach to environmental, HR and societal issues, Cegereal has an influence across the real estate sector's value chain and enhances the impact of its measures. This in turn allows Cegereal to improve its risk management and its business performance. The value of this societal footprint impact cannot be quantified but is nevertheless real and significant.

Since 2015, when the Upgreen Your Business strategy was rolled out, it has focused on raising awareness and providing support to tenants and property and asset managers in their CSR approach, notably through a charter for clean building sites, a responsible purchasing charter and a tenant satisfaction questionnaire. Attention has also centered on stakeholder dialogue thanks to the questionnaire related to the responsible purchasing charter and the materiality matrix.



Responsible purchasing charter

As a significant part of its functions are outsourced, Cegereal relies heavily on its stakeholders' commitment and buy-in, as evidenced in their sustainable development approach and CSR strategy. Consequently, Cegereal has forged strong, long-term relationships with all of its service providers.

In 2014, a responsible purchasing charter was implemented and distributed to all of the Company's service providers for signed approval. Approval must be renewed at the same time as the contracts. The charter is designed to identify suppliers that share Cegereal's convictions in terms of environmental, social and societal issues and reflect it in their offering, while raising the awareness of other suppliers if the situation arises.

A special responsible purchasing questionnaire is also issued annually to suppliers to assess their business practices.

In the past two years, 86% of Cegereal's business partners, equivalent to almost 81% of its purchases, have filled in the questionnaire about their sustainable development practices.

79% of respondents have signed on to Cegereal's responsible purchasing charter.

79% of respondents have signed on to Cegereal's responsible purchasing charter. They account for over 85% of Cegereal's purchases.

COMMITMENTS MADE BY SERVICE PROVIDERS AND SUPPLIERS WHEN THEY SIGN THE CHARTER

1. Comply with all requirements imposed on them by all applicable legal provisions.
2. Inform Cegereal of any potential risks relating to the goods, products or services supplied.
3. Keep Cegereal informed at all times, and analyze the causes and reasons behind accidents and take corrective measures where necessary.
4. Comply with International Labour Organization (ILO) conventions, and ensure compliance throughout their supply chain.
5. Comply with the French Labor Code in its entirety.
6. Comply with the fundamental conventions of the ILO.
7. Comply with the code of ethics outlined in this responsible purchasing charter, and support the fight against corruption and conflicts of interest in business dealings and relationships with suppliers.
8. In complete transparency, share all non-financial information with Cegereal that they feel may be useful for drawing up an improvement program.
9. Limit the environmental impact of their business.

Geographic, economic and social impacts

Optimally blending its property assets into the city and the immediate neighborhood is a key priority of Cegereal's CSR policy. The Company is committed to limiting the impact of its properties on surrounding buildings, and on adjacent communities in particular.

As part of this policy, Cegereal participates in user organizations, such as the Association des Utilisateurs de La Défense (AUDE) in relation to its Europlaza property. More than 6,000 people work at the three properties in the portfolio, which significantly enhance their surrounding districts' business appeal.

Key indicator

< 130 m average distance between the Company's property assets and the nearest public transportation network.

Partnerships and corporate sponsorships

Since its creation, Cegereal has always played an active role in industry organizations. Through the sharing of best practices and joint participation at real estate industry events, Cegereal has been able to improve its operations while staying closely attuned to market concerns.

The European Public Real Estate Association **(EPRA)** is made up of Europe's leading listed property companies. One of its aims is to standardize reporting practices across the industry. Cegereal is an active member of the association and has sponsored the annual EPRA conference for the last four years. Its financial and CSR reports have been prepared in accordance with EPRA's Best Practices Recommendations (BPRs).

Fondation Palladio, created in 2008 under the auspices of Fondation de France, contributes to better incorporating economic, technological and environmental developments into the real estate industry. Cegereal has been an active member and patron of the foundation since 2012. Raphaël Tréguier, Cegereal's CEO, is a member of its Society of Auditors.

Cegereal has been a member of the French industry federation Féderation des Sociétés Immobilières et Foncières Françaises **(FSIF)** since 2008. The Company participates in various working groups that examine regulatory issues.

Association des Utilisateurs de La Défense **(AUDE)**, has a membership of more than 60 major property users representing over 77% of the office and retail space in the La Défense business district. Cegereal is an engaged member, helping to come up with planning and development strategies for La Défense, while preserving its appeal.

Institut de l'Épargne Immobilière et Foncière is an independent research center that acts as a forum conducive to discussions and exchange among real estate and investment professionals. Cegereal has been a member since 2010 and is listed on the Euronext IEIF "SIIC France" index.

Cegereal is also a member of the **Urban Land Institute** (ULI). The ULI is a non-profit organization that boasts more than 33,000 members across the globe from all private and public sectors relating to urban planning and real estate development.

GRESB – The Global Real Estate Sustainable Benchmark – is an investor-driven organization committed to assessing the ESG performance of the real estate industry. More than 200 members, of which more than 58 pension funds and their subsidiaries, use the GRESB since December 2014.

INTERVIEW

Philippe Sanchez,
Chief Financial Officer
Exclusive Networks
Tenant in Arcs de Seine

HOW DOES THE UPGREEN YOUR BUSINESS STRATEGY HELP EXCLUSIVE NETWORKS' CSR PROGRAM?

Exclusive Group brings together several hundred team members from all around the world. Our positioning in a rapidly expanding, innovative market has led us to work closely with a number of major international accounts.

This has given us extensive skills in change management and valuable insight into sustainable development practices.

On this note, the Arcs de Seine building's environmental excellence allows us to align fully with our internal strategy and meet the demands of our own stakeholders.

I would also like to point to all the indirect benefits created by the Upgreen Your Business strategy and the ISO 14000-certified environmental management processes. These benefits can be felt at every level, from the technical management of our premises to the quality of our relationship with Cegereal's service providers, Yxime and Northwood Investors.

DO THE INVESTMENTS IN ARCS DE SEINE RESPOND TO YOUR EMPLOYEES' NEW NEEDS?

The renovation work on building A at the Arcs de Seine site looks very promising. The new services installed in the buildings such as wifi in all the shared areas are extremely useful. The use of virtuous technical systems will deliver energy savings and therefore help cut costs, which is very important to our development.

Cegereal's charter for clean building sites has also been very positive for a number of tenants as we have not suffered any particular inconvenience during this phase of the work.

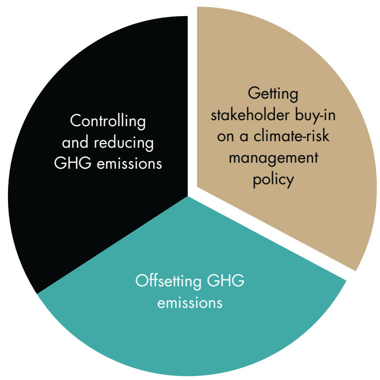
OUR LOW-CARBON STRATEGY

ABOUT CARBON OFFSETTING

The irreducible emissions that Cegereal produces as part of its day-to-day activities can be offset by providing financial support to greenhouse gas reduction projects around the world: pumping a ton of greenhouse gases into the atmosphere has the same effect on global warming, irrespective of where it is produced. Therefore, a reduction of one ton of CO_2 equivalent ($t.CO_2eq$) resulting from a gas reduction project equals one carbon credit. **Voluntary carbon offsetting** was created by individuals, businesses, community groups and associations that were not bound by the quotas of the Kyoto Protocol, in response to a growing global awareness. The methods are directly inspired by the principles of the Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change: additionality, permanence, verification and unique ownership.

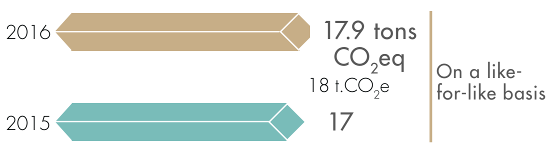
Cegereal's strategy is fully in line with the commitments made by France at the COP21 conference on managing risks related to climate change. Cegereal has turned its low-carbon policy into a driver for value creation based on three key principles.

In 2016, Cegereal measured its greenhouse gas emissions across the entire scope of its reporting and corporate activity. Although initiatives to control emissions and involve stakeholders have been in place since 2013, Cegereal has implemented new measures such as auditing the carbon footprint of property assets (Bilan Carbone) and offsetting the Company's emissions.



Offsetting GHG emissions

Cegereal's corporate-activity GHG emissions were stable year on year despite the increase in 2016 in business travel required to develop the Group's business.



In addition, Cegereal is taking part in the voluntary GHG emission offsetting program organized by the GoodPlanet Foundation, whose methods were directly inspired by the Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change.

Controlling and reducing GHG emissions across all Group activities

Cegereal has developed a low-carbon strategy that covers its corporate activity, all of its property portfolio and its acquisition strategy.

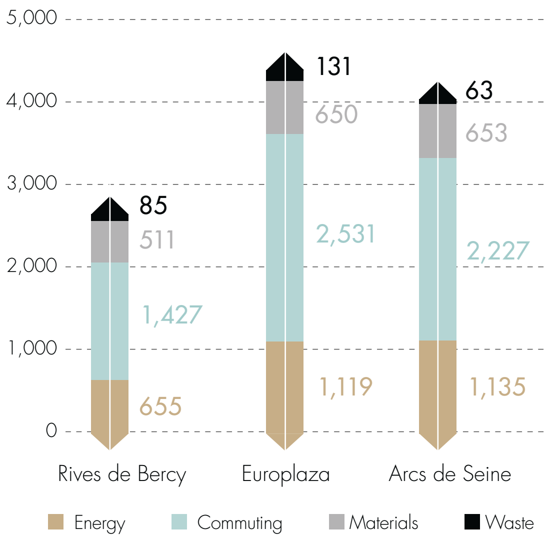
Substantial measures to reduce GHG emissions have been implemented with tangible results, as direct emissions from Cegereal's property assets have declined by 6% since 2013, with a 1% improvement on 2015. Cegereal's target is to reduce emissions by 20% by 2020.

In 2016, Cegereal performed an audit of the carbon footprint (Bilan Carbone) of its three properties. Greenhouse gas emissions were calculated for the following categories:

- Building-produced waste;
- Impact of construction materials (building emissions calculated for the year);
- Employee commuting;
- Energy consumption.

The results were as follows:

GHG emissions in t.CO_2eq for the 2016 financial year by category and property asset



On average, 55% of GHG emissions resulted from employee commuting, 25% from energy consumption, 18% from building construction and renovation materials and only 2% from waste treatment.

GHG emissions related to employee commuting mainly result from employees using their own personal vehicles, even though only 41% of employees travel to work by car or motorcycle. If the offices were not so close to Paris, the impact of employee commuting presented in the carbon audits would be considerably greater.

GHG emissions for the Rives de Bercy site are 10% lower than for Cegereal's other sites due to the lower number of people per square meter in the offices (25 sq.m/FTE compared to 20 sq.m/FTE).

Our acquisition processes now incorporate a climate risk assessment procedure to allow us to plan for the measures to be implemented to limit the future impact of our real estate stock.

Involving stakeholders in GHG emission reduction

The responsible purchasing charter includes a process implemented in 2014 that is used to draw our partners into a virtuous cycle of improvement of their CSR activities. Respect for our commitments forms an extremely significant part of the purchasing process for all our new partners. This helps us influence the GHG emissions that we do not directly control.
In 2016, 79% of our business partners representing more than 85% of the total volume of Cegereal's purchases had signed the charter.

SUSTAINABLE INNOVATION

Innovation is an increasingly significant issue for the property sector. In order to meet changing market practices and expectations, Cegereal has incorporated new focus areas into the multi-year work program rolled out for its property assets, in the form of specific action plans.

Smart buildings

The remodeling of the Europlaza tower lobby in La Défense offered an opportunity to showcase its connected spaces. The new lobby gives a previously underused space a proper function, as the connected furnishings and equipment provide its users with working areas. Wifi has also been extended beyond the private spaces and is now available in the lobby and gardens.

Europlaza's connected lobby was hailed as a success in 2016, and Cegereal intends to offer the same type of shared spaces in other buildings, particularly Arcs de Seine, which already has wifi access in the gardens and the auditorium located in R-2.

As connectivity was identified as a major challenge in the materiality matrix, new avenues are being explored in order to reinforce Cegereal's innovation strategy for the years to come.

Improving the comfort and well-being of our tenants

For Cegereal, the comfort and well-being of its buildings' tenants is a key priority. Here again, stakeholders and the market in general have an increasing number of expectations.

In order to satisfy these new demands, Cegereal intends to map its property assets to reflect the indicators on user comfort and well-being. The buildings already have a great number of amenities that contribute to user comfort.

The property stock has restaurants, cafeterias and auditoriums. Fitness rooms are available in the Europlaza and Rives de Bercy buildings and there are changing rooms for runners at Arcs de Seine.

APPENDICES

Appendix 1 – Reporting indicators and methodology

The environmental indicators published by Cegereal are aligned with the recommendations of the European Public Real Estate Association (EPRA), of which Cegereal is a member.

EPRA's role is to promote, develop and represent the publicly listed real estate sector. Its "Sustainable Best Practices Recommendations" (s-BPR) are designed to make the environmental information published in the annual reports of public property companies clearer and more comparable.

These recommendations have been applied to the internal scope (referred to as "corporate") as well as Cegereal's property portfolio, i.e. its three property assets: Arcs de Seine (three buildings); Europlaza; and Rives de Bercy.

The environmental data are presented according to the three following scopes:

	SCOPE 1: CORPORATE	SCOPE 2: MANAGEMENT	SCOPE 3: USE
Activities	Headquarters' activities and Cegereal	Property management by Cegereal's asset and property manager	Use of buildings by tenants
Scope	All "Corporate" indicators	All "Property portfolio" indicators	
Responsibility	Headquarters (42 rue de Bassano)	Lessor	Users

In 2016, the coverage rates continued to improve, with 100% for the "Corporate" scope, 100% for the "Management" scope and 77% for the "Use" scope. In order to provide full coverage of all the tenants in the information presented in the reports, the extrapolations described below have been made to complete the "Use" scope data. The published data cover the **period from January 1, 2016 to December 31, 2016** and have been reviewed by one of Cegereal's statutory auditors.

A breakdown of the reporting methodology used is provided below and is also available on the Cegereal website. In accordance with Cegereal's reporting methodology as expressed in its procedures, Hanami Campus has not been taken into consideration for the 2016 reporting year, as the guidelines specify that assets acquired during year Y should be integrated into the reporting for year Y+1.

CORPORATE INDICATORS

SCOPE 1 - CORPORATE	REF: GLOBAL REPORTING INITIATIVE (GRI) G4 EPRA CONSTRUCTION & REAL ESTATE	MEASUREMENT UNIT	2015	2016	YEAR-ON-YEAR CHANGE	2016 *without climate adjustment*
ENERGY						
Volume						
Total energy consumption	EN 3 & 4 - Abs & LfL Energy	MWhFE	6,613	6,408	-3%	6,408
o/w fossil fuels	EN 3 - Abs & LfL Fuels	MWhFE	-	-	/	-
o/w electricity	EN 4 - Abs & LfL Electricity	MWhFE	6,613	6,408	-3%	6,408
o/w urban network	N 4 - Abs & LfL DH&C	MWhFE	-	-	/	-
Ratios						
Per square meter	CRE 1 - Int Energy	kWhFE/sq.m	37.79	36.60	-3%	36.60
Per FTE	CRE 1 - Int Energy	kWhFE/FTE	1,653	1,602	-3%	1,602
Per square meter	CRE 1 - Int Energy	kWhPE/sq.m	97.49	94.50	-3%	94.50
CARBON		-				
Volume						
Total energy-related emissions	EN 16 - Abs & LfL GHG	$t.CO_2eq$	0.52	0.50	-4%	0.50
o/w direct	EN 15 - Abs & LfL Direct GHG	$t.CO_2eq$	-	-	/	-
o/w indirect	EN 16 - Abs & LfL Indirect GHG	$t.CO_2eq$	0.52	0.50	-4%	0.50
Article 75: total emissions	EN 15, 16 & 17 - Abs & LfL GHG	$t.CO_2eq$	17.00	17.90	5%	17.90
Ratios						
Total energy-related emissions per sq.m	CRE 3 - Int GHG	$kg.CO_2eq/sq.m$	2.97	2.86	-4%	2.86
Total energy-related emissions per FTE	CRE 3 - Int GHG	$kg.CO_2eq/FTE$	130	125	-4%	125
Article 75: total emissions per sq.m	CRE 3 - Int GHG	$kg.CO_2eq/sq.m$	97.1	102	5%	102
Article 75: total emissions per FTE	CRE 3 - Int GHG	$kg.CO_2eq/FTE$	4,250	4,475	5%	4,475
WATER						
Volume						
Total consumption	EN 8 - Abs & LfL WAT	cu.m				
Ratios						
Per FTE	CRE 2 - Int WAT	cu.m/FTE				
Per square meter	CRE 2 - Int WAT	cu.m/sq.m				
WASTE						
Volume						
Total volume	EN 23 - Abs & LfL WASTE	kg	531	531	0%	
% recycled	EN 23	%	100%	100%	/	
Ratios						
Per FTE	-	kg/FTE	132.75	132.75	0%	

Basis of calculation: 175 sq.m and 4 FTEs for 2016

PROPERTY PORTFOLIO INDICATORS

a. Energy Indicators

PROPERTY PORTFOLIO	REF: GLOBAL REPORTING INITIATIVE (GRI) G4 EPRA CONSTRUCTION & REAL ESTATE	MEASUREMENT UNIT	2015	2016	YEAR-ON-YEAR CHANGE	2016 *WITHOUT CLIMATE ADJUSTMENT*
SCOPE 2: Lessors						
Volume						
Total energy consumption	EN 3 & 4 - Abs & LfL Energy	MWhFE	15,817	16,725	6%	16,159
o/w fossil fuels	EN 3 - Abs & LfL Fuels	MWhFE	-	-	/	-
o/w electricity	EN 4 - Abs & LfL Electricity	MWhFE	10,426	10,824	4%	10,824
o/w urban network	N 4 - Abs & LfL DH&C	MWhFE	5,391	5,901	9%	5,335
Ratios						
Per square meter	CRE 1 - Int Energy	kWhFE/sq.m	120	127	6%	123
Per FTE	CRE 1 - Int Energy	kWhFE/FTE	2,610	2,760	6%	2,667
Per square meter	CRE 1 - Int Energy	kWhPE/sq.m	246	262	7%	253
SCOPE 3: Users		-				
Volume						
Total energy consumption	EN 3 & 4 - Abs & LfL Energy	MWhFE	19,645	17,719	-10%	17,119
o/w fossil fuels	EN 3 - Abs & LfL Fuels	MWhFE	-	-	/	-
o/w electricity	EN 4 - Abs & LfL Electricity	MWhFE	16,464	14,485	-12%	14,485
o/w urban network	N 4 - Abs & LfL DH&C	MWhFE	3,181	3,234	2%	2,634
Ratios						
Per square meter	CRE 1 - Int Energy	kWhFE/sq.m	159	144	-10%	139
Per FTE	CRE 1 - Int Energy	kWhFE/FTE	3,242	2,924	-10%	2,825
Per square meter	CRE 1 - Int Energy	kWhPE/sq.m	372	323	-13%	312
SCOPE 2&3						
Volume						
Total energy consumption	EN 3 & 4 - Abs & LfL Energy	MWhFE	35,462	34,443	-3%	33,278
Ratios						
Per square meter	CRE 1 - Int Energy	kWhFE/sq.m	269	262	-3%	253
Per square meter	CRE 1 - Int Energy	kWhPE/sq.m	594	537	-10%	544

Scope 2 basis of calculation: 131,642 sq.m and 4 FTEs for 2016
Scope 3 basis of calculation: 123,220 sq.m and 6,060 FTEs for 2016

PROPERTY PORTFOLIO INDICATORS

b. Carbon Indicators

PROPERTY PORTFOLIO	REF: GLOBAL REPORTING INITIATIVE (GRI) G4 EPRA CONSTRUCTION & REAL ESTATE	MEASUREMENT UNIT	2015	2016	YEAR-ON-YEAR CHANGE	2016 *WITHOUT CLIMATE ADJUSTMENT*
SCOPE 2: Lessors						
Volume						
Total energy-related emissions	EN 16 - Abs & LfL GHG	t.CO_2eq	1,462	1,591	8.8%	1,512
o/w direct	EN 15 - Abs & LfL Direct GHG	t.CO_2eq	-	-	/	-
o/w indirect	EN 16 - Abs & LfL Indirect GHG	t.CO_2eq	1,462	1,591	8.8%	1,512
Ratios						
Total energy-related emissions per sq.m	CRE 3 - Int GHG	kg.CO_2eq/sq.m	11.10	12.09	8.8%	12.09
Total energy-related emissions per FTE	CRE 3 - Int GHG	kg.CO_2eq/FTE	241	263	8.8%	250
SCOPE 3: Users		-				
Volume						
Total energy-related emissions	EN 16 - Abs & LfL GHG	t.CO_2eq	1,757	1,617	-8.0%	1,537
o/w direct	EN 15 - Abs & LfL Direct GHG	t.CO_2eq	-	-	/	-
o/w indirect	EN 16 - Abs & LfL Indirect GHG	t.CO_2eq	1,757	1,617	-8.0%	1,537
Ratios						
Total energy-related emissions per sq.m	CRE 3 - Int GHG	kg.CO_2eq/sq.m	14.3	13.1	-8.0%	12.5
Total energy-related emissions per FTE	CRE 3 - Int GHG	kg.CO_2eq/FTE	290	267	-8.0%	254
SCOPE 2&3						
Volume						
Total energy-related emissions	EN 16 - Abs & LfL GHG	t.CO_2eq	3,219	3,208	-0.4%	3,049
Total property portfolio emissions*	EN 16 - Abs & LfL GHG	t.CO_2eq	/	11,486	nc	11,187
Ratios						
Total energy-related emissions per sq.m	CRE 3 - Int GHG	kg.CO_2eq/sq.m	24.5	24.4	-0.4%	23
Total energy-related emissions per FTE	CRE 3 - Int GHG	kg.CO_2eq/FTE	531	529	-0.4%	503

Scope 2 basis of calculation: 131,642 sq.m and 4 FTEs for 2016

Scope 3 basis of calculation: 123,220 sq.m and 6,060 FTEs for 2016

**Cegereal performed an audit of the carbon footprint of its three properties. Greenhouse gas emissions have been calculated for the following categories:*

- *Building-produced waste;*
- *Impact of construction materials (building emissions calculated for the year);*
- *Employee commuting;*
- *Energy consumption*

PROPERTY PORTFOLIO INDICATORS

c. Water and Waste Indicators

PROPERTY PORTFOLIO - SCOPE 2 & 3	REF: GLOBAL REPORTING INITIATIVE (GRI) G4 EPRA CONSTRUCTION & REAL ESTATE	MEASUREMENT UNIT	2015	2016	YEAR-ON-YEAR CHANGE
WATER					
Volume					
Total consumption	EN 8 - Abs & LfL WAT	cu.m	59,505	56,536	-5.0%
Ratios					
Per FTE	CRE 2 - Int WAT	cu.m/FTE	9.8	9.3	-4.4%
Per square meter	CRE 2 - Int WAT	cu.m/sq.m	0.5	0.4	-5.0%
WASTE					
Volume					
Total volume	EN 23 - Abs & LfL WASTE	kg	884,630	757,720	-14.3%
% recycled	EN 23	%	nc	100%	/
Ratios					
Per FTE	-	kg/FTE	145.0	125.0	-13.8%

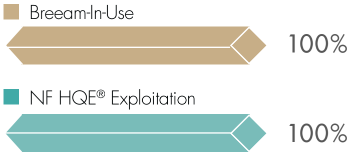
Scope 2 basis of calculation: 131,642 sq.m and 4 FTEs for 2016
Scope 3 basis of calculation: 123,220 sq.m and 6,060 FTEs for 2016

LABELING AND CERTIFICATION

All of Cegereal's assets have been certified since 2015

- 100% of assets have received BREEAM In-Use International certification, with a Very Good ranking
- 100% of assets have received NF HQE® certification for commercial buildings in operation

Percentage of Cegereal portfolio certified in 2016



Reporting Methodology

REPORTING METHODS

1. Measurement methods used

- **Surface Area:**

The surface areas used for scope 2 and 3 indicators are those taken as the reference for financial reporting:

	FINANCIAL REPORTING REFERENCE SURFACE AREAS
ARCS DE SEINE	47,222
EUROPLAZA	52,478
RIVES DE BERCY	31,942
PROPERTY PORTFOLIO	131,642

The surface area used for scope 1 is the leased surface of Cegereal's premises at 42 rue de Bassano, 75016 Paris, France.

- **FTE:**

For scope 2 and 3, FTEs are the number of full-time employees on site at October 1, 2016. For scope 1, they represent the total number of Cegereal employees as presented in the section on employment data.

2. Methods used for calculations and estimates

Environmental indicators are calculated or extrapolated using the following methods:

- **Greenhouse gas emissions:**
  - For reporting scopes 1, 2 and 3, direct GHG emission figures are obtained by weighting the data related to fossil fuel energy consumption on the basis of the latest emission factors published by the French environment and energy management agency ADEME.
  - Indirect GHG emission figures are obtained by weighting the data related to electrical energy consumption on the basis of ADEME's latest published emission factors.
  - Figures for GHG emissions that are not related to energy consumption are obtained from the carbon audits performed on corporate activities and all owned property assets.

- **Energy consumption:**
  - For scope 1 "Corporate": data are provided directly by Cegereal.
  - For scope 2 "Management": data are provided by the property manager.
  - For scope 3 "Use": the property manager collects energy-related data and the supporting invoices from the tenants of the various buildings.

Extrapolations in the event that some or all of the data is missing from scopes 1, 2 and 3:

If a data item is missing, it is estimated successively using two methods:

Method 1: reconstruction based on previous data:

1.1 If data are unavailable for month M of year Y, data for month M of year Y-1 are used.

1.2 If data are unavailable for month M of year Y and month M of year Y-1, an extrapolation on a monthly pro rata basis is performed using data from the remaining months in year Y if data for six consecutive months are available.

1.3 If data are unavailable for the whole year Y, data for the years Y-1, Y-2 or Y-3 are used.

Method 2: estimates based on similar building data:

If data are missing for a vacant unit in the building, they are extrapolated based on a surface area ratio using data available for another unit in the building or complex that is rented. For example: 2016 energy consumption for the first floor of building B rented by X = 2016 energy consumption for the second floor of building B rented by Y.

In 2016, no estimates were required for scope 1 and 2 energy consumption.

In order to obtain the part of the data estimated for the "Use" scope, a calculation is performed on a pro rata basis, based on the surface area for which data are available for the whole surface area occupied by all of the tenants. Ultimately, only 23% of the surface area under scope 3 "Use" was extrapolated.

- ARCS DE SEINE: 2016 electricity consumption for four out of ten tenants was extrapolated. The annual time-weighted pro rata approach (method 1) was used to calculate 9% of energy consumption, and the surface-weighted pro rata approach (method 2) was used to calculate 6% of the building's total energy consumption (13,861 MWh) in 2016.
- EUROPLAZA: The annual time-weighted pro rata approach (method 1) was used to calculate 14% of energy consumption, and the surface-weighted pro rata approach (method 2) was used to calculate 4% of the building's total energy consumption (13,643 MWh) in 2016.
- RIVES DE BERCY: Consumption was not estimated.

- **Waste:**

The waste presented in this table comes from non-hazardous streams, i.e., paper, waste similar to household waste (mainly including waste from the staff cafeteria), and construction site waste (if applicable). Hazardous waste streams are not covered as yet. Sorted waste refers to waste that has been placed in bins by category. This breakdown is not currently recorded for Company property assets.

Extrapolations in the event that some or all of the waste-related data is missing

If data are missing, the unavailable data are recreated based on previous data. If data are unavailable for the whole year Y, data for the years Y-1, Y-2 or Y-3 are used.

This was the case in 2016 for waste produced by the shared restaurant at the Europlaza site (the only property to have a restaurant). The extrapolated figure represents 25% of Cegereal's total volume (758 tons) for 2016.

3. Adjustments for climate change

Adjustments for climate change are performed using the following method:

- **Identifying energy consumption impacted by climate extremes**

For each building, energy consumption relating to heating, air conditioning and other uses is analyzed. The breakdown of energy consumption for each building results in the use of allocation keys (Heating ($P_{heating}$)/Air conditioning ($P_{cooling}$)/Other (P_{other})) which are expressed as a percentage of total final energy consumption for each type of energy.

- **Adjustments for climate extremes**

Climate extremes are measured using degree-days[3] for each weather station:

- HDD (heating degree day) to measure extreme temperatures in winter.
- CDD (cooling degree day) to measure extreme temperatures in summer.

An average of annual HDD and CDD is calculated over ten years, from 2006 to 2016 for each station (HDDavg and CDDavg). Weather conditions at each station can therefore be compared to an average year by comparing HDD and CDD to HDDavg and CDDavg.

- **Adjusting final energy consumption figures for climate extremes**

Using the actual reported final energy consumption figures, consumption is adjusted for extremes based on the following formula:

$$\mathbf{Cadjusted = Cactual \times (P_{heating} \times HDDavg / HDD + P_{cooling} \times CDDavg / CDD + P_{other})}$$

Where:

Cadjusted: adjusted annual final energy consumption (kWhFE).

Cactual: actual annual final energy consumption (kWhFE).

$P_{heating}$: portion of consumption relating to heating (%).

$P_{cooling}$: portion of consumption relating to cooling (%).

P_{other}: portion of consumption relating to other uses (%).

HDD_{avg}: benchmark average annual heating degree day (°C).

HDD: heating degree day for the current year (°C).

CDD_{avg}: benchmark average annual cooling degree day (°C).

CDD: cooling degree day for the current year (°C).

The corresponding conversion into primary energy and GHG emissions calculations are performed in accordance with the methodology described above.

For each property, this method models the annual consumption level that would have been recorded in an average, constant climate. It is therefore possible to analyze the change in consumption levels and greenhouse gas emissions for a constant reporting structure based on identical weather conditions.

4. HR and societal data

Calculations of the main HR and societal data presented in the report are performed in accordance with the following methods:

Green capex: The "Green capex" or "energy and environmental renovations" were calculated by totaling the renovation costs minus standard maintenance costs and regulation compliance work that had an impact on the buildings' use and energy consumption (e.g., lighting, air conditioning, heating, etc.).

Absenteeism rate: The absenteeism rate corresponds to the annual number of absences (excluding paid leave and "RTT" days off) compared to the theoretical annual number of hours worked.

Responsible purchasing: Service providers' and suppliers' participation in the responsible purchasing policy is calculated based on the response rate to the responsible purchasing questionnaire and the number of companies that have signed on to the responsible purchasing charter.

Societal footprint: The number of indirect jobs created by Cegereal's business is calculated based on the Company's overall purchasing volumes and the average annual cost of an FTE in the construction sector and the services sector[3].

Percentage of leases including environmental appendices: The percentage of leases that include environmental appendices is calculated by taking the ratio of the surface area of leases covered.

(3) Source: http://www.insee.fr/fr/ffc/ipweb/ip1393/ip1393.pdf

Appendix 2 - Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated environmental, human resources and societal information included in the management report

(For the year ended December 31, 2016)

CEGEREAL S.A.
Registered office:
42, rue de Bassano
75008 Paris
France
Share capital: EUR 66,862,500

This is a free translation into English of the report by the independent third party issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of Cegereal SA (the «Company»), appointed as an independent third party and certified by COFRAC under number 3-1049[1], we hereby report to you on the consolidated environmental, human resources (HR) and societal information for the year ended December 31, 2016, included in the management report (hereinafter the «CSR Information»), pursuant to Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing the Company's management report including the CSR Information required by Article R.225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the «Guidelines»), summarized in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics *(Code de déontologie)* of our profession and the requirements of Article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of the CSR Information, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work was carried out by a team of five persons between October 2016 and February 2017 and lasted around two weeks. We were assisted in our work by our experts in corporate social responsibility.

We performed our work in accordance with the French professional standards and with the order dated May 13, 2013 defining the conditions under which the independent third party performs its engagement, and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information.

1. Statement regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding the human resources and environmental impacts of its activities and its societal commitments and, where applicable, any actions or programs arising therefrom.

We compared the CSR Information presented in the management report with the list provided in Article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that the explanations were provided in accordance with Article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological information presented in the management report.

Conclusion

Based on this work and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

(1) Whose scope is available at www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted five interviews with the persons responsible for preparing the CSR Information in the departments responsible for collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of the data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental implications of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[3]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, action), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- we conducted interviews at the Company's registered office to verify that procedures are properly applied and to identify any omissions, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents 100% of the quantitative environmental data and 100% of the quantitative societal data presented.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgment, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

Paris-La Défense, February 16, 2017
KPMG S.A.

Anne Garans
Partner
Sustainable Development Department

Régis Chemouny
Partner

(3) **Environmental Information**: water consumption, energy consumption, CO_2 emissions related to energy consumption, total waste produced, percentage of buildings with BREEAM-in-Use and HQE Exploitation environmental certification.
Societal information: average distance of buildings from the nearest public transportation hub, response rate to the supplier questionnaire on sustainability policies, responsible purchasing charter signature rate and percentage of leases that include environmental appendices.
Qualitative information: promotion of and compliance with International Labour Organization fundamental conventions, general environmental policy, climate change, regional, economic and human resources impact of the Company's business, subcontractors and suppliers.

III

FINANCIAL INFORMATION

IV

LEGAL INFORMATION

INFORMATION & transparency

III. FINANCIAL INFORMATION

1. Consolidated results and financial position

The following presentation and analysis should be read in conjunction with this Registration Document in its entirety and in particular with the consolidated financial statements which are presented in section III.2.

The consolidated financial statements were adopted by the Board of Directors on February 16, 2017 and will be submitted to the Annual General Shareholders' Meeting for approval.

Cegereal holds 100% of the capital and voting rights of:

– Prothin, a French *société par actions simplifiée* (joint stock corporation) with share capital of EUR 115,417,466, whose registered office is located at 42 rue de Bassano, 75008 Paris, France, registered with the Paris Trade and Companies Registry under no. 533 212 445 **("Prothin")**;

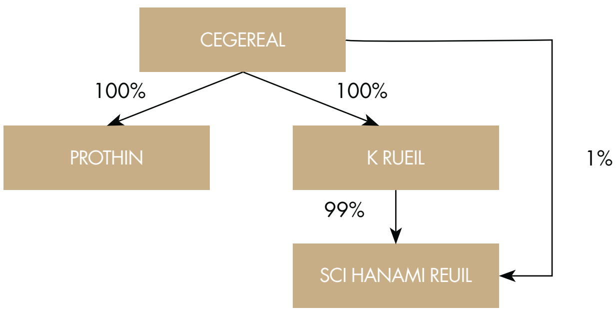
– K Rueil, a company investing predominantly in real estate with a variable share capital (SPPICAV), incorporated in the form of a French *société par actions simplifiée* (simplified joint stock company), whose registered office is located at 39 avenue George V, 75008 Paris, France, registered with the Paris Trade and Companies Registry under number 814 319 513 and authorized by the French financial markets authority under number SPI20150043 **("K Rueil" or the "OPCI")**;

and directly and indirectly, via K Rueil, 100% of the capital and voting rights of:

– Hanami Rueil SCI, a non-trading real estate company with a share capital of EUR 100, whose registered office is located at 42 rue de Bassano, 75008 Paris, France, registered with the Paris Trade and Companies Registry under number 814 254 512 **("Hanami Rueil SCI")**.

Subsequent references to the "Group" therefore include Cegereal SA, Prothin SAS, K Rueil and Hanami Rueil SCI.

Organizational structure



For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2016 includes the IFRS financial statements of Cegereal SA for the year ended December 31, 2015.

As described hereinafter, the decrease in net income from EUR 81m in 2015 to EUR 41.3m in 2016 is mainly attributable to changes in the fair value of properties.

1.1. BUSINESS REVIEW AND RESULTS OF THE MAIN SUBSIDIARIES

Prothin SAS

Prothin SAS is wholly owned by Cegereal. It owns the Europlaza, Arcs de Seine and Rives de Bercy buildings, which together were valued at EUR 972.1m at December 31, 2016. The subsidiary recorded rental income of EUR 60.6m in 2016, up from EUR 55.6m in 2015. Net income for 2016 amounted to EUR 3.2m, compared with a net loss of EUR 1.7m in 2015. The company did not pay any dividends in 2016.

The office space in the Rives de Bercy building was fully occupied at December 31, 2016.

Boursorama gradually vacated the 9,738 sq.m of office space it occupied in the Arcs de Seine building in early July, late August and late September. The amended lease agreement provided that rents would rise by 50% as of January 1, 2016. The Group also billed a one-time payment of EUR 667k and restoration costs of EUR 1.5m in the first half of the year.

The occupancy rate of the Europlaza building remained stable in 2016. General Electric Capital vacated 509 sq.m at January 31 and paid a termination indemnity of EUR 312k. This newly vacated surface area was leased to Gartner with effect from February 1, 2016. Unilocations signed a lease for an additional surface area of 2,191 sq.m, effective from June 1, 2016. Experian vacated 1,296 sq.m in office space at end-October 2016.

Hanami Rueil SCI

Hanami Rueil SCI was acquired on December 15, 2016 and is directly (1%) and indirectly (99%) owned by Cegereal. The subsidiary owns the Hanami Campus building, which was valued at EUR 152m at December 31, 2016. Between December 15 and December 31, 2016, rental income totaled EUR 0.5m and the company recorded a net loss of EUR 1.1m as a result of debt refinancing costs.

The Hanami Campus building has an occupancy rate of 92%.

OPPCI K Rueil

The K Rueil OPPCI was acquired in full by Cegereal on December 15, 2016. The company holds 99% of shares in Hanami Rueil SCI. Between December 15 and December 31, 2016, it recorded a net loss of EUR 6k.

Any front-end incentive is fully amortized over the fixed term of the lease.

The physical occupancy rate corresponds to the percentage of premises for which the Company receives rent within the framework of a lease agreement at December 31, 2016.

The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or indemnities in respect of terminated lease agreements at December 31, 2016.

Unless otherwise specified, the occupancy rates referred to in this report correspond to physical occupancy rates.

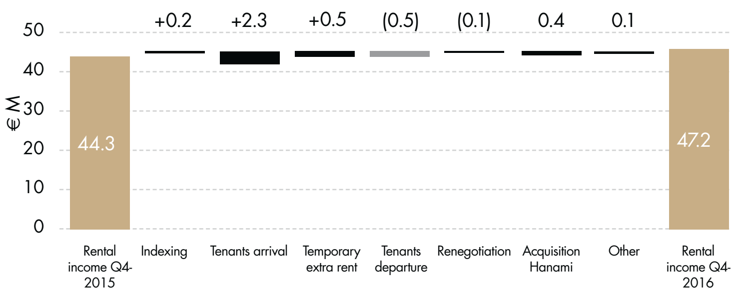
The table below shows the physical and financial occupancy rates for the Group's portfolio over the past three years.

Cegereal portfolio	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Physical occupancy rate	87.0%	92.8%	89.8%
Financial occupancy rate	87.0%	92.8%	90.5%

The physical and financial occupancy rates for each property at December 31, 2016 can be analyzed as follows:

Dec. 31, 2016	Europlaza	Arcs de Seine	Rives de Bercy	Hanami Campus	Total
Physical occupancy rate	82%	80%	100%	92%	87.0%
Financial occupancy rate	82%	80%	100%	92%	87.0%

Change in rental income (December 31, 2015-December 31, 2016)



Net rental income (2012-2016)

In thousands of euros

	2016	2015	2014	2013	2012
Europlaza	19,183	18,077	20,770	21,812	22,725
Arcs de Seine	17,747	16,384	14,008	11,765	4,691
Rives de Bercy	9,847	9,849	9,968	9,726	11,217
Hanami Campus	419	-	-	-	-
Rental income	47,196	44,310	44,746	43,303	38,633
Rental expenses rebilled to lessees (1)	6,323	6,868	6,489	5,879	5,082
Real estate taxes rebilled to lessees (2)	4,599	4,363	4,833	4,217	3,589
Other amounts rebilled to lessees (3)	2,606		1,836	327	
Miscellaneous income	463	118	16	39	102
Income from other services	13,991	11,349	13,173	10,462	8,773
Building-related costs (4)	(17,221)	(17,156)	(16,341)	(16,927)	(16,382)
Net rental income	43,965	38,503	41,579	36,838	31,024

Expenses incurred by the lessor (2012-2016)

In thousands of euros

	2016	2015	2014	2013	2012
Building maintenance	(136)	(498)	(20)	(735)	(431)
Expenses on vacant premises	(1,471)	(1,299)	(1,707)	(1,874)	(2,187)
Asset management fees	(4,062)	(3,143)	(3,049)	(2,972)	(3,029)
Other building-related costs – lessor	(629)	(985)	(243)	(923)	(2,064)
Building-related costs – lessor (4) – (1) – (2) – (3)	(6,299)	(5,925)	(5,019)	(6,504)	(7,711)
Wages and salaries	(1,127)	(957)	(550)	(576)	(512)
Other overhead costs	(2,329)	(3,812)	(2,376)	(2,096)	(2,111)
Total expenses incurred by the lessor	(9,754)	(10,695)	(7,944)	(9,176)	(10,334)

Net income by key indicator for the period:

In thousands of euros

Statement of comprehensive income caption	Amount	Breakdown
Net rental income	43,965	Net rental income corresponds to rental income for the period (EUR 47,196k) and rental expenses rebilled to lessees (EUR 13,991k), less building-related costs (EUR 17,221k). In 2016, net rental income rose by EUR 5.5 million compared to 2015. This was primarily due to the early termination indemnities received in 2016, as well as the arrival of new tenants and the availability of additional surface area.
Administrative costs	(3,655)	Administrative costs chiefly comprise fees, insurance premiums and personnel costs.
Other operating expenses	(716)	Other operating expenses mainly correspond to the change in fair value of share subscription warrants.
Change in fair value of investment property	20,392	The value of the real estate portfolio rose from EUR 942 million at December 31, 2016 to EUR 1,124 million at December 31, 2017.
Net operating income	59,987	
Net financial expense	(17,919)	Net financial expense is made up of EUR 17,972k in financial expenses and EUR 53k in financial income.
Corporate income tax	(802)	Due to the application of the SIIC tax regime with effect from 2006, the Group's profits derived from the rental of investment properties and the sale of real property rights are not subject to corporate income tax. This tax exemption is, however, subject to certain criteria relating essentially to the payment of dividends. No income tax was recorded on other taxable activity during the period. Accordingly, the income tax recorded for the period corresponds exclusively to the additional corporate income tax contribution on amounts distributed in an amount of EUR 802k.
Net income	41,265	

1.2. FINANCIAL RESOURCES

STRUCTURE OF NET DEBT AT DECEMBER 31, 2016

Net debt stood at EUR 486m at December 31, 2016, up EUR 181m compared with 2015.

This increase was mainly attributable to:

(i) the acquisition of the OPCI, K Rueil, a SPPICAV. K Rueil and Cegereal together hold 100% of the capital and voting rights of Hanami Rueil SCI, the owner of the Hanami building located at 89 Boulevard F. Roosevelt, 92500 Rueil Malmaison, France;

(ii) the refinancing of Prothin and Hanami K Rueil.

Prothin

Prothin refinanced in full the credit agreement of July 26, 2012, signed with (i) Aareal Bank AG, Deutsche Pfanbriefbank Aktiengesellschaft, Bayerische Landesbank, and Landesbank Berlin AG, and (ii) Cegereal, which represented a principal amount of EUR 405m (the "**Initial Loan**").

In this respect, on July 26, 2016, Prothin entered into a credit agreement (the "**Prothin Credit Agreement**") with Aareal Bank AG, Natixis, and Natixis Pfandbriefbank AG (the "**Banks**") for a principal amount of EUR 525m, which enabled it in particular to pay back the Initial Loan and finance certain work and expenditures. The initial due date is December 15, 2021.

EARLY REPAYMENT IN THE EVENT OF A CHANGE IN CONTROL

The Prothin Credit Agreement provides for mandatory early repayment in the event of a change in control of Prothin and/or Cegereal.

EARLY REPAYMENT INDEMNITY

Under the Prothin Credit Agreement, should Prothin make any (x) voluntary early repayments of all or part of the outstanding loan, or (y) mandatory, in certain cases, early repayments of all or part of the outstanding loan, or cancel all or part of the available amount, Prothin will have to pay, in addition to breakage costs, an early repayment indemnity equal to:

– one percent (1%) of any loan amounts repaid or cancelled between the date of signature and the first anniversary of the date of signature; then

– zero point seventy-five percent (0.75%) of any loan amounts repaid or cancelled between the first anniversary of the date of signature and the second anniversary of the date of signature;

– zero point fifty percent (0.50%) of any loan amounts repaid or cancelled between the second anniversary of the date of signature and the third anniversary of the date of signature.

No early repayment indemnity will be payable in the case of amounts repaid as of the third anniversary of the date of signature.

Hanami Rueil SCI

Following the acquisition of Hanami Rueil SCI, on December 15, 2016, SCI Hanami entered into a credit agreement (the "Hanami Rueil Credit Agreement") with Banque Postale Credit Entreprises and Societe Generale for a principal amount of EUR 100m. The due date is December 15, 2021.

EARLY REPAYMENT INDEMNITY

Under the Hanami Rueil Credit Agreement, should Hanami Rueil make any (x) voluntary early repayments of all or part of the outstanding loan (with the exception, where applicable, of any amortizing payments made in accordance with the Credit Agreement), or (y) mandatory early repayments of all or part of the outstanding loan, Hanami Rueil will have to pay, in addition to breakage costs, an early repayment indemnity equal to:

– one percent (1%) of any loan amounts repaid between the date of signature and the first anniversary of the date of signature; then

– zero point seventy-five percent (0.75%) of any loan amounts repaid between the first anniversary of the date of signature and the second anniversary of the date of signature;

– zero point twenty-five percent (0.25%) of any loan amounts repaid between the second anniversary of the date of signature and the third anniversary of the date of signature.

No early repayment indemnity will be payable in respect of this article in the case of amounts repaid as of the third anniversary of the date of signature and any early repayment indemnities payable in relation to amounts repaid following a change in control will be reduced by fifty percent (50%).

MAIN GUARANTEES

The main guarantees given in the Credit Agreements are as follows:

– exclusive senior pledge in favor of the banks of the credit balance of the bank accounts;
– assignment of professional receivables under the Dailly Law mechanism;
– mortgage collateral;
– exclusive senior pledge of the shares held by Cegereal in the capital of Prothin and of the shares held by K. Rueil and Cegereal in the capital of Hanami Rueil SCI; and
– pledge of subordinated loan receivables.

MAIN FINANCIAL RATIOS

Cegereal's financial position at December 31, 2016 satisfies the various limits that could affect the conditions set out in the different credit agreements relating to interest and early repayment clauses.

The table below presents the main financial ratios set out in the credit agreements.

In thousands of euros

	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2014
Gearing ratio			
Non-current borrowings/ adjusted net assets	52.1%	43.0%	49.4%
Interest coverage ratio			
Projected net rental income/ interest expenses	513%	298%	286%

Projected net rental income designates total projected net rental income for the following 12 months, excluding taxes, less rental income where the risk of non-recovery has been established (notice given, unpaid rent) and operating expenses rebillable to lessees and operating expenses not rebillable to lessees.

Operating expenses comprise expenses (including recoverable expenses) including tax incurred in operating, upkeeping, maintaining, running, managing and administering the buildings (in particular, compensation paid under the asset management agreement and the property management agreement) and administrative expenses incurred by the borrower.

OTHER FINANCING ARRANGEMENTS

There are no plans to put in place other investment financing with respect to which the management bodies have made firm commitments.

As of the date of this Registration Document, the Company's investment capacity is estimated to be in the region of EUR 100m. Provided that the Company maintains a debt structure as described above, it will quickly have the investment capacity to implement its industrial and commercial policies. In the event that the Company fails to identify any investment opportunities that correspond to the risk/return profiles it is seeking, it could consider distributing these amounts to its shareholders.

1.3. CHANGES, OUTLOOK AND TRENDS

The Company will monitor any opportunities to develop its portfolio in the Grand Paris office property market while continuing to market vacant surface area in its existing properties.

1.4. SUBSEQUENT EVENTS

To the Company's knowledge, there has been no significant change in the Group's financial or commercial position since December 31, 2016.

1.5. RELATED PARTY TRANSACTIONS

Transactions between the Group and its shareholders

No significant transactions took place between the Group and its main shareholders in 2016 other than those described in Note 5.27 to the consolidated financial statements.

Transactions between Group companies

The Group has a highly centralized organizational structure.

Cegereal sets up financing for the needs of the entire Group.

A cash pooling agreement and related loan agreements are used to optimize cash flows through the management of cash surpluses and shortfalls across the different subsidiaries.

1.6. RISKS

Based on a specific review of risks that could have a material adverse effect on the Company's business, financial condition, results or ability to meet its objectives, the Company believes that it has no material risk exposures apart from those presented in the table below.

Summary table of the main risks

Risks	Nature	Consequences	Observations
1. Risks linked to the Company's/Group's activity			
1.1. Risks linked to the economic and competitive environment			
Risks linked to the economic environment	- The real estate market is inherently cyclical. - The challenging economic situation and a possible downturn may have an impact on demand for new office space, the rents that can be charged, the Company's ability to increase rent levels when leases are renewed, and the ICC-ILAT-INSEE rent index.	- Negative impact on the Group's financial position, results, activity and development prospects. - Impact on the liquidity of the real estate assets in the event of a forced sale: difficulty to dispose rapidly of part of its real estate assets under satisfactory conditions if such action were to prove necessary. - Impact on the occupancy rate of the Group's properties.	- The majority of the leases already in place have been renewed since 2010, which prevents the Company from having to decrease its rents under Article L.145-39 of the French Commercial Code. - The ICC index increased by an average of 2.3% per year over the last ten years. The ILAT index has increased by 21% since it was established in 2005. - These risks are specific to property companies. Changes in these risks are closely related to exogenous components including fluctuations in the real estate market and interest rates, and economic cycles. - To reduce this risk, the Group's properties are continuously monitored by its asset manager.
Risks linked to the competitive environment	- Rental activity: risk of obstacles to achieving the Group's rental management objectives due to competition in the office real estate sector. - Investment/diversification: risk of obstacles to pursuing the Group's strategy and investment and diversification policy due to competition from French and international property owners (institutional property investors).	- Potential loss of lessees, when their leases expire, if the competition is able to offer more attractive rental conditions for comparable properties. - Unfavorable effect on the Group's growth, activity and future results if the investment and diversification strategy cannot be implemented.	- The Group maintains regular discussions with the lessees in order to anticipate their needs and be in line with the market.
1.2. Risks linked to operations			
Risk linked to changes in rent levels	- Rent levels and the value of office buildings are influenced by supply and demand for real estate floor space.	- An unfavorable trend would be likely to adversely affect the results, activity and financial position of the Company.	- The Group carries out a valuation of its properties every six months using different methods directly linked to market rental values.
Risk of dependence on certain lessees and a decline in the occupancy rate	- The four most significant lessees (Crédit Foncier de France, Capgemini, GE Capital and Canal Plus) represent 46% of properties rented on a one-year lease. - Risk of failure to renew leases or lease assets within a given time frame, at prices that comply with the Group's expectations and under conditions as favorable as those under current leases.	- A request for more favorable lease terms upon renewal or a decision by one of these lessees to terminate its lease, could adversely impact the Group's results and financial position due to the fall in rental income and extra operating expenses.	- The division of the real estate portfolio enabled Cegereal to increase the number of lessees from 12 to 28 since the Group was first listed in March 2006. This number should be further increased as vacant premises are marketed. - The Group constantly monitors vacant premises and upcoming lease expirations. By maintaining close relations with tenants and monitoring the rental market, the Group is able to anticipate the necessary steps to reducing costs associated with vacant premises through early renegotiations, marketing and works scheduling.
Risk linked to non-payment of rent	- All Group revenue is generated by leasing its real estate assets to third parties. - Risk of a fall in the rent collection rate due to financial difficulties suffered by tenants, particularly in challenging economic conditions.	- Non-payment of rent could - affect the Group's results, and - increase liquidity risk (see Note 4.6 in section 2.5.4 of the consolidated financial statements).	- The Group endeavors to diversify its tenant portfolio. All new lessees undergo an assessment of their financial position prior to signing the lease and the financial solidity of all lessees is reassessed on an annual basis. - At year-end 2016, all of the Company's lessees were considered to be in a satisfactory financial position, and 96% had a Dun & Bradstreet rating of 1 or 2 (on a scale of 1 to 5). There were no failures to pay at the date of publication.

Risks	Nature	Consequences	Observations
1.3. Concentration risks			
Risk linked to the concentration of the portfolio in the same geographic region	- The entire portfolio is located in the inner suburbs of Paris.	- Competition within the region or adjacent regions could encourage lessees to seize on better value opportunities elsewhere.	- The four assets are located in four very different zones of the Greater Paris market, which represents more than 50 million sq.m. The risk of concentration is therefore limited. - The vacancy rates for the areas where the Group's various buildings are located were as follows: 9.8% for La Défense, 11.7% for the Western Crescent and 8.3% for the Eastern Inner Suburbs (Source: C&W)
Risks linked to the concentration of the portfolio in the same rental sector	- The Group has concentrated its real estate portfolio exclusively in office properties. This activity is more sensitive to the economic environment, specific regulatory constraints and the cost of restoring vacant premises and is subject to a higher degree of tenant insolvency risk due to the relative size of each tenant.	- A downturn in the market for office real estate could have negative effects on the Group's financial position, results, activity and development prospects.	
1.4. Risks linked to assets			
Risk linked to the valuation of real estate assets	- A detailed report on the value of the Group's portfolio is prepared each year, with quarterly updates. - Risk of error in estimating asset value, or failure of assumptions used to materalize. An error in estimating asset value could also impact the Group's cost of debt, compliance with financial ratios and borrowing capacity.	- Under IFRS, the Group's consolidated income could vary considerably in the event of a significant rise or fall in the capitalization rates for the real estate sector. - Between two half-yearly valuations, the carrying amount of the buildings will not be adjusted if the market price varies, and could therefore fail to reflect the effective market value of the assets.	- Real estate valuations are carried out by BNPP RE, Catella and Cushman & Wakefield, external real estate valuers, twice a year using consistent, recognized methods. - The Group makes known any item at its disposal likely to have a significant impact on the value of its buildings.
1.5. Acquisition risks			
Risk relating to acquisitions of new properties or shares	- Risk of overestimating the expected yield or return, or the potential increase in value of assets acquired, or failure to identify hidden defects in said assets.	- The Company has created a procedure for acquisitions based on technical, legal and financial studies. The procedure also includes assistance from external advisors. Potential acquisitions are subject to a review by the Investment Committee followed by the Board of Directors due to the limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officer.	- Prior to the acquisition of shares in the OPPCI K Rueil, a review was carried out by the Investment Committee before the Board of Directors granted its approval. The Company sought guidance from various advisors as part of the operation.
2. Managing market risks			
2.1. Liquidity risk			
	- Risk of failure to obtain insufficient financial resources for the Group's recurring operations and investments, or of obtaining said financial resources under unfavorable conditions. This risk is highly dependent on exogenous components, namely changes in the financial and real estate markets.	- Option available to lenders of declaring all outstanding amounts, accrued interest and charges thereon to be immediately payable, and of enforcing all or part of the collateral and guarantees granted in the event of a default. - The Group could find itself in a position where it cannot obtain refinancing for an amount, or under financial conditions that are equivalent to the current conditions.	- The specific review of liquidity risk based on the Group's financial position at December 31, 2016, complied with all of the various ratios and limits applicable to the mandatory early payment clauses provided for in the credit agreement (see Note 5.11 (Non-current borrowings) and Note 5.26 (Off-balance sheet commitments and security provided) in section 2.5.5 of the IFRS financial statements). - At December 31, 2016, Cegereal's financial ratios were as follows: (i) 52.1% LTV ratio and (ii) 513% interest coverage ratio. - The Group has also conducted a specific review of its liquidity risk and considers that it is in a position to meet its upcoming commitments.
2.2. Foreign exchange risk			
	- The Group is not exposed to foreign exchange risk as it generates all of its revenue in the eurozone.	- No foreign exchange risk.	- Not applicable.
2.3. Risks on equities and other financial instruments			
	- As of the date of this document, the Group does not hold any direct investments in listed companies, or any indirect investments in such companies via units in equity funds. - As of December 31, 2016 the Group held financial instruments and is therefore subject to market and asset value fluctuations.	- The Group is not exposed to any equity risk. - Under IFRS, the Group's consolidated income could vary considerably in the event of a significant rise or fall in interest rates.	- These financial instruments did not have a material impact on the Group's financial statements for the year ended December 31, 2016.
2.4. Interest rate risk			
	- Risk of interest rate rises impacting the Group's performance and objectives over time. - In recent years, the real estate sector has benefited from a favorable interest rate environment characterized by falling long-term interest rates. The yield on ten-year French fungible Treasury bonds (TEC 10 index) fell from 3.98% at December 31, 2006, to 0.7% at December 30, 2016 (Source: Banque de France). - The Company is not able to foresee the various factors impacting future interest rates.	- A significant increase in interest rates could entail a decrease in the estimated value of the Group's assets (also see Note 4.7 to the consolidated financial statements in section 2.5.4).	- The Group conducted a sensitivity analysis regarding changes in interest rates (see section 2.4.3 of the consolidated financial statements). - The Group closely monitors interest rate risk. Interest rate risk is managed using hedging instruments, on which a half-yearly report is submitted to the Audit Committee. - Interest rate risk is also discussed in Note 2.5.4 to the IFRS financial statements for the year ended December 31, 2016.

Risks	Nature	Consequences	Observations
3. Risks linked to the majority shareholder			
Risks linked to the majority shareholder	- The Northwood Concert (as defined in Article 2.5 of the "Legal Information" section of this report) is the majority shareholder of the Company's capital and voting rights, and retains a significant influence over the Company and the running of the Group's business. - The Northwood Concert manages other real estate assets in France.	- The Northwood Concert is therefore in a position to make significant decisions (e.g., composition of the Company's Board of Directors, payment of dividends, etc.) without minority shareholders being able to oppose these decisions in General Shareholders' Meetings. - The Northwood Concert may find that it has a conflict of interests with regard to certain transactions (e.g., lease negotiations or disposal of a building), which could have an unfavorable effect on the Company, and in turn on the Group's assets, financial position, results or strategy.	- The Company's shareholders have a shared interest in maximizing its value.
4. Risks linked to service providers			
4.1. Risk linked to the quality of service providers and sub-contractors			
	- The Group's rental activity depends on certain sub-contractors and service providers, in particular maintenance and caretaking companies.	- If these sub-contractors or service providers were to go out of business or become insolvent, or if the quality of their services or products were to decline, this could affect the Group.	- With the exception of the Advisory Services Agreement (ASA), all of the sub-contracting agreements are short-term renewable contracts (maximum of one year), which makes it possible to rapidly change service provider should the need arise.
5. Risks linked to the regulatory environment			
5.1. Risk linked to current or future regulations			
	- When conducting its business and managing its office buildings, the Group must comply with numerous specific or general regulations that govern, inter alia, public health, the environment, safety and commercial leases.	- Any substantive change to these regulations is liable to have an impact on the Group's results or its development and growth prospects. - The Group cannot guarantee that all its lessees will strictly comply with all of the regulations applicable to them, in particular those relating to the environment, health and public safety.	- The terms of the leases obligate the lessees to comply with the regulations applicable to the leased premises when using said premises. - The Company seeks the best legal advice in order to meet its needs in terms of monitoring regulatory changes. - The Group is not aware of any government, legal or arbitration proceedings which could have – or, in the last 12 months have had – significant impacts on its financial position or its profitability.
5.2. Risk linked to the regulations applicable to leases			
	- Certain provisions of the law on commercial leases, and in particular those that govern the term, termination and renewal of leases or the indexing of rent for these leases, the rebilling of rental expenses, taxes, levies and other duties and work, are a matter of public policy. These provisions may limit the owners' ability to rebill certain rental expenses, taxes and work to lessees. - If the lessor refuses to renew the lease on expiration, the lessee is entitled to an eviction indemnity.	- These provisions may limit the owners' ability to increase rents in line with market rents in order to optimize their rental income.	
5.3. Environmental risk linked to health (asbestos, legionnaires' disease and classified facilities)			
	- The Group's business activity is subject to laws and regulations on the environment and public health.	- Buildings and facilities owned or used by the Group may be affected by problems related to public health, safety or environmental protection. - Safety regulations for high-rise buildings (such as the Europlaza building), could lead to additional operating and maintenance expenses for the Group.	- All of the leases provide for payment by lessees of work to bring the premises into compliance with all new regulations on health, safety and working conditions. - The Europlaza and Arcs de Seine buildings underwent asbestos removal work in 1999 and 2000. Rives de Bercy was built after the regulations that prohibit the use of asbestos came into effect. - On the acquisition of the Hanami building, a technical inspection was carried out by an external specialist. No asbestos risks were identified.
5.4 Risk linked to climate change regulations			
	- New regulations introduced to combat climate change.	- Compliance costs, liability, limits, restrictions on the use of carbon-intensive assets, investments in new technology, risk and asset impairment, etc. affect the value of assets and investments. - A carbon tax is expected to be introduced and energy prices are expected to rise.	- Cegereal is closely monitoring these new regulations as part of its CSR strategy and is already seeing a reduction in greenhouse gas emissions as well as energy consumption at its properties. - Risks linked to energy price rises and the introduction of a carbon tax are minimal with regard to Cegereal's balance sheet.
6. Risk linked to the costs and availability of appropriate insurance coverage			
	- Risks of the Group being unable to maintain suitable insurance coverage at an acceptable cost, no longer being covered for certain types of risk, or being faced with the risk of default of one of its insurers. - The Company benefits from insurance coverage taken out both at national level and by its majority shareholder.	- These risks could have unfavorable consequences for the Group's financial position and results. - If the Company were to leave the Northwood Investors group's scope of consolidation, or if it no longer benefited from the negotiating power of the Northwood Investors group, it might have to pay higher premiums.	- Management of this risk is monitored by an external insurance advisor. - The cost of insurance premiums paid by the Group in respect of mandatory and optional insurance coverage does not have a material impact on the Company's results. Therefore, were the Company to leave the Northwood Investors group, it should not have a material impact on the Company's financial position. - No significant insurance failures were recorded during the year.

Risks	Nature	Consequences	Observations
7. Risks linked to tax treatment			
7.1 Risks linked to the constraints resulting from the tax treatment applicable to SIICs			
	- The Company has elected for the preferential tax treatment granted to listed real estate investment companies (SIICs) in accordance with Article 208 C of the French Tax Code, which exempts it from corporate income tax on income generated from the lease of buildings, capital gains made on the sale of properties or shares in companies investing predominantly in real estate, and dividends from subsidiaries. - In order to apply this preferential tax treatment, the Company must satisfy a certain number of conditions, including compliance with minimum dividend payment obligations.	- Failure to satisfy the conditions for preferential tax treatment as an SIIC could result in the Company being subject to corporate income tax at the standard rate in respect of the fiscal year during which it failed to satisfy a condition, or temporarily or permanently losing SIIC status. - As the Company has applied the preferential tax treatment for more than 10 years, the permanent loss of SIIC status would result in the Company being subject to corporate income tax as of the year in which said status is lost.	- The Company complies with the conditions for preferential tax treatment as an SIIC.
7.2 Risks linked to changes in tax regulations			
	- Tax regulations are constantly changing and increasingly complex. The Company may face difficulties complying with new regulations, in particular changes to the conditions for preferential tax treatment as an SIIC, which could result in the temporary or permanent suspension of its SIIC status.	- Changes in tax regulations could have an adverse impact on the Company's financial position. In addition, failure to comply with the conditions for preferential tax treatment as an SIIC would result in the permanent loss of the Company's SIIC status. - This would result in the Company being subject to corporate income tax at the standard rate.	- The Company takes the necessary steps to ensure that it is compliant with changes in tax regulations.
7.3 Risk linked to the majority shareholder			
	- One or several shareholders acting in concert within the meaning of Article L.233-10 of the French Commercial Code (with the exception of the SIICs themselves) may not directly or indirectly hold 60% or more of a SIIC's share capital. Failure to comply with this threshold will result in the Company's SIIC status being called into question. - In accordance with Article 208 C, section 1 of the French Tax Code, the 60% condition may be waived in the event of a public tender or exchange offer within the meaning of Article L.433-1 of the French Monetary and Financial Code (*Code monétaire et financier*), provided this percentage holding is reduced to less than 60% before the final date for filing the financial statements for the fiscal year in which the threshold was breached. In such a scenario, the condition will be deemed to have been met.	- Following their acquisition of shares of the Company on November 5, 2015, the Northwood entities held 59.78% of the Company's capital and voting rights and consequently did not breach the 60% threshold. - However, as they exceeded the 30% holding threshold, they were required to make a mandatory public offer ("the Offer"). - The Northwood entities, which held 98.44% of the Company’s share capital following the tender offer that closed on January 25, 2016, have sold a portion of their shares, representing 40.96% of the Company’s capital, to leading institutional investors acting independently, including an affiliate of GIC, the Singaporean wealth fund, which took up 25%. - As of December 31, 2016, the Northwood entities held in concert 57.38% of the Company's capital and voting rights. - The reclassification by the Northwood entities, in 2016 and therefore before April 30, 2017, of the portion of its interest in the Company exceeding the 60% threshold enabled the Company to maintain its SIIC status.	
7.4 Risk linked to shareholders			
	- A 20% withholding tax applies to dividends distributed to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs, and that are not liable for corporate income tax or another equivalent tax on the dividends received. - The Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.	- The payment of this withholding tax by the shareholder could give rise to a dispute. There is a risk that the payment of the withholding tax cannot be allocated to the shareholder.	
8. Risks linked to societal and environmental damage			
	- Risk of a decline in the Group's value due to the high sensitivity of its real estate assets to extreme weather events (temperature, precipitation and floods, wind, etc.). The Group could also be adversely impacted by a scarcity and rise in costs of the raw materials required for its operating activities (water, energy, etc.).	- Such events would lead to an increase in the Group's insurance premiums and operating costs (consumables and technical maintenance). - The risk also concerns failure to achieve the CSR objectives, which could affect its image and reputation. - The main CSR areas associated with these risks are responsible purchasing, natural resources and waste other than water and energy, climate change and greenhouse gas emissions, energy performance and renewable energy.	- The Group places CSR at the center of its strategy. - The Group monitors consumption at its properties very closely. - See section 4.7 of chapter II for further information regarding the CSR risk management system.

RISK MANAGEMENT

The Group's risk management system is designed to:

– create and preserve the Company's value, assets and reputation;
– optimize processes and decision-making within the Company to further the achievement of objectives;
– ensure that actions carried out are in keeping with the Company's values;
– encourage the Company's employees and partners to adopt a common vision of the main risks.

A summary of the Group's risk management system is provided in the table presented in section III.1.6 above and section IV.1.4 "Chairman's report on corporate governance and internal control".

1.7. INSURANCE

The Group's insurance strategy aims to protect its assets and cover any potential liability.

It aims to ensure the Group's continuity in the event of various risks arising, reduce costs relating to the occurrence of said risks, constantly improve guarantees and the management of compensation payments, and deliver a quality service to tenants.

The main risks for which the Group has taken out insurance coverage are damage to its property and the resulting loss of rent, and civil liability as a property owner or as a member of the real estate profession.

The insurance program includes:

– insurance of real estate constructions, including civil liability insurance for property owners;
– civil liability relating to the real estate sector (in general and towards the environment).

In general, the Group considers its insurance coverage to be adequate in light of the value of the assets insured and the level of risk incurred.

Due to their strategic importance for the Group in terms of risk management, coverage against damage to property and/or operating losses and civil liability insurance for property owners account for the majority of the insurance budget.

These risks are insured as part of a program covering Cegereal and all of its subsidiaries, taken out with leading insurance company Aviva Insurance Limited via the Group's insurance brokers, namely Arthur J. Gallagher.

With respect to commercial leases, the Group encourages mutual waivers of legal action in order to aid the claims handling process and reduce its claims frequency and that of its insurers.

Coverage against damages and liabilities relating to property

The properties held by the Group are all located in the Greater Paris region, but not in the same area. Consequently, a total loss affecting one of its buildings would have a limited impact on its financial position. Moreover, the coverage has been calculated to amply cover a major incident affecting the Group's largest property.

These policies cover the buildings for an amount at least equal to their restatement value or replacement value (including the cost of replacing damaged machinery and equipment in line with the value of the building in question and the capital disclosed).

This policy:

(a) includes valuer and architect fees;

(b) provides for an "additional loss and costs" clause covering in particular the costs of demolition, clearing and caretaking of the site following a claim;

(c) covers all the risks typically insurable against loss and damage (including in particular natural disasters, fire, lightning, explosions, floods, storms, hail and snow, aircraft accidents, riots, sabotage, acts of terrorism, theft, damage to electrical appliances and broken glass);

(d) includes a "loss of rent" guarantee covering at least 24 months of rent.

Specialized firms regularly appraise the assets.

All premiums for insurance against damage to property and loss of rent are cross-charged to lessees in building operating charges.

General and professional civil liability

The bodily, material and immaterial consequences of civil liability incurred due to the actions or misconduct of employees are covered by a Group contract.

The personal civil liability of the corporate officers and de jure and de facto Managers of the Company is covered to levels appropriate to the related risks.

Claims

As of the date of this report, there is no significant outstanding claim that would be liable to change future coverage conditions or the total amount of insurance and/or self-insurance premiums.

1.8. LAWSUITS

Neither Cegereal nor any company belonging to the Group are aware of any government, legal or arbitration proceedings, including any proceedings that have been suspended or that are imminent, which could have – or, in the last 12 months have had – significant impacts on the financial position or profitability of the Company and/or the Group.

No material provisions were booked in respect of lawsuits (see section II.2 "Consolidated financial statements", Note 5.30 "Subsequent events").

1.9. CONSOLIDATED FINANCIAL STATEMENTS

The Company changed its information system in order to increase the speed of information management with its stakeholders and to improve its internal control capabilities.

2. Consolidated financial statements

The IFRS consolidated financial statements for the year ended December 31, 2015 and the related Statutory Auditors' report presented on pages 66 to 81 and page 82, respectively, of the 2015 Registration Document filed with the AMF on April 27, 2016 under no. D. 16-0418, are incorporated by reference into this document.

The IFRS consolidated financial statements for the year ended December 31, 2014 and the related Statutory Auditors' report presented on pages 88 to 102 and page 103, respectively, of the 2014 Registration Document filed with the AMF on March 6, 2015 under no. D. 15-0108, are incorporated by reference into this document.

2.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

In thousands of euros, except per share data

	Notes	2016	2015
		12 months	*12 months*
Rental income	5.18	47,196	44,310
Income from other services	5.19	13,991	11,349
Building-related costs	5.20	(17,221)	(17,156)
Net rental income		**43,965**	**38,504**
Sale of building			
Administrative costs	5.21	(3,663)	(4,976)
Other operating expenses	5.22	(716)	(5)
Other operating income		9	65
Increase in fair value of investment property		34,292	62,736
Decrease in fair value of investment property		(13,900)	
Total change in fair value of investment property	*5.1*	*20,392*	*62,736*
Net operating income		59,987	96,323
Financial income		53	15
Financial expenses		(17,972)	(14,719)
Net financial expense	**5.23**	**(17,919)**	**(14,705)**
Corporate income tax	**5.24**	**(802)**	**(662)**
CONSOLIDATED NET INCOME		41,265	80,957
of which attributable to owners of the Company		***41,265***	***80,957***
of which attributable to non-controlling interests		***0***	***0***
Other comprehensive income			
TOTAL COMPREHENSIVE INCOME		41,265	80,957
of which attributable to owners of the Company		***41,265***	***80,957***
of which attributable to non-controlling interests		***0***	***0***
Basic earnings per share (in euros)		*3.09*	*6.06*
Diluted earnings per share (in euros)		*2.95*	*6.06*

2.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2016

In thousands of euros

	Notes	Dec. 31, 2016	Dec. 31, 2015
Non-current assets			
Property, plant and equipment		61	61
Investment property	**5.1**	1,124,100	942,000
Non-current loans and receivables	**5.2**	22,949	28,928
Financial instruments	**5.12**	184	
Total non-current assets		**1,147,294**	**970,989**
Current assets			
Trade accounts receivable	**5.3**	16,539	13,132
Other operating receivables	**5.4**	12,709	6,899
Prepaid expenses	**5.6**	354	96
Total receivables		**29,602**	**20,127**
Cash and cash equivalents	**5.5**	18,634	8,723
Total cash and cash equivalents		**18,634**	**8,723**
Total current assets		**48,236**	**28,850**
TOTAL ASSETS		1,195,530	999,839
Shareholders' equity			
Share capital		66,863	160,470
Legal reserve and additional paid-in capital		115,043	21,436
Consolidated reserves and retained earnings		359,877	305,447
Net attributable income		41,265	80,957
Total shareholders' equity	**5.10**	**583,048**	**568,309**
Non-current liabilities			
Non-current borrowings	**5.11**	576,951	402,664
Other non-current borrowings and debt	**5.15**	4,605	3,951
Non-current corporate income tax liability			
Financial instruments	**5.12**	920	
Total non-current liabilities		**582,476**	**406,615**
Current liabilities			
Current borrowings	**5.16**	2,224	1,626
Trade accounts payable	**5.16**	5,832	3,150
Corporate income tax liability			
Other operating liabilities	**5.15**	7,985	4,573
Prepaid revenue	**5.17**	13,966	15,566
Total current liabilities		**30,007**	**24,915**
Total liabilities		**612,483**	**431,530**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,195,530	999,839

2.3. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2016

In thousands of euros

	2016	2015
OPERATING ACTIVITIES		
Consolidated net income	41,265	80,957
Elimination of items related to the valuation of buildings:		
Fair value adjustments to investment property	(20,392)	(62,736)
Indemnity received from lessees for the replacement of components		
Elimination of other income/expense items with no cash impact:		
Depreciation of property, plant and equipment (excluding investment property)	9	5
Free share grants not vested at the reporting date	102	
Fair value of financial instruments (share subscription warrants, interest rate caps and swaps)	895	
Adjustments for loans at amortized cost	2,949	775
Cash flows from operations before tax and changes in working capital requirements	24,828	19,001
Other changes in working capital requirements	376	(2,975)
Working capital adjustments to reflect changes in the scope of consolidation	134	
Change in working capital requirements	511	(2,975)
Net cash flows from operating activities	25,339	16,026
INVESTING ACTIVITIES		
Acquisition of fixed assets(1)	(161,717)	(8,331)
Net decrease in amounts due to fixed asset suppliers	621	(384)
Net cash flows used in investing activities	(161,096)	(8,715)
FINANCING ACTIVITIES		
Increase in share capital	0	
Change in bank debt	181,000	
Issue of financial instruments (share subscription warrants)	9	
Refinancing transaction costs	(8,542)	
Purchases of hedging instruments	(168)	
Net increase in current borrowings		(90)
Net decrease in current borrowings	(523)	
Net increase in other non-current borrowings and debt	654	(215)
Net decrease in other non-current borrowings and debt	0	
Purchases and sales of treasury shares	(43)	252
Dividends paid	(26,720)	(22,034)
Net cash flows from/(used in) financing activities	145,668	(22,087)
Change in cash and cash equivalents	9,911	(14,776)
Cash and cash equivalents at beginning of the period(2)	8,723	23,499
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	18,634	8,723

(1) This amount includes EUR 150,457k for the Hanami acquisition, EUR 3,423k of acquisition costs for K Rueil and Hanami Rueil and EUR 7,836k for the Capital expenditures.

(2) There were no cash liabilities for either the years presented above.

2.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

In thousands of euros

	Share capital	Legal reserve and additional paid-in capital	Treasury shares	Consolidated reserves and retained earnings	Shareholders' equity attributable to owners of the Company	Non-controlling interests	Total shareholders' equity
Shareholders' equity at Dec. 31, 2014	160,470	21,436	(469)	327,698	509,135	-	509,135
Comprehensive income	**0**	**0**	**0**	**80,957**	**80,957**	**0**	**80,957**
- Net income for the period				80,957	80,957		80,957
- Other comprehensive income							
Capital transactions with owners	**0**	**0**	**252**	**(22,034)**	**(21,782)**	**0**	**(21,782)**
- Dividends paid (1.65 per share)				(22,034)	(22,034)		(22,034)
- Change in treasury shares held			252		252		252
Shareholders' equity at Dec. 31, 2015	160,470	21,436	(217)	386,620	568,309	-	568,309
Comprehensive income	0	0	0	41,501	41,501	0	41,501
- Net income for the period				41,265	41,265		41,265
- Other changes				236	236		236
- Other comprehensive income							
Capital transactions with owners	**(93,608)**	**93,608**	**(43)**	**(26,720)**	**(26,763)**	**0**	**(26,763)**
- Dividends paid (2 per share)				(26,720)	(26,720)		(26,720)
- Change in treasury shares held			(43)		(43)		(43)
- Decrease in nominal share capital	(93,608)	93,608					
Shareholders' equity at Dec. 31, 2016	66,863	115,043	(259)	401,401	583,048	-	583,048

2.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the 2016 consolidated financial statements

These notes provide additional information in respect of the consolidated statement of financial position at December 31, 2016 and in respect of the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended.

2.5.1 BACKGROUND AND MAIN ASSUMPTIONS USED TO PREPARE THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1.1 Operational context

On December 15, 2016, Cegereal acquired the OPPCI K Rueil and Hanami Rueil SCI. Following the acquisition, the Hanami Campus was included in the Group's real estate assets, increasing the number of properties in its portfolio from three to four in 2016.

The Group refinanced its debt during the year, and therefore purchased a number of hedging instruments. Details of the bank loans and hedging instruments are provided in Notes 5.11 and 5.12.

Note 1.2 Presentation of comparative financial information

For the purposes of comparison, the financial information presented in the IFRS consolidated financial statements for the year ended December 31, 2016 includes the financial statements for the year ended December 31, 2015.

Note 1.3 Regulatory context

The Group's consolidated financial statements for the year ended December 31, 2016 were prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) applicable to reporting periods ended December 31, 2016, as adopted by the European Union (hereafter referred to as "IFRS").

Dividend payments are decided by the General Shareholders' Meeting on the basis of Cegereal SA's financial statements prepared in accordance with French GAAP and not on the basis of the IFRS financial statements.

In addition, Cegereal is required to comply with certain dividend payment obligations in accordance with its election for tax treatment as an SIIC (see Note 2.8).

The consolidated financial statements were adopted by the Board of Directors on February 16, 2017.

2.5.2 SIGNIFICANT ACCOUNTING POLICIES USED TO PREPARE THE 2016 CONSOLIDATED FINANCIAL STATEMENTS

Note 2.1 Presentation of the consolidated financial statements

ACCOUNTING STANDARDS

The Group's consolidated financial statements for the year ended December 31, 2016 have been prepared in accordance with international accounting standards (IAS/IFRS) and with the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union at December 31, 2016 and applicable at that date. For the purposes of comparison, the financial statements for the year ended December 31, 2015 were also prepared according to the same standards.

For the fiscal years presented, the standards and interpretations adopted in the European Union and applicable to the Group are similar to the standards and interpretations effective for these periods as published by the International Accounting Standards Board (IASB). The Group's financial statements are therefore prepared in accordance with IFRS standards and IFRIC interpretations, as published by the IASB.

The consolidated financial statements have been prepared using the historical cost convention, except in the case of investment property, financial instruments and assets held for sale, which are carried at fair value in accordance with IAS 40, IAS 32, IAS 39 and IFRS 5.

The new published standards, amendments and interpretations effective for reporting periods beginning on or after December 31, 2016 have no impact on the Company's 2016 consolidated financial statements.

In accordance with the amendment to IAS 1 'Presentation of Financial Statements', aimed at complementing the financial information relating to the statement of comprehensive net income and gains and losses recognized directly in equity, items in "Other comprehensive income" in the statement of comprehensive income may be grouped into sub-totals depending on whether or not they are subsequently reclassified.

The Group has elected not to early adopt any IFRS standards or IFRIC interpretations adopted by the European Union but only effective for subsequent accounting periods and which would have an impact on the Group's financial statements. A review of these standards and interpretations is being conducted and, at this stage, the Group does not expect them to have a significant impact on the consolidated financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements include all entities controlled or jointly controlled by the Group, or over which it exercises significant influence. In determining its ownership interest, the Group considers any potential voting rights giving access to additional voting rights, provided that these rights are currently exercisable or convertible.

Full consolidation

All entities controlled by the Group are fully consolidated. Control is presumed to exist when the Group has the power to manage the relevant activities, is exposed to or is entitled to the variable returns generated by such activities, and has the power to influence such returns.

At December 31, 2016, no entities were jointly controlled or significantly influenced by the Group.

Scope of consolidation

At December 31, 2016, the scope of consolidation included the following entities:

	Siren no.	% control	% interest	Consolidation method	Period taken into account
Cegereal SA	422,800,029	100%	100%	Full consolidation	January 1 to December 31, 2016
Prothin SAS	533,212,445	100%	100%	Full consolidation	January 1 to December 31, 2016
OPPCI K Rueil	814,319,513	100%	100%	Full consolidation	December 15 to December 31, 2016
Hanami Rueil SCI	814,254,512	100%	100%	Full consolidation	December 15 to December 31, 2016

All entities included in the scope of consolidation closed their accounts on December 31, 2016.

Consolidation adjustments and eliminations

Business combinations are accounted for in accordance with IFRS 3. A business combination is where the acquirer acquires a controlling interest in one or several businesses. IFRS 3 defines a business as a combination of the three following elements:

– economic resources that create, or have the ability to create outputs;

– any process that, when applied to the resources, creates or has the ability to create outputs;

– the outputs resulting from the processes applied to the resources that provide or have the ability to provide the expected return.

In accordance with IFRS 3, the cost of a business combination reflects the acquisition-date fair value of the assets acquired, liabilities assumed or incurred and equity instruments issued in exchange for the acquiree.

On the first-time consolidation of a company, the impact of consolidation, representing the difference between the acquisition cost of the shares and their share in the fair value of the assets and liabilities transferred, is recorded as:

– a fair value adjustment relating to certain identifiable assets and liabilities, amortized using the same rules as the assets and liabilities to which it relates;

– goodwill (where appropriate), recorded within assets on the consolidated statement of financial position in the case of a positive balance and tested for impairment each year, or recorded within the statement of comprehensive income in the case of a negative balance.

No fair value adjustments or goodwill were recognized on the first-time consolidation of Prothin SAS as the company was created by Cegereal SA on June 22, 2011.

The OPPCI K Rueil and Hanami Rueil SCI entered the scope of consolidation with effect from December 15, 2016. The acquisition does not meet the definition of a business combination within the meaning of IFRS 3 and is therefore treated as the acquisition of a group of assets. The acquisition cost relating to the group of assets has therefore been allocated to the identifiable assets acquired and liabilities assumed in proportion to their respective fair value at the acquisition date. No goodwill has been recognized.

Note 2.2 Segment reporting

Within the framework of IFRS 8, the Group has not identified different operating segments insofar as its assets solely comprise commercial real estate located in the Paris area.

IFRS 8 states that operating segments may be aggregated if they are similar in each of the following respects:

– the nature of the products and services;

– the nature of the production processes;

– the type or class of customer for their products and services;

– the methods used to distribute their products or provide their services;

– if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.

Consequently, the Group did not have significant additional disclosure requirements as a result of applying IFRS 8.

Note 2.3 Investment property

Property held under long-term operating leases to earn rentals or for capital appreciation or both, and not occupied by the Group, is classified as investment property. Investment property includes owned land and buildings.

On acquisition, investment property is measured at the acquisition price including transaction costs (legal fees, transfer duties, etc.) in accordance with IAS 40.

After initial recognition, investment property is remeasured at fair value. As a result, no depreciation or impairment is recognized on investment property. Fair value is measured net of registration tax by an external real estate valuer at the end of each reporting period. The methodology used by the external real estate valuer is described below in Note 2.4.

Subsequent expenditure may only be allocated to the assets' carrying amount when it is probable that the future economic benefits associated with the property will flow to the Group, and the cost of the property can be measured reliably. All other repair and maintenance costs are recognized in the statement of comprehensive income during the period in which they are incurred. Changes in the fair value of investment property are recognized in the statement of comprehensive income.

Note 2.4 Estimates of the fair value of investment property

ESTIMATES AND ASSUMPTIONS

The fair value of property is measured by an external real estate valuer twice a year in accordance with the benchmark treatment in IAS 40.

In accordance with the recommendations of the Committee of European Securities Regulators (CESR) of July 2009, the Group appointed real estate valuation firms BNP Paribas Real Estate, Catella Valuation and Cushman & Wakefield to appraise four commercial properties.

It is common practice to change real estate valuer every three years in order to obtain a new analysis of an asset's qualities and market value. In the first half of 2016, the Company appointed BNP Paribas Real Estate and Catella Valuation to replace DTZ Valuation France as external real estate valuers for (i) Europlaza and Rives de Bercy, and (ii) Arcs de Seine, respectively. Cushman & Wakefield is the external real estate valuer of the Hanami property acquired in December 2016.

When preparing the financial statements, management and the external real estate valuer are required to use certain estimates and assumptions that are likely to affect the amounts of assets, liabilities, income and expenses reported in the financial statements and in the accompanying notes. The Group and its real estate valuers are required to review these estimates and appraisals on an ongoing basis in light of past experience and other factors deemed of material importance with regard to economic conditions. The amounts reported in future financial statements may differ from these estimates as a result of changes in assumptions or circumstances.

The values of investment property measured by the real estate valuers represent the best estimates at December 31, 2016, based on recent market observations and valuation methods commonly used within the profession. These estimates are not intended to anticipate any market changes.

VALUATION METHODS

The valuer calculated the fair value of the real estate assets in accordance with the professional standards set out in the French Real Estate Valuation Charter.

The market value of the property is measured using its estimated rental value and the Discounted Cash Flow (DCF) and capitalization methods.

Estimated rental value

The rental value is determined by comparing the rental value per square meter of the most recent transactions involving properties of similar type and location, in order to determine a market value per square meter for the different types of premises (offices, staff cafeterias, car parks, etc.). This rental value is subject to a reversion rate to take account of the specific features of the real estate assets.

Market value

The results of applying two traditional methods (the DCF method and the capitalization method) are combined to estimate the market value.

A discount is applied to the gross value to take account of transfer duties and registration costs, which are estimated at the rate of 7.50%.

DCF method

This method consists of discounting the annual cash flows generated by the asset, including the assumed resale at the end of a defined ownership period. Cash flows are defined as the total amount of all of the asset's revenues, net of expenses not rebillable to lessees.

Capitalization approach

This method consists of capitalizing the annual income generated by an asset with a capitalization rate defined by reference to the market. The rate used reflects the quality of the financial covenants as well as the long-term risks related to the property.

Fair value hierarchy under IFRS 13

Cegereal applies IFRS 13, which defines fair value as the price that would be received in an orderly transaction to sell an asset or paid in an orderly transaction to transfer the liability at the measurement date under current market conditions.

IFRS 13 uses a three-level fair value hierarchy to classify the inputs used as a basis to measure the assets and liabilities concerned.

The three levels are as follows:

– Level 1: fair value corresponds to the unadjusted quoted prices in active markets for identical assets and liabilities;

– Level 2: fair value is determined, either directly or indirectly, using observable inputs;

– Level 3: fair value is determined directly using unobservable inputs.

The categorization of the Group's investment property in accordance with IFRS 13 is presented in Note 5.1.

Note 2.5 Financial instruments – classification and measurement of financial assets and liabilities

Financial assets and liabilities are recognized and measured in accordance with IAS 39.

LOANS AND RECEIVABLES

Loans and receivables include the non-current portion of the economic benefits of the lease, rent-free periods, rent discounts, the portion of fitting-out costs incurred by the lessee and borne by the lessor, and the lease premiums paid to lessees in accordance with IAS 17 and interpretation SIC 15.

TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable consist of accrued amounts receivable from lessees. They are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method, less any provisions for impairment. A provision for impairment of trade accounts receivable is set aside when there is objective evidence that certain amounts are no longer recoverable. The amount of this provision corresponds to the difference between the carrying amount of the asset and the present value of future cash flows estimated using the effective interest method. Impairment provisions are recorded in the statement of comprehensive income.

As rent is usually billed in advance, trade accounts receivable consist of rents billed in respect of the following period.

The timing difference between the billing date and the end of the reporting period is eliminated by recognizing rent billed for future periods and not yet due under "Prepaid revenue" (see Note 5.17).

NON-DERIVATIVE FINANCIAL LIABILITIES

After initial recognition, non-derivative financial liabilities are measured at amortized cost using the effective interest method.

DERIVATIVE FINANCIAL INSTRUMENTS

Cegereal has not opted for hedge accounting. Derivative financial instruments are therefore measured at fair value at the end of each reporting period with any gains or losses recognized in income.

Cegereal applies IFRS 13, which defines fair value as the price that would be received in an orderly transaction to sell an asset or paid in an orderly transaction to transfer the liability at the measurement date under current market conditions (see Note 2.4).

The categorization of the Group's derivative financial instruments in accordance with IFRS 13 is presented in Note 5.13.

HYBRID FINANCIAL INSTRUMENTS

A hybrid financial instrument is a non-derivative financial contract (host contract) containing one (or more) derivative instrument(s) (embedded derivative(s)).

When the embedded derivative is not closely related to the host contract, it is accounted for separately. Otherwise, it is accounted for as part of the host contract.

Hybrid instruments are measured:

– under the fair value option when measured as a whole; or

– when the fair value option is not chosen, the host contract is measured at amortized cost.

The Group has not chosen to use the fair value option to measure hybrid financial instruments.

Note 2.6 Share capital

Ordinary shares are classified in shareholders' equity. Incremental costs directly attributable to new share issues are shown in shareholders' equity as a deduction, net of tax, from additional paid-in capital.

Note 2.7 Treasury shares

On August 29, 2006, Cegereal SA entered into a liquidity agreement with Exane BNP Paribas. This agreement complies with the standard-type contract of the French Association of Investment Firms (*Association Française des Entreprises d'Investissement* – AFEI) and the AFEI code of ethics of March 14, 2005 which was approved by the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 22, 2005.

Under the terms of this agreement, Exane BNP Paribas may buy and sell Cegereal SA shares on behalf of Cegereal SA within the limits imposed by law and the authorizations granted by the Board of Directors.

Within the scope of these liquidity agreements, the Group owned 14,919 treasury shares (representing 0.11% of its total issued shares) for a total amount of EUR 479k at December 31, 2016.

In accordance with IAS 32, these treasury shares are shown as a deduction from consolidated equity based on their acquisition cost (net of directly attributable transaction costs) or their initial carrying amount in the consolidated statement of financial position. Any capital gains or losses arising on the disposal of these shares are eliminated in the statement of comprehensive income and recognized against consolidated equity.

Cash allocated to the liquidity agreement and not invested in Cegereal SA shares at the end of the reporting period is stated in "Other operating receivables".

Note 2.8 Election for tax treatment as an SIIC

Cegereal SA has elected for the preferential tax treatment granted to listed real estate investment companies (*Sociétés d'Investissement Immobilières Cotées* – SIICs) in accordance with Article 208 C of the French Tax Code (*Code général des impôts*). This election took effect on April 1, 2006. Prothin SAS, Cegereal SA's subsidiary, also benefits from this preferential tax treatment.

Owing to this tax treatment, no corporate income tax is payable directly or indirectly through income from subsidiaries in respect of the real estate leasing business and no deferred taxes were recognized at December 31, 2016. Similarly, no tax was payable on capital gains arising on disposals of real estate or equity interests in subsidiaries eligible for the same tax treatment.

In addition, K Rueil is a SPPICAV and is therefore not subject to corporate income tax. Hanami SCI is transparent for tax purposes, within the meaning of Article 8 of the French Tax Code.

Terms and conditions and impact of tax treatment as an SIIC

(a) When a company elects for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

(b) SIICs that have elected for preferential tax treatment are exempted from paying corporate income tax on the portion of their income resulting from:

– the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income is generated;

– capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for preferential tax treatment, provided that 60% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated;

– dividends received from subsidiaries having elected for preferential tax treatment and resulting from exempt income or from capital gains provided that they are redistributed in full during the fiscal year following the year in which they were received.

In the event that they choose to leave the SIIC tax regime at any time, the SIICs and their subsidiaries must add back to their taxable earnings for the period the portion of their income available for distribution at the end of said period which results from previously tax-exempt amounts.

(c) The Amending French Finance Act for 2006 stipulates that companies may not benefit from preferential tax treatment as an SIIC if 60% or more of their capital or voting rights are held by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code (*Code de commerce*).

(d) The Amending French Finance Act for 2006 also introduced a 20% withholding tax to be paid by SIICs on dividends distributed from tax-exempt income to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not due when the beneficiary of the dividends is a company required to distribute the full amount of the dividends it receives and whose shareholders that directly or indirectly hold at least 10% of the dividend rights are liable for corporate income tax or another equivalent tax on the dividends received.

Note 2.9 Employee benefits

IAS 19 requires entities to recognize as expenses all current or future benefits or compensation granted by an entity to its employees or to third parties over the period during which the rights to such benefits or compensation vest.

The Group only has three employees and therefore considers that its employee benefit commitments in respect of defined benefit plans are not material. Consequently, the amount of its employee benefit commitments was not assessed at December 31, 2016.

Note 2.10 Bank borrowings

On initial recognition, bank borrowings are measured at the fair value of the consideration received, less directly attributable transaction costs.

They are subsequently measured at amortized cost using the effective interest method. The long-term portion (due more than 12 months after the end of the reporting period) is classified in non-current borrowings and debt, while the short-term portion (due in less than 12 months) is classified in current borrowings and debt.

When the agreement contains derivative instruments, it is accounted for as described in the section on "Hybrid financial instruments" in Note 2.5.

Note 2.11 Rental income

The Group leases out its real estate under operating leases. Assets leased under operating leases are recognized in the consolidated statement of financial position within investment property.

Rental income is recognized over the lease term.

In accordance with IAS 17 and interpretation SIC 15, the financial impact of all of the provisions in the lease agreement is recognized on a straight-line basis over the shorter of the lease term or the period up to the date on which the lessee may terminate the lease without incurring any material financial consequences (usually after six years). Therefore, in order to accurately reflect the economic benefits of the lease, rent-free periods, rent discounts, the portion of fitting-out costs incurred by the lessee and borne by the lessor, and lease premiums paid to lessees are recognized over the firm term of the lease.

Termination and restoration indemnities received from former lessees are recognized under "Miscellaneous services" in operating income.

Note 2.12 Rental expenses and rebilling of expenses to lessees

Rental expenses incurred by the lessor on behalf of lessees and expenses chargeable to the lessees under the terms of the lease are recorded in the statement of comprehensive income under "Building-related costs".

The rebilling of rental expenses and expenses chargeable to lessees under the terms of the lease are recorded in the statement of comprehensive income under "Income from other services".

The portion of rental expenses concerning vacant premises is recorded directly in the statement of comprehensive income.

Rental expenses include building-related taxes (property tax, tax on office premises and tax on parking areas).

Note 2.13 Discounting of deferred payments

Long-term payables and receivables are discounted when they are considered to have a material impact.

– Security deposits received from lessees are not discounted because they are indexed annually based on an index used for annual rent reviews;

– There are no provisions for material liabilities, as defined in IAS 37.

Note 2.14 Earnings per share

Earnings per share is a key indicator used by the Group, and is calculated by dividing net attributable income by the weighted average number of shares outstanding during the period. Treasury shares are not considered as outstanding and are therefore not included in the calculation of earnings per share.

Diluted earnings per share is calculated based on income attributable to holders of ordinary shares and the weighted average number of shares existing during the year, adjusted to reflect the impact of potentially dilutive ordinary shares.

Note 2.15 Presentation of the financial statements

Assets and liabilities maturing within 12 months of the reporting date are classified as current assets and liabilities in the consolidated statement of financial position. All other assets and liabilities are treated as non-current.

Expenses in the statement of comprehensive income are shown according to their nature.

In the statement of cash flows, net operating cash flows are calculated using the indirect method, whereby the net amount is based on net income adjusted for non-cash transactions, items of income or expense associated with investing or financing cash flows, and changes in working capital requirements.

2.5.3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

To prepare the consolidated financial statements, the Group uses estimates and judgments which are updated on a regular basis and are based on past information and other factors, in particular assumptions of future events deemed reasonable in view of the circumstances.

Estimates that could lead to a significant adjustment in the carrying amount of assets and liabilities in the subsequent period mainly concern the determination of the fair value of the Group's real estate assets and financial instruments. The fair value of the Group's real estate assets is measured on the basis of valuations carried out by an external real estate valuer using the methodology described in Note 2.4.

As these valuations are only estimates, there may be a significant difference between the amount obtained upon the sale of certain real estate assets and their estimated value, even when they are sold in the months following the end of the reporting period.

In this context, valuations of the Group's real estate assets by the external real estate valuers could vary significantly according to changes in the rate of return, based on observations of the rates prevailing in the real estate market.

In millions of euros

			Changes in potential rate of return								
Building	Market rental value	Potential rate of return	0.500%	0.375%	0.250%	0.125%	0.000%	(0.125)%	(0.250)%	(0.375)%	(0.500)%
Europlaza	20.50	5.27%	330.6	337.9	345.6	353.6	362.0	370.8	380.0	389.7	400.0
Arcs de Seine	21.28	4.77%	375.9	385.0	394.6	404.7	415.3	426.5	438.3	450.8	464.0
Rives de Bercy	11.84	5.65%	179.0	182.7	186.5	190.6	194.8	199.2	203.8	208.6	213.7
Hanami Campus	10.26	6.00%	140.2	143.0	145.9	148.9	152.0	155.3	158.7	162.3	166.0
Total	63.88	5.42%	1,025.6	1,048.6	1,072.6	1,097.8	1,124.1	1,151.8	1,180.8	1,211.4	1,243.7
Impact on portfolio value			(8.76)%	(6.72)%	(4.59)%	(2.34)%	0.00%	2.46%	5.04%	7.76%	10.64%

Source: BNP Paribas Real Estate, Catella Valuation and Cushman & Wakefield.

These data are linked to the market and could therefore change significantly in the current climate. This could have a significant positive or negative impact on the fair value of the Group's real estate assets.

Regarding hedging instruments, which are analysed in Note 4.7, a change in interest rates would result in the following values:

In thousands of euros

Hedging instrument	Nominal	Hedged amount	Fixed rate	-1%	-0.5%	Value at Dec. 31, 2016	+0.5%	+1%
Cap	335,000	6-month Euribor	1.50%	3	28	144	481	1,218
Cap	15,000	3-month Euribor	1.50%	3	13	34	69	121
Cap	25,000	3-month Euribor	2.00%	0	1	6	21	53
Swap	15,000	3-month Euribor	0.10%	(1,422)	(803)	(205)	375	937
Total				(1,416)	(762)	(21)	(946)	2,329

2.5.4 MANAGEMENT OF FINANCIAL RISKS

Note 4.1 Risk related to refinancing

On July 26, 2016, Cegereal renegotiated the EUR 405m loan and entered into a new credit agreement authorizing the Group to borrow EUR 525m. The five-year loan consists of two tranches of (i) EUR 445m and (ii) EUR 80m, repayable at maturity on July 26, 2021. The agreement also provides for an optional two-year extension.

The first tranche was drawn down in full on July 26, 2016 and the second tranche was drawn down in an amount of EUR 41m on December 12, 2016.

Following the acquisition of Hanami Rueil SCI, Cegereal entered into a credit agreement for EUR 100m on December 15, 2016. The agreement provides for a five-year loan, 0.375% of the principal amount of which is repayable at each due date and the remainder on maturity at December 15, 2021.

Note 4.2 Risk related to the valuation of real estate assets

The Group's real estate portfolio is valued by external real estate valuers. The value of the portfolio depends on the ratio of supply to demand in the property market, a large number of substantially varying factors, and changes in the economic environment.

All of the Group's real estate assets are office buildings with a large surface area (above 30,000 sq.m.) located in the inner suburbs of Paris. A fall in demand for this type of building could adversely affect the Group's earnings, business activities and financial position.

The current economic climate has sparked volatility in real estate prices and values. Consequently, the price obtained if the assets are disposed of in the short term may not be in line with the valuation.

Note 4.3 Risk related to changes in market rent levels for office premises

Market rent levels for office premises and the value of office buildings are strongly influenced by the ratio of supply to demand in the property market. A situation where supply outweighs demand is likely to adversely affect the Group's earnings, business activities, assets and liabilities, and financial position.

Note 4.4 Risk related to the regulatory framework applicable to leases

Certain legal provisions applicable to commercial leases, such as public policy regulations governing lease terms and the indexing of rent, can restrict the capacity of property owners to increase rents. In the event of a change in the regulatory framework or the index used, the Group may be exposed to such risks.

Note 4.5 Counterparty risk

Group procedures ensure that lease agreements are only entered into with lessees of suitable credit standing. The Group has developed policies that limit its exposure to credit risk.

At December 31, 2016, the Group was dependent on two lessees who collectively represented approximately 33% of the total rental income collected in 2016 and individually more than 10%. Although the Group's real estate assets could be – and are – leased to many different lessees, financial difficulties experienced by one of these lessees, a request for more favorable lease terms upon renewal, or a decision to terminate their lease, could adversely impact the Group's financial position, earnings and future performance.

Note 4.6 Liquidity risk

Prudent liquidity risk management involves maintaining sufficient liquidity and short-term investment securities, being able to raise funds based on suitably adapted lines of credit and the ability to unwind market positions.

The Group's loans were taken out with bank pools.

Notes 4.7 and 5.26 contain a description of the different credit facilities and the early repayment clauses contained in the credit agreements. The Group complied with its covenants at the most recent due date.

Note 4.7 Interest rate risk

On July 26, 2016, Cegereal refinanced its debt following repayment of the loan taken out on July 26, 2012. The new loan agreement authorizes the Group to borrow EUR 525m and consists of two tranches of (i) EUR 445m (tranche A) and (ii) EUR 80m (tranche B). Tranche A was drawn down in full on July 26, 2016 and a first drawdown of EUR 41m made on tranche B on December 12, 2016.

The interest rate for tranche A was set at 1.35% until November 1, 2016. As of November 2, 2016, 94% of tranche A is subject to a fixed rate of 1.35% if the occupancy rate is greater than 75%, and 1.50% if it is not. The remaining balance of tranche A (i.e., 6%) is subject to a variable interest rate (6-month Euribor with a floor of 0%) plus a margin of 1.35% if the occupancy rate is greater than 75%, and 1.50% if it is not. The Euribor rate was below 0% between November 2, 2016 and December 31, 2016.

Tranche B is subject to the same conditions as the portion of tranche A that is subject to a variable rate.

Following the acquisition of Hanami Rueil SCI, Cegereal entered into a credit agreement for EUR 100m on December 15, 2016. The loan comprises three tranches: one in an amount of EUR 50m at a fixed rate of 1.52%, including a 1.45% margin, one in an amount of EUR 25m at a variable 3-month Euribor rate with a floor of 0%, and one in an amount of EUR 25m at a variable 3-month Euribor rate with a floor of 0.4%. The two variable-rate tranches also have a 1.45% margin.

The Group has purchased four hedges:

FINANCIAL INSTITUTION	Commonwealth Bank of Australia	Commonwealth Bank of Australia	Société Générale	Société Générale
Type of hedge	Cap	Cap	Cap	Swap
Nominal amount (In thousands of euros)	335,000 (1)	15,000	15,000	25,000
Fixed rate	1.5%	1.5%	2.0%	0.097%
Hedged rate	6-month Euribor	3-month Euribor	3-month Euribor	3-month Euribor
Start date	10/15/2016	12/15/2016	10/15/2019	12/15/2016
Maturity	10/15/2019	10/15/2019	12/15/2021	12/15/2021

(1) The nominal amount of the cap is reduced to EUR 320,000m from January 16, 2017 inclusive.

2.5.5 NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2016 AND TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR THEN ENDED

Note 5.1 Investment property

CARRYING AMOUNT OF INVESTMENT PROPERTY

Changes in the carrying amount of investment property can be broken down by building as follows:

In thousands of euros

	Rives de Bercy	Europlaza	Arcs de Seine	Hanami Campus	Total
Dec. 31, 2014	191,000	333,000	347,000		871,000
Indemnity received					
Subsequent expenditure	(5)	7,771	498		8,264
Disposals					
Change in fair value	11,005	20,229	31,502		62,736
Dec. 31, 2015	202,000	361,000	379,000		942,000
Acquisitions				153,881	153,881
Indemnity received					
Subsequent expenditure		5,819	2,008		7,828
Disposals					
Change in fair value	(7,200)	(4,819)	34,292	(1,881)	20,392
Dec. 31, 2016	194,800	362,000	415,300	152,000	1,124,100

MAIN FAIR VALUE ASSUMPTIONS

The real estate valuers' estimation of the fair value of the buildings at December 31, 2016 is indicated below, along with the information used in the calculation:

Building	Estimated value at December 31, 2016 (net of taxes)		Theoretical effective rate of return	Gross leasable area[1] at December 31, 2016		Annual rent (net of taxes)[2]	
	in millions of euros	%	%	sq.m.	%	in thousands of euros	%
Europlaza (1999[3])	362	32	5,3	52,078	33	23,301	35
Arcs de Seine (2000[3])	415	37	4,8	45,167	29	21,244	32
Rives de Bercy (2003[3])	195	17	5,3	29,850	19	11,776	18
Hanami Campus (2011/2016[3])	152	14	6,0	30,035	19	10,262	15
Total	1,124	100		157,130	100	66,583	100

(1) The gross leasable area includes the surface area of the offices, storage areas and a share of common areas.
(2) Annual rent includes rent billed to lessees for space occupied at December 31, 2016 and market rent, as estimated by valuers, in relation to vacant premises.
(3) Year of construction or restoration.

In light of the nature of the French real estate market and the relative lack of publicly-available data, real estate assets have been categorized within Level 3 of the IFRS 13 fair value hierarchy.

Note 5.2 Non-current loans and receivables

This item can be broken down as follows:

In thousands of euros

	Dec. 31, 2016	Dec. 31, 2015
Security deposits paid	23	23
Benefits granted to lessees (non-current portion)	22,926	28,904
Non-current loans and receivables	22,949	28,928

Non-current benefits granted to lessees concern rent-free periods, rent discounts and lease premiums paid to lessees recognized over the firm term of the lease in accordance with the accounting policies stated in Note 2.11.

Note 5.3 Trade accounts receivable

This item can be broken down as follows:

In thousands of euros

	Dec. 31, 2016	Dec. 31, 2015
Trade accounts receivable	16,539	13,132
Provision for impairment of trade accounts receivable		
Trade accounts receivable, net	16,539	13,132

Note 5.4 Other operating receivables

This item can be broken down as follows:

In thousands of euros

	Dec. 31, 2016	Dec. 31, 2015
Rental expenses		
Benefits granted to lessees (current portion)	6,806	5,768
Supplier accounts in debit and other receivables	5,656	842
Liquidity account/treasury shares	247	289
Other operating receivables	12,709	6,899

Note 5.5 Cash and cash equivalents

"Cash and cash equivalents" comprises either bank account balances or risk-free bank deposits that may be considered as cash equivalents.

Current bank account balances recorded in this caption represent EUR 18,634k.

Note 5.6 Ageing analysis of receivables

The ageing analysis of receivables at December 31, 2016 is as follows:

In thousands of euros

	Receivables (net of impairment) Dec. 31, 2016	Receivables not yet due (net of impairment)	Receivables past due (net of impairment)	o/w receivables less than 6 months past due	o/w receivables more than 6 months and less than 1 year past due	o/w receivables more than 1 year past due
Non-current receivables						
Non-current loans and receivables	22,949	22,949	0	0	0	0
Total non-current receivables	**22,949**	**22,949**	**0**	**0**	**0**	**0**
Current receivables						
Trade accounts receivable(1)	16,539	15,842	697	682	15	0
Other operating receivables	12,709	12,709	0	0	0	0
Prepaid expenses	354	354	0	0	0	0
Total current receivables	**29,602**	**28,905**	**697**	**682**	**15**	**0**
Total receivables	52,551	51,854	697	682	15	-

(1) The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR 16,539k at December 31, 2016 and is detailed in Note 5.26.

The ageing analysis of receivables at December 31, 2015 is as follows:

In thousands of euros

	Receivables (net of impairment) Dec. 31, 2015	Receivables not yet due (net of impairment)	Receivables past due (net of impairment)	o/w receivables less than 6 months past due	o/w receivables more than 6 months and less than 1 year past due	o/w receivables more than 1 year past due
Non-current receivables						
Non-current loans and receivables	28,928	28,928	0	0	0	0
Total non-current receivables	**28,928**	**28,928**	**0**	**0**	**0**	**0**
Current receivables						
Trade accounts receivable(1)	13,132	12,250	882	850	32	0
Other operating receivables	6,899	6,899	0	0	0	0
Prepaid expenses	96	96	0	0	0	0
Total current receivables	**20,127**	**19,245**	**882**	**850**	**32**	**0**
Total receivables	49,055	48,173	882	850	32	-

(1) The amount of trade accounts receivable pledged as collateral for loans and borrowings amounts to EUR 13,132k at December 31, 2015 and is detailed in Note 5.26.

Note 5.7 Fair value of financial assets

The fair value of financial assets at December 31, 2016 can be analyzed as follows:

In thousands of euros

	Dec. 31, 2016		Dec. 31, 2015		Fair value hierarchy(2)
	Carrying amount	Fair value	Carrying amount	Fair value	
Interest rate cap (1)	184	184			Level 2
Total non-current assets	184	184	-	-	

(1) Derivative financial instruments.
(2) Classification under IFRS 13 (see Note 2.4).

The characteristics of non-current assets are described in Note 4.7 and Note 5.12.

The fair value of other financial assets, which primarily comprise receivables, corresponds to their carrying amount.

Note 5.8 Financial assets and liabilities

The table below presents a summary of financial assets and liabilities:

In thousands of euros

Summary of financial assets and liabilities	Dec. 31, 2016	Dec. 31, 2015
Financial assets at fair value through profit or loss	184	0
Held-to-maturity investments	0	0
Non-current loans and receivables	22,949	28,928
Current receivables	29,248	20,031
Available-for-sale financial assets	0	0
Cash and cash equivalents	18,634	8,723
Total financial assets	71,016	57,682
Financial liabilities at fair value through profit or loss	920	0
Financial liabilities measured at amortized cost		
Non-current liabilities	581,556	406,615
Current liabilities	16,041	9,349
Total financial liabilities	598,517	415,964

Note 5.9 Changes in impairment of financial assets

No impairment was recognized against financial assets in the period.

Note 5.10 Consolidated equity

Composition of and changes in shareholders' equity

In thousands of euros

	Number of shares	Par value of shares in euros	Share capital in thousands of euros	Legal reserve and additional paid-in capital in thousands of euros	Consolidated reserves and retained earnings in thousands of euros
Shareholders' equity at Dec. 31, 2015	13,372,500	12	160,470	21,436	386,404
Dividends paid					(26,720)
Other changes					236
Other comprehensive income					
Interim dividend					
Net income/(loss) for the period					41,265
Decrease in nominal share capital		(7)	(93,608)	93,608	
Change in treasury shares held					(43)
Shareholders' equity at Dec. 31, 2016	13,372,500	5	66,863	115,043	401,142

Further to the Extraordinary Shareholders' Meeting of February 18, 2016 and in accordance with the Board of Directors' decision of October 25, 2016, Cegereal carried out a share capital reduction for reasons other than losses in an amount of EUR 93,608k by reducing the par value of the Company's shares from EUR 12 to EUR 5.

Dividends paid

In euros

	Recommended dividend for 2016	Paid in 2016 for 2015 (excl. treasury shares)
Total dividend paid	28,082,250	26,720,090
Net dividend per share in euros	2.10	2.00

The total amount of dividends paid for the 2016 fiscal year is shown in the table above based on the number of shares making up the share capital at December 31, 2016. Dividends to be paid in respect of 2016 as approved by the General Shareholders' Meeting will be reduced by the number of treasury shares held by the Company at the dividend payment date, as these shares do not carry any dividend rights.

Subject to the approval of the General Shareholders' Meeting, the Board of Directors recommends that a dividend of EUR 2.10 per share be paid for the 2016 fiscal year.

Treasury shares

In euros (except number of shares)

	Amount at Dec. 31, 2016	Amount at Dec. 31, 2015	Change
Acquisition cost	479,153	354,063	125,090
Number of treasury shares at reporting date	14,919	13,538	1,381

Note 5.11 Non-current borrowings

The maturity schedule of loans taken out by the Group, valued at amortized cost less transaction costs, is as follows:

In thousands of euros

	Bank loan	Due in 1 year or less	Due in 1 to 2 years	Due in 2 to 5 years	Due in more than 5 years
Bank borrowings					
- Fixed rate	466,515	560	737	465,217	-
- Variable rate	119,485	560	737	118,187	-
Accrued interest not yet due	1,103	1,103	-	-	-
Bank fees to spread at effective interest rate	(7,929)	(1,471)	(1,901)	(4,557)	-
Total at December 31, 2016	579,175	754	(427)	578,847	-

The Group complied with the ratios described in Note 5.26, which were calculated on December 12, 2016 and December 31, 2016, respectively. The loan characteristics are described in Notes 4.1 and 4.7.

Note 5.12 Financial instruments

The table below presents a summary of financial instruments:

In thousands of euros

	Dec. 31, 2016	Dec. 31, 2015
Interest rate cap	184	
Assets	184	-
Share subscription warrants	716	
Interest rate swap	205	
Liabilities	920	-

The characteristics of the cap and swap agreements are described in Note 4.7.

The share subscription warrants and the swap are considered to be derivative financial instruments and are measured at fair value at the end of each reporting period with any gains or losses recognized in income (see Note 2.5).

On April 14, 2016, Cegereal issued 865,000 share subscription warrants to Northwood Investors France Asset Management SAS at a unit price of EUR 0.01. These warrants were subscribed in a total amount of EUR 8,650 as at April 22, 2016 and must be exercised no later than June 30, 2022. Each share subscription warrant entitles the holder to subscribe to one new share in the Company. The subscription price for one share will be calculated based on the volume-weighted average share price during the 20 trading days prior to the exercise date.

Note 5.13 Fair value of financial liabilities

The fair value of financial liabilities at December 31, 2016 can be analyzed as follows:

In thousands of euros

	Dec. 31, 2016		Dec. 31, 2015		Fair value hierarchy[2]
	Carrying amount	Fair value	Carrying amount	Fair value	
Bank loan	578,071	585,977	402,664	413,074	Level 2
Interest rate swap[1]	205	205			Level 2
Share subscription warrants[1]	716	716			Level 1
Total non-current liabilities	578,992	586,897	402,664	413,074	

(1) Derivative financial instruments.
(2) Classification under IFRS 13 (see Note 2.4).

The characteristics of non-current liabilities are described in Note 4.7 and Note 5.12.

There was no difference between the carrying amounts and fair values of financial liabilities other than those mentioned above.

Note 5.14 Other non-current borrowings and debt

This caption mainly consists of security deposits paid by lessees, which are recorded as non-current borrowings and debt based on the assumption that lessees will seek to renew their leases if they expire within the next 12 months.

Note 5.15 Other operating liabilities

These can be broken down as follows:

In thousands of euros

	Dec. 31, 2016	Dec. 31, 2015
Personnel	322	310
Directors' fees	159	0
Accrued VAT, other taxes and social security charges	2,379	2,327
Accrued rental expenses rebilled to lessees	1,177	1,019
Advance payments by lessees	2,693	356
Miscellaneous	60	0
Other operating liabilities	6,789	4,011
Amounts due to fixed asset suppliers	1,195	561
Amounts due to fixed asset suppliers	1,195	561
Other liabilities	7,985	4,573

"Accrued rental expenses rebilled to lessees" corresponds to the balance of lessees' contributions to the financing of large items of shared equipment.

Note 5.16 Maturity schedule for liabilities with undiscounted contractual values

The maturity schedule for liabilities with undiscounted contractual values is as follows:

In thousands of euros

	Carrying amount at Dec. 31, 2016	Undiscounted contractual value	Undiscounted contractual value		
			Due in 1 year or less	Due in more than 1 year but less than 5 years	Due in more than 5 years
Non-current liabilities					
Non-current borrowings	576,951	584,879		584,879	
Other non-current borrowings and debt	4,605	4,605			4,605
Non-current corporate income tax liability					
Other financial liabilities	920	920		920	
Total non-current liabilities	582,476	590,405	-	585,799	4,605
Current liabilities					
Current borrowings	2,224	2,224	2,224		
Other current borrowings and debt	0	0	0		
Trade accounts payable	5,832	5,832	5,832		
Corporate income tax liability	0	0	0		
Other operating liabilities	7,985	7,985	7,985		
Total current liabilities	16,041	16,041	16,041	-	-

Other non-current borrowings and debt correspond to security deposits paid by lessees. Their maturity date is more than five years because it is the Group's policy to extend leases when they expire.

Other financial liabilities correspond to share subscription warrants, which must be exercised no later than June 30, 2022, and the swap described in Note 4.7 and Note 5.12.

Note 5.17 Prepaid revenue

Prepaid revenue consists of rents billed in advance for the first quarter of 2017.

Note 5.18 Rental income

Including the impact of benefits granted to lessees, rental income can be broken down by building as follows:

In thousands of euros

	2016 12 months	2015 12 months
Europlaza	19,183	18,077
Arcs de Seine	17,747	16,384
Rives de Bercy	9,847	9,849
Hanami Campus	419	
	47,196	44,310

Invoiced rent amounted to EUR 52,510k, corresponding to IFRS rental income (EUR 47,196k) plus front-end incentives (EUR 5,314k).

Note 5.19 Income from other services

Income from other services can be analyzed as follows:

In thousands of euros

	2016 12 months	2015 12 months
Rental expenses rebilled to lessees	6,323	6,868
Real estate taxes rebilled to lessees	4,599	4,363
Other amounts rebilled to lessees and miscellaneous income	463	118
Indemnities	2,606	
Income from other services	13,991	11,349

Expenses and taxes rebilled to lessees amounted to EUR 11,336 in 2016.

Note 5.20 Building-related costs

These can be broken down as follows:

In thousands of euros

	2016 12 months	2015 12 months
Rental expenses	6,744	6,496
Taxes	5,034	4,736
Fees	4,281	3,143
Maintenance costs	136	498
Expenses on vacant premises	968	1,299
Other expenses	59	985
Building-related costs	17,221	17,156

Fees mainly comprise asset management fees with Northwood Investors Asset Management SAS and Commerz Real Investmentgesellschaft, which amounted to EUR 3,975k at December 31, 2016 compared with EUR 3,049k at December 31, 2015. Since January 1, 2016, these fees have been calculated based on the Group's net asset value (previously they were based on the estimated value of the buildings owned).

Recoverables expenses and taxes amounted to EUR 12,790 in 2016.

Expenses and taxes on vacant premises in 2016 concerned Europlaza, Arcs de Seine and Hanami buildings and amounted to EUR 1,453.

Note 5.21 Administrative costs

Administrative costs mainly comprise professional fees for EUR 1,095k and payroll expenses for EUR 1,127k.

Note 5.22 Other operating expenses

Other operating expenses correspond to changes in the fair value of the share subscription warrants described in Note 5.12 as well as depreciation and amortization of fixed assets on Cegereal's premises.

Note 5.23 Financial income and expenses

Financial income and expenses can be broken down as follows:

In thousands of euros

	2016 12 months	2015 12 months
Financial income	53	15
Financial expenses	(17,972)	(14,719)
Interest and charges on bank borrowings	(13,141)	(14,719)
Net financial expense	(17,919)	(14,705)

Note 5.24 Corporate income tax and tax proof

All consolidated entities contributing to consolidated income fall under the SIIC tax regime for listed real estate investment companies or the SPPICAV tax regime for companies investing predominantly in real estate with a variable share capital, and are not liable for corporate income tax in respect of their property rental activities.

Income tax expense for the reporting period can be broken down as follows:

In thousands of euros

	2016 12 months	2015 12 months
Corporate income tax(1)	0	0
Additional corporate income tax contribution(2)	802	662
Corporate income tax	802	662

(1) Corporate income tax on other taxable activities (other than property rental activities).
(2) Additional corporate income tax contribution on amounts distributed.

Note 5.25 Earnings per share

Earnings per share is calculated by dividing consolidated net income attributable to owners of Cegereal SA by the number of ordinary shares net of treasury shares at December 31, 2016, i.e., EUR 3.09.

Pursuant to IAS 33, the potential shares (warrants) were considered to be dilutive at December 31, 2016. Diluted earnings per share came out at EUR 2.95.

In thousands of euros

	2016 12 months	2015 12 months
Net attributable income (in thousands of euros)	41,265	80,957
Weighted average number of shares before dilution	13,359,055	13,358,962
Earnings per share (in euros per share)	3,09	6,06
Net attributable income, after impact of dilutive shares (in thousands of euros)	41,972	80,957
Weighted average number of shares after dilution	14,224,055	13,358,962
Diluted earnings per share (in euros per share)	2,95	6,06

Note 5.26 Off-balance sheet commitments and security provided

All material commitments are listed below. The Group had not entered into any complex commitments at the end of the reporting period.

COMMITMENTS GIVEN

Pursuant to the credit agreement of July 26, 2016, the amounts provided shall be used solely to:
– repay the initial loan of EUR 405m as well as the related interest and expenses (i.e., EUR 412m);
– and, in a maximum amount of EUR 120m:
  – finance certain work/expenses,
  – repay a portion of the issue or merger premium,
  – repay any existing or future intragroup loans,
  – refund shareholders in the event of a capital reduction.

In accordance with the EUR 525m credit agreement of July 26, 2016, the Group is also required to comply with the following main commitments:
– registration of contractual mortgages carried out on Prothin's real estate assets;
– assignment of rent receivables relating to Prothin's real estate assets under the Dailly Law mechanism;
– senior pledge of Prothin's bank accounts. The Group agrees not to close these accounts or open bank accounts other than those identified in the credit agreement;
– pledge of Prothin Shares from the securities account held in Cegereal's name;
– pledge of receivables relating to the current account agreement between Cegereal and Prothin;
– to ensure that the loan-to-value ratio (LTV) (outstanding loan/market value of real estate assets) remains below 70% (65% in the event that the credit agreement is extended until July 21, 2021). Non-compliance with this ratio (calculated on each drawdown date and on July 26 of each year) results in an obligation to repay the outstanding loan in the amount required for the ratio to be below 60%;
– when the LTV ratio is above 65% (60% if the agreement is extended), to repay the loan in advance, on each Interest Payment Date, in tranches of 0.50% of the loan while the LTV ratio is above 60%;
– to ensure that the ISC ratio (available income/[projected interest + agency fees]) remains above 200%. Non-compliance with this ratio (calculated on each drawdown date and on each interest payment date) results in an obligation to repay the outstanding loan in the amount required for the ratio to be complied with;
– not to grant liens on these assets, rights or income other than security interests;
– to provide the agency with accounting and financial documents, valuation reports, financial ratio calculations and other information relating to the buildings described in the credit agreement;
– to allow the agency to carry out audits and visits as set out in the credit agreement;
– to take out insurance as set out in the credit agreement;
– to set up a hedge;
– not to take out any borrowings other than those provided for in the credit agreement;
– not to grant any loans apart from those set out in the credit agreement;
– (applicable to Prothin only) not to acquire any new real estate assets (except by means of equity financing) or interests;
– to repay some or all of the loan in advance in the event of a change of control of the Company or the total or partial sale of one of the buildings, expropriation or a major incident;
– to repay the loan in advance, which would give rise to breakage costs and an early repayment indemnity.
– in the event that the Group no longer benefits from the SIIC regime, to show that the Group has sufficient equity to pay all the taxes and indemnities for which it may be liable and that the fact of no longer benefiting from the regime will not lead to an effective payment of corporate income tax during the term of the loan resulting in a materially unfavorable event.

Under the EUR 100m credit agreement of December 15, 2016, the amounts borrowed should be used solely to refinance in full the amounts due under the previous loan. The Group's main commitments under the agreement are as follows:
– registration of contractual mortgages on Hanami Rueil SCI's real estate assets;
– assignment of rent receivables relating to Hanami Rueil SCI's real estate assets under the Dailly Law mechanism;
– senior pledge of Hanami Rueil SCI's bank accounts. The Group agrees not to close these accounts or open bank accounts other than those identified in the credit agreement;
– pledge of Hanami Rueil SCI shares from the securities account held in the name of K Rueil and Cegereal;
– pledge of receivables relating to subordinate loans granted by K Rueil or Cegereal;
– to ensure that the loan-to-value ratio (LTV) (outstanding loan/market value of real estate assets) remains below 70%;
– to ensure that the debt service coverage ratio (DSC) (available income/[interest expenses + agency fees + principal repaid]) remains above 115%;
– not to grant liens on these assets, rights or income other than security interests;
– to provide the agency with accounting and financial documents, valuation reports, financial ratio calculations and other information relating to the buildings described in the credit agreement;
– to allow the agency to carry out audits and visits as set out in the credit agreement;
– to take out insurance as set out in the credit agreement;
– to set up hedges;
– not to take out any borrowings other than those provided for in the credit agreement;
– not to grant any loans apart from those set out in the credit agreement;
– (applicable to Hanami Rueil SCI only) not to acquire any new real estate assets (except by means of equity financing) or interests;
– early repayment of all or part of the loan in the event of a change of control of the Company or the total or partial sale of one of the buildings, expropriation or a major incident;
– repaying the loan in advance, which would give rise to breakage costs and an early repayment indemnity;
– Hanami Rueil SCI undertakes to remain transparent for tax purposes, within the meaning of Article 8 of the French Tax Code, and not to elect for corporate income tax liability.

COMMITMENTS RECEIVED

Security deposits received from lessees amounted to EUR 19,528k at December 31, 2016.

An amendment was signed by Exclusive Networks to its lease at the Arcs de Seine building for an additional surface area of 701 sq.m with effect from January 1, 2017.

An amendment was also signed by GE Capital to its lease at the Europlaza building for an additional surface area of 3,074 sq.m with effect from June 1, 2017.

Description of the main provisions and resulting commitments of the Group's operating leases:

All of the Group's business assets are located in France and are subject to the provisions of French law. The Group's business activities are governed by Articles L.145-1 to L.145-60 of the French Commercial Code. The lease term may not be less than nine years and only the lessee has the option of terminating the lease at the end of each three-year period following inception of the lease, subject to six months' notice.

Until the entry into force of Act no. 2014-626 of June 18, 2014 on craftspeople, small traders and micro businesses (the "Pinel Act"), the parties could contractually override this three-year termination period. This possibility is now limited in certain cases for leases signed on or after September 1, 2014 (the date on which the Pinel Act came into effect).

Rents are generally payable quarterly in advance and are indexed annually. The lease may provide for a step-up arrangement or for constant rental payments, and it may include rent-free periods or temporary rent freezes, but in any event, the terms and conditions are fixed at the inception of the lease for the entire lease term. Charges, including real property tax and tax on office premises, are generally borne by the lessee unless otherwise stipulated in the lease. Pursuant to Article R.145-35 of the French Commercial Code, some of these charges cannot be rebilled.

Minimum guaranteed rental income from current operating leases:

At December 31, 2016, the minimum annual rental income (excluding VAT, rebilling of taxes and expenses, and rent decreases agreed after the end of the reporting period) due to the Group until the earliest possible termination dates of the different operating leases was as follows:

In thousands of euros

	Minimum annual rental income	
	2016	2015
2017	55,085	44,425
2018	50,196	38,151
2019	46,414	35,047
2020	37,116	27,971
2021	29,825	21,873
2022	8,291	1,869
2023	7,217	1,695
2024	4,591	

Note 5.27 Transactions with related parties

TRANSACTIONS WITH RELATED COMPANIES

The hausInvest property fund, Cegereal's majority shareholder until November 5, 2015, is managed by Commerz Real. Consequently, transactions with Commerz Real and other companies within the same group, in particular Eurohypo AG (renamed Hypothekenbank Frankfurt AG on October 9, 2012), were identified as related party transactions.

Following the acquisition of hausInvest's stake in Cegereal on November 5, 2015, the Northwood Concert became the Group's majority shareholder. Accordingly, transactions with the Northwood Concert and Northwood Investors France Asset Management SAS are considered related party transactions.

Transactions with related parties mainly comprise the asset management agreements entered into with Northwood Investors France Asset Management SAS (see Note 5.20).

During the year, Northwood Investors France Asset Management SAS subscribed for 865,000 share subscription warrants, at a unit price of EUR 0.01 in a total amount of EUR 8,650 (see Note 5.12).

In thousands of euros

	2016 12 months	2015 12 months
Impact on operating income		
Building-related costs: Asset management fees	3,975	3,143
Administrative costs: Fees	0	181
Impact on net financial expense		
Financial expenses	0	0
Total impact on income statement	3,975	3,325
Impact on assets		
Prepaid expenses	0	0
Other receivables	0	181
Total impact on assets	-	181
Impact on liabilities		
Non-current borrowings		0
Trade accounts payable	200	181
Total impact on liabilities	200	181

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

(i) Compensation of the Chairman of the Board of Directors
The Chairman of the Board of Directors' gross compensation was set at EUR 25k for 2015. The Group's former Chairman resigned with effect from April 14, 2016. His compensation for 2016 amounts to EUR 7,222. The new Chairman of the Board of Directors does not receive any compensation.
(ii) Compensation of key management personnel

In thousands of euros

Categories of employee benefits	2016 12 months	2015 12 months
Short-term employee benefits	600	519
Post-employment benefits		
Other long-term employment benefits		
Termination benefits		
Share-based payment	102	
Total	702	519

At its meeting on July 7, 2016, the Board of Directors granted 5,349 free shares to Raphaël Tréguier.

Non-compete, non-solicitation, non-disparagement and confidentiality agreement.

On November 5, 2015, the Company decided to request that Raphael Tréguier sign a non-compete, non-solicitation, non-disparagement and confidentiality agreement valid for a period of six months as of the termination of his duties as Chief Executive Officer. The agreement entitles him to non-compete benefits for a period of six months, payable monthly in an amount equal to:

– his last fixed monthly compensation; and

– 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

– release him from his non-compete agreement, in which case the corresponding non-compete benefits shall not be due; or,

– reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.

(iii) Directors' fees
Directors' fees of EUR 119,000 were paid for 2015.
Directors' fees of EUR 194,522 were allocated for 2016.
(iv) Loans and securities granted to or on behalf of executives
None
(v) Transactions entered into with executives
None
(vi) Entities having key management personnel in common with the Group
The Group has key management personnel in common with Northwood Investors, namely certain directors.

Note 5.28 Personnel

At December 31, 2016, the Group had three employees, unchanged from December 31, 2015.

Note 5.29 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
Tour Eqho
2 avenue Gambetta
92066 Paris-La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011.

Denjean & Associés
35 avenue Victor Hugo
75016 Paris
First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011.

Fees paid to the Statutory Auditors for the year ended December 31, 2016:

In thousands of euros

	Amount (net of taxes)		%	
	2016	2015	2016	2015
Statutory audit of the financial statements	223	240	80	79
Advisory services and services directly related to the statutory audit engagement	57	64	20	21
Total	280	304	100	100

Note 5.30 Subsequent events

None

2.6. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED IFRS FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

Cegereal S.A.

Registered office: 42, rue de Bassano - 75008 Paris, France

Share capital: EUR 66,862,500

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Statutory Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2016, on:

• the audit of the accompanying consolidated financial statements of Cegereal SA;

• the justification of our assessments;

• the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Notes 2.3 and 2.4 to the consolidated financial statements describe the accounting method and valuation methods used to measure investment property. Investment property is measured at fair value, as estimated by an external real estate valuer at December 31 each year.

Our work consisted in obtaining the external valuer's reports, assessing the data and assumptions on which the estimates were based, ensuring that the notes to the consolidated financial statements contain the appropriate disclosures and assessing the procedures used by Executive Management to approve these estimations.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by law and in accordance with professional standards applicable in France, we have also verified the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

The Statutory Auditors

Paris-La Défense, February 16, 2017	Paris, February 16, 2017
KPMG AUFIT FS I	**Denjean & Associés**
Régis Chémouny	Thierry Denjean
Partner	Partner

3. Annual financial statements prepared in accordance with French GAAP

The annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2015 and the related Statutory Auditors' report presented on pages 86 to 94 and page 95, respectively, of the 2015 Registration Document filed with the AMF on April 27, 2016 under no. D. 16-0418, are incorporated by reference into this document.

The annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2014 and the related Statutory Auditors' report presented on pages 104 to 113 and page 114, respectively, of the 2014 Registration Document filed with the AMF on March 6, 2015 under no. D. 15-0108, are incorporated by reference into this document.

3.1. RESULTS AND FINANCIAL POSITION OF CEGEREAL SA

The following presentation and analysis should be read in conjunction with this Registration Document in its entirety and in particular with the statutory financial statements which are presented in sections III.3.4. and III.3.5.

The annual financial statements for the year ended December 31, 2016 were prepared in accordance with French generally accepted accounting principles applicable to individual financial statements.

FINANCIAL POSITION/STATUTORY FINANCIAL STATEMENTS

At December 31, 2016, shareholders' equity stood at EUR 327,604k compared with opening shareholders' equity of EUR 361,003k.

At December 31, 2016, cash and cash equivalents stood at EUR 3,748k, a EUR 3,639k increase compared with December 31, 2015. The main changes during the year ended December 31, 2016 contributing to this decrease were as follows:

In thousands of euros

SOURCES	
Funds from operations	
Net increase in working capital[1]	12,048
Increase in miscellaneous debt	2,079
Decrease in fixed assets	77,153
Dividends received	-
Total sources of funds	91,280

USES	
Funds used in operations	6,665
Dividends paid	26,720
Decrease in bank debt	-
Decrease in miscellaneous debt	-
Increase in fixed assets	54,256
Total uses of funds	87,641
Net change in cash and cash equivalents	3,639

(1) Of which EUR 11,928k in dividends accrued in 2014 and paid in 2016.

NET INCOME/(LOSS) BY KEY INDICATOR FOR THE PERIOD

Cegereal's rental activity was transferred to Prothin, its wholly owned subsidiary, within the scope of the partial asset transfer carried out on December 22, 2011 with retroactive effect for accounting and tax purposes from July 1, 2011. Since 2012, Cegereal has therefore acted as a holding company.

Cegereal has acquired, directly and indirectly, all of the shares of the OPCI K Rueil and Hanami Rueil SCI.

Net income/(loss) by key indicator for the period is as follows:

In thousands of euros

	2016 12 months	2015 12 months
Net revenue	70	47
Other operating revenue	30	27
Total operating revenue	**100**	**74**
Other purchases and external charges	(2,130)	(1,745)
Taxes, duties and other levies	(2,611)	(129)
Wages and salaries	(1,127)	(916)
Fixed assets: depreciation and amortization	(20)	
Other operating expenses	(195)	(123)
Total operating expenses	**(6,083)**	**(2,913)**
Operating loss	**(5,983)**	**(2,839)**
Total financial income	30	6
Total financial expenses	(13)	(16)
Net financial income/(expense)	**17**	**(10)**
Net non-recurring income	**83**	**48**
Corporate income tax	(802)	(662)
Net income/(loss)	(6,685)	(3,463)

3.2. APPROPRIATION OF CEGEREAL SA'S NET LOSS FOR THE YEAR ENDED DECEMBER 31, 2016

Transfer to a reserve account

Pursuant to the deliberations of the Extraordinary Shareholders' Meeting of February 18, 2016 and by virtue of the deliberations of the Board of Directors' meeting of October 25, 2016, the share capital was reduced by an amount of EUR 93,607,500, from EUR 160,470,000 to EUR 66,862,500, by reducing the par value of the shares making up the capital of the Company from EUR 12 to EUR 5.

The fourth resolution proposes to transfer a portion of the amount in the "Legal reserve" account at December 31, 2016, i.e., EUR 9,360,750, to "Other reserves". The "Legal reserve" account would be reduced from EUR 16,047,000 to EUR 6,686,250, thereby representing one-tenth of the share capital.

APPROPRIATION OF NET LOSS

The fifth resolution proposes to appropriate the net loss for the year as follows, after transferring a portion of the amount in the "Legal reserve" account to "Other reserves":

Source:

– 2016 net loss: EUR 6,684,893

– Retained earnings: EUR 24,910

Appropriation:

– To retained earnings: a negative EUR 24,910. The "Retained earnings" account would therefore be reduced to EUR 0.

– To other reserves: a negative EUR 6,659,983. The balance of "Other reserves" would therefore be reduced from EUR 9,371,420 (after the transfer of a share of the legal reserve to "Other reserves") to EUR 2,711,437.

DISTRIBUTION OF ADDITIONAL PAID-IN CAPITAL

The next Annual General Shareholders' Meeting will be asked to approve a distribution of EUR 28,082,250, i.e., EUR 2.10 per share.

The balance of "Additional paid-in capital" will therefore be reduced from EUR 98,996,276 to EUR 70,914,026.

The ex-dividend date is July 11, 2017.

The dividends will be paid on July 13, 2017.

PRIOR DISTRIBUTIONS OF DIVIDENDS (ARTICLE 243 *BIS* OF THE FRENCH TAX CODE)

Pursuant to the disclosure requirements set out in Article 243 *bis* of the French Tax Code, the dividends paid over the past three years are shown below:

In euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate	Dividend treated as the reimbursement of a contribution
	Dividends	Other income distributed		
Dec. 31, 2013	-	-	-	EUR 10,029,375 (1) i.e., EUR 0.75/ share
Dec. 31, 2014	EUR 32,094,000 (1) i.e., EUR 2.40/ share	-	-	-
Dec. 31, 2015	EUR 26,745,000 (1) i.e., EUR 2/share	-	-	-

(1) Including the amount corresponding to dividends on treasury shares, which was transferred to retained earnings.

NON TAX-DEDUCTIBLE EXPENSES (ARTICLE 39-4 OF THE FRENCH TAX CODE)

The General Shareholders' Meeting will be asked to approve the total amount of EUR 12,066 of expenses and charges referred to in Article 39-4 of the French Tax Code as well as the related tax (excess tax depreciation of rented passenger vehicles).

INFORMATION ON PAYMENT PERIODS FOR SUPPLIERS OF CEGEREAL SA

Amounts outstanding with respect to suppliers amounted to EUR 3,770k, chiefly comprising accrued expenses, and were not yet due at December 31, 2016. Trade accounts payable totaled EUR 823k at December 31, 2015, of which none were due.

All amounts due are payable within 60 days.

3.3. BALANCE SHEET AND INCOME STATEMENT PREPARED IN ACCORDANCE WITH FRENCH GAAP

BALANCE SHEET – FRENCH GAAP

In euros

ASSETS	Notes	Gross amount	Depr., amort. & prov.	Dec. 31, 2016	Dec. 31, 2015
Uncalled subscribed capital		**-**		**-**	
Intangible fixed assets		**-**			
Start-up costs		-		-	
Research and development costs		-		-	
Licenses, patents and similar concessions		-		-	
Goodwill		-		-	
Other intangible fixed assets		-		-	
Advances/down payments on intangible assets		-		-	
		-			
Property, plant and equipment		**-**			
Land		-		-	
Buildings		-		-	
Plant, machinery and equipment		-		-	
Other property, plant and equipment		-		-	
Property, plant and equipment in progress		-		-	
Advances and down payments		-		-	
		-			
Financial fixed assets	**5.1**	**-**			
Receivables from controlled entities		326,405,364		326,405,364	361,229,772
Other long-term investments		-		-	
Loans		-		-	
Other financial fixed assets		725,947		725,947	643,078
FIXED ASSETS		327,131,311	-	327,131,311	361,872,850
Inventories and work in progress					
Raw materials and other supplies		-		-	
Manufactured products in progress		-		-	
Services in progress		-		-	
Semi-finished and finished goods		-		-	
Goods held for resale		-		-	
Advances/down payments on orders					
Receivables					
Trade accounts receivable		-		-	
Other receivables	5.3	3,046,532		3,046,532	266,196
Subscribed capital, called up but not paid		-		-	
Short-term investment securities		**-**		**-**	
Cash and cash equivalents	**5.2**	**3,748,046**		**3,748,046**	**109,145**
CURRENT ASSETS		6,794,577	-	6,794,577	375,341
Prepaid expenses	5.6	44,035		44,035	58,718
Adjustment accounts		-		-	
TOTAL ASSETS		333,969,924	-	333,969,924	362,306,909

In euros

EQUITY AND LIABILITIES	Notes	Dec. 31, 2016	Dec. 31, 2015
Capital			
Share capital (including paid-up capital: 66,862,500)	5.7	66,862,500	160,470,000
Additional paid-in capital		99,004,926	5,388,776
Revaluation reserve	5.9	152,341,864	152,341,864
Reserves			
Legal reserve		16,047,000	16,047,000
Statutory or contractual reserves		0	-
Regulated reserves		0	-
Other reserves		10,670	30,188,422
Retained earnings			
Retained earnings		24,910	30,409
Net income/(loss) for the year		(6,684,893)	(3,463,161)
Interim dividend		0	0
Investment subsidies			
Regulated provisions			
SHAREHOLDERS' EQUITY	5.8	327,606,977	361,003,310
Income from the issue of equity instruments		-	
Contingent advances		-	
OTHER EQUITY		-	-
Contingency provisions			
Loss provisions		**20,347**	
CONTINGENCY AND LOSS PROVISIONS	5.10	20,347	-
Non-current borrowings and debt			
Convertible bonds		0	-
Other bonds		0	-
Bank borrowings		0	-
Miscellaneous borrowings and debt	5.3	2,079,134	0
Trade accounts payable and other current liabilities			
Advances/down payments received on orders in progress		-	-
Trade accounts payable	5.3	3,769,534	823,375
Tax and social liabilities	5.3	493,932	480,224
Amounts owed to fixed asset suppliers			0
Other liabilities		0	0
Prepaid revenue		0	0
LIABILITIES		6,342,600	1,303,599
Adjustment accounts		**0**	**0**
TOTAL EQUITY AND LIABILITIES		333,969,924	362,306,909

INCOME STATEMENT – FRENCH GAAP

In euros

	France	Exports	Notes	2016 12 months Total	2015 12 months Total
Sales of goods for resale				0	
Sales of manufactured products				0	
Sales of services			5.11	70,000	46,667
NET REVENUE	0	0		70,000	46,667
Change in finished goods and in-progress inventory				0	
In-house production				0	
Operating subsidies				0	
Reversal of depreciation and amortization charges, provisions for impairment and expense transfers				30,141	27,155
Other revenue				0	
Total operating revenue				100,141	73,822
Purchases of goods				0	
Change in inventories of goods held for resale				0	
Purchases of raw materials and other supplies				0	
Change in inventories (raw materials and other supplies)				0	
Other purchases and external charges			5.12	2,130,369	1,745,487
Taxes, duties and other levies			5.13	2,611,034	129,284
Wages and salaries				792,428	649,380
Social security charges				334,152	266,126
Fixed assets: depreciation and amortization				0	
Fixed assets: provisions for impairment				0	
Current assets: provisions for impairment				0	
Contingency and loss provisions				20,347	
Other expenses				194,550	122,762
Total operating expenses				6,082,881	2,913,039
OPERATING LOSS				(5,982,740)	(2,839,218)
Allocated income or transferred loss				0	
Loss incurred or transferred income				0	
Financial income from controlled entities				0	
Income from other securities and receivables				0	
Other interest income				29,933	144
Reversal of provisions for impairment, other provisions and expense transfers				0	5,956
Foreign exchange gains				0	
Net income on sale of short-term investment securities				0	
Total financial income				29,933	6,100
Depreciation, amortization, provisions for impairment and other provisions				0	0
Interest expenses				12,599	16,302
Foreign exchange losses				3	
Net expenses on sales of short-term investment securities				0	
Total financial expenses				12,602	16,302
NET FINANCIAL INCOME/(EXPENSE)				17,331	(10,202)
RECURRING INCOME/(LOSS) BEFORE TAX				(5,965,409)	(2,849,420)

In euros

	Notes	2016 12 months Total	2015 12 months Total
Non-recurring income on management transactions		0	
Non-recurring income on capital transactions		83,162	53,309
Reversal of provisions for impairment, other provisions and expense transfers		0	
Total non-recurring income		83,162	53,309
Non-recurring expenses on management transactions		0	
Non-recurring expenses on capital transactions		281	5,111
Depreciation, amortization and provisions for impairment		0	
Total non-recurring expenses		281	5,111
NET NON-RECURRING INCOME	5.14	82,881	48,198
Employee profit sharing		0	
Corporate income tax	5.15	802,365	661,939
TOTAL INCOME		213,235	133,230
TOTAL EXPENSES		6,898,129	3,596,391
NET INCOME/(LOSS)		(6,684,893)	(3,463,161)

3.4. NOTES TO THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH FRENCH GAAP FOR THE YEAR ENDED DECEMBER 31, 2016

3.4.1 BACKGROUND

Note 1.1 Stock market listing

The Company's shares have been quoted on the Eurolist market (compartment B) of Euronext Paris SA, under the reference no. FR0010309096, since March 29, 2006.

Note 1.2 Fiscal year

The fiscal year covers a 12-month period from January 1 to December 31, 2016.

Note 1.3 Presentation of comparative financial information

The information presented in the annual financial statements for the year ended December 31, 2016 includes comparative data in relation to the year ended December 31, 2015.

Note 1.4 Significant change in financial or commercial position

On December 15, 2016, Cegereal acquired the entire share capital of K Rueil in an amount of EUR 53,970,995 as well as an interest in Hanami SCI (99%-owned by K Rueil) for EUR 285,443.

On July 26, 2016 and December 7, 2016, Prothin, which is wholly owned by Cegereal, carried out share capital reductions for reasons other than losses in a total amount of EUR 36,452,884 (reduction in the par value of each individual share from EUR 10 to EUR 8 per share then to EUR 7.6 per share) and reimbursed premiums in a total amount of EUR 40,700,000. As a result, the aggregate value of Prothin shares fell from EUR 349,301,810 at December 31, 2015 to EUR 272,148,926 at December 31, 2016.

3.4.2 SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements for the year ended December 31, 2016 were prepared in accordance with the 2014 French general chart of accounts (Standard 2014-03 issued by the French accounting standard-setter, or ANC) which came into force on October 16, 2014, and with the accounting principles generally accepted in France.

Accounting policies were applied in accordance with the principle of prudence and the following basic assumptions:

– going concern basis,
– consistency principle,
– accrual basis principle.

The basic method used for valuing items recorded in the accounts is the historical cost method.

The main accounting principles applied for the financial statements for the year ended December 31, 2016 are described below.

Note 2.1 Long-term investments

Classification of long-term investments

Long-term investments correspond to shareholdings that it is deemed useful to hold over the long term, particularly insofar as they enable the Company to exercise influence or control over the issuer.

Capitalized costs of investments

Investments are recognized in the balance sheet at their acquisition cost or contribution value.

Share purchase fees are not included in their acquisition cost but recorded in expenses for the period.

Impairment of investments

At the end of the reporting period, the Company compares the realizable value of shareholdings with their acquisition cost. The realizable value of shareholdings corresponds to their value in use, representing the price the Company would be willing to pay should it wish to acquire this shareholding.

In order to measure shareholdings, the Company uses a method based on the valuation of the subsidiaries' assets.

The Company calculates the net asset value of each subsidiary. This method takes into account the valuation of the real estate assets held by the subsidiary at the end of the reporting period.

Unrealized gains and losses are calculated by comparing the value in use with the carrying amount. Impairment losses are recognized in respect of unrealized losses and are not offset against unrealized gains.

However, the Company takes into account the outlook for (temporarily or structurally loss making) subsidiaries in order to ensure that the write-downs are justified.

Note 2.2 Treasury shares

Treasury shares held within the scope of the liquidity agreement are stated at cost in assets under "Other long-term investments".

Cash amounts allocated to the liquidity agreement are stated in "Other long-term investments" as they are no longer available for the immediate needs of the Company.

Movements in the treasury share portfolio are recorded on a first in, first out basis.

A provision for impairment is set aside when the acquisition value of the shares is more than the average stock market price in the month preceding the end of the reporting period.

Gains and losses realized on the sale of treasury shares and interest on the cash amounts allocated to the liquidity agreement are recognized in "Net non-recurring income".

Note 2.3 Receivables

Receivables are measured at nominal value. A provision for impairment is set aside when the realizable value falls below the carrying amount.

3.4.3 MANAGEMENT OF FINANCIAL RISKS

At December 31, 2016, the risks incurred by Cegereal SA relate to the equity interests held in its subsidiaries, Prothin SAS, the OPPCI K Rueil and Hanami Rueil SCI.

3.4.4 CHANGE IN ACCOUNTING POLICIES

There was no change in accounting policies in 2016 compared to 2015.

3.4.5 NOTES TO THE BALANCE SHEET AND THE INCOME STATEMENT AND OTHER INFORMATION

Note 5.1 Statement of financial fixed assets

Changes in the gross value of financial fixed assets can be broken down as follows:

In euros

	Gross value at Jan. 1, 2016	Increases	Decreases	Gross value at Dec. 31, 2016
Equity investments	349,301,810	54,256,438	77,152,884	326,405,364
Receivables on equity investments	11,927,962	71,094,070	83,022,032	0
Treasury shares	354,063	524,781	399,691	479,153
Cash used in the liquidity agreement	289,015	538,020	580,241	246,795
Total financial fixed assets	361,872,850	126,413,308	161,154,847	327,131,311

The change in equity investments was attributable to:

– a fall in the value of Prothin shares by EUR 77,152,884 following the share capital reductions carried out on July 26, 2016 and December 7, 2016 for reasons other than losses in an amount of EUR 36,452,884 (reduction in the par value of each individual share from EUR 10 to EUR 8, then to EUR 7.6) and the reimbursement of premiums in an amount of EUR 40,700,000.

– the acquisition on December 15, 2016 of the entire share capital of K Rueil in an amount of EUR 53,970,995 as well as an interest in Hanami SCI (99%-owned by K Rueil) for EUR 285,443.

At December 31, 2016, Cegereal held 14,919 of its own shares out of a total of 13,372,500 shares, representing an amount of EUR 479,153. During the year, 14,423 shares were purchased and 13,042 were sold.

Note 5.2 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

In euros

Cash and cash equivalents	Dec. 31, 2016	Dec. 31, 2015
Bank accounts	3,748,046	109,145
Time deposits	0	0
Accrued interest receivable	0	0
Total	3,748,046	109,145

Note 5.3 Statement of receivables and payables by maturity

Receivables and payables at December 31, 2016 can be analyzed as follows by maturity:

In euros

Receivables	Gross amount	Due in 1 year or less	Due in more than 1 year
Receivables related to current assets			
Trade accounts receivable	0		
Other receivables	3,046,532	3,046,532	
Total receivables	3,046,532	3,046,532	-

"Other receivables" includes a receivable of EUR 2,743k payable to the notary following the acquisition of the OPCCI K Rueil.

In euros

Payables	Gross amount	Due in 1 year or less	Maturity	
			Due in more than 1 year but less than 5 years	Due in more than 5 years
Bank borrowings	0	0		
Miscellaneous borrowings and debt	2,079,134	2,079,134		
Trade accounts payable	3,769,534	3,769,534		
Tax and social liabilities	493,932	493,932		
Amounts due to fixed asset suppliers	0	0		
Other liabilities	0	0		
Total payables	6,345,577	6,345,577	-	-

Note 5.4 Accrued income and expenses

At December 31, 2016, accrued income and expenses can be analyzed as follows:

In euros

Accrued income	Dec. 31, 2016	Dec. 31, 2015
Other receivables	0	0
Cash and cash equivalents	0	0
Total	-	-

Accrued expenses	Dec. 31, 2016	Dec. 31, 2015
Trade accounts payable	3,690,043	802,406
Tax and social liabilities	358,038	366,262
Miscellaneous borrowings and debt	12,580	0
Total	4,048,081	1,168,668

Note 5.5 Transactions with related parties

Material transactions carried out by the Company with related parties are described below:

TRANSACTIONS WITH RELATED COMPANIES

The main transactions with related parties relate to a cash pooling agreement between Cegereal SA and Prothin SAS to fund dividend payments as well as the payment of a premium by Prothin SAS to Cegereal SA.

During the year, Northwood Investors France Asset Management SAS subscribed for 865,000 share subscription warrants, at a unit price of EUR 0.01 in a total amount of EUR 8,650 (see Note 5.11).

In euros

	2016	2015
Impact on operating loss		
Rental expenses rebilled (by the Company)	70,000	46,667
Rental expenses rebilled (to the Company)	(1,490)	(28,000)
Asset management fees		
Fees		
Impact on net financial expense		
Financial expenses	(12,580)	(16,302)
Financial income		
Total impact on income statement	(55,930)	(2,364)
Impact on assets		
Receivables from controlled entities	0	11,927,962
Other receivables	0	29,891
Prepaid expenses		
Total impact on assets		11,957,853
Impact on liabilities		
Dividends		
Miscellaneous borrowings and debt	(2,079,134)	0
Trade accounts payable		
Other liabilities		
Total impact on liabilities	(2,079,134)	-

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Chairman of the Board of Directors' gross compensation was set at EUR 25k for 2015. The Group's former Chairman resigned with effect from April 14, 2016. His compensation for 2016 amounts to EUR 7,222. The new Chairman of the Board of Directors does not receive any compensation.

In accordance with a decision by the Board of Directors, the amounts paid to members of management totaled EUR 599,996 for the year ended December 31, 2016.

As indicated in Note 5.17, the Board of Directors' meeting of July 7, 2016 granted 5,349 ordinary shares to the Chief Executive Officer.

At the General Shareholders' Meeting of May 26, 2016, the shareholders set the maximum total annual directors' fees for all Board members at EUR 200k. In December 2016, directors' fees of EUR 194,522 were allocated for the year ended December 31, 2016.

In accordance with Standard 2010-02 on related-party transactions issued by the French accounting standard setter (ANC) on September 2, 2010, all material transactions with related parties were carried out at arm's length conditions.

Non-compete, non-solicitation, non-disparagement and confidentiality agreement

On November 5, 2015, the Company decided to request that Raphael Tréguier sign a non-compete, non-solicitation, non-disparagement and confidentiality agreement valid for a period of six months as of the termination of his duties as Chief Executive Officer. The agreement entitles him to non-compete benefits for a period of six months, payable monthly in an amount equal to:

– his last fixed monthly compensation; and

– 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

– release him from his non-compete agreement, in which case the corresponding non-compete benefits shall not be due; or,

– reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.

Note 5.6 Prepaid expenses and revenue

At December 31, 2016, prepaid expenses and revenue can be analyzed as follows:

In euros

	Expenses	Revenue
Operating revenue/expenses	44,035	
Financial income/expenses		
Non-recurring income/expenses		
Total impact on income statement	44,035	-

Note 5.7 Composition of share capital

The share capital is fixed at EUR 66,862,500 and is divided into 13,372,500 fully paid-up shares of EUR 5 each.

Note 5.8 Statement of changes in equity

Changes in shareholders' equity over the period were as follows:

In euros

Statement of changes in equity	Share capital	Additional paid-in capital	Reserves (including revaluation reserve)	Retained earnings	Shareholders' equity before appropriation of net income
Jan. 1, 2016	160,470,000	5,388,776	198,607,695	(3,463,161)	361,003,310
Appropriation of net income for the previous year			(3,463,161)	3,463,161	0
Net loss for the year				(6,684,893)	(6,684,893)
Dividends paid			(26,720,090)		(26,720,090)
Decrease in nominal share capital	(93,607,500)	93,607,500			0
Share subscription warrants		8,650			8,650
Dec. 31, 2016	66,862,500	98,996,276	168,424,444	(6,684,893)	327,606,977

Further to the Extraordinary Shareholders' Meeting of February 18, 2016 and in accordance with the Board of Directors' decision of October 25, 2016, Cegereal carried out a reduction in share capital for reasons other than losses in an amount of EUR 93,608k by reducing the par value of the Company's shares from EUR 12 to EUR 5.

On April 14, 2016, Cegereal issued 865,000 share subscription warrants to Northwood Investors France Asset Management SAS at a unit price of EUR 0.01. These warrants were subscribed in a total amount of EUR 8,650 as at April 22, 2016 and must be exercised no later than June 30, 2022. Each share subscription warrant entitles the holder to subscribe to one new share in the Company. The subscription price for one share will be calculated based on the volume-weighted average share price during the 20 trading days prior to the exercise date.

Note 5.9 Revaluation reserve

At December 31, 2016, the revaluation reserve can be analyzed as follows:

In euros

Items	Increase in gross value	*Allocation of exit tax liability*	Reversal of provision for taxes	Portion transferred to reserves	Revaluation reserve	o/w portion transferable to distributable reserves
Real estate assets held until June 30, 2011	246,423,770	(89,967,360)	25,459,816	(29,574,363)	152,341,863	3,883,519
Total	246,423,770	(89,967,360)	25,459,816	(29,574,363)	152,341,863	3,883,519

The revaluation reserve includes real estate assets owned by Cegereal until June 30, 2011 and transferred to Prothin within the scope of the partial asset transfer.

Note 5.10 Contingency and loss provisions

In euros

	Provision at December 31, 2015	Additions	Reversals	Provision at December 31, 2016
Provisions for employer contributions	0	20,347	0	20,347
Total	-	20,347	-	20,347

Provisions for employer contributions relate to the free shares granted to the Chief Executive Officer, as described in Note 5.17.

Note 5.11 Breakdown of revenue

Cegereal SA's rental activity was transferred to its subsidiary Prothin SAS within the scope of the partial asset transfer carried out on December 22, 2011 with retroactive effect from July 1, 2011.

Accordingly, Cegereal has acted as a holding company since 2012 and its only revenue corresponded to management fees rebilled to its subsidiaries.

Note 5.12 Breakdown of other purchases and external charges

At December 31, 2016, other purchases and external charges can be analyzed as follows:

In euros

	2016 12 months	2015 12 months
Expenses rebilled to lessees		
Rental expenses	14,695	15,756
Maintenance and repair of buildings		
Expenses on vacant premises		
Fees	1,473,065	852,206
Publications	314,374	457,928
Sundry expenses	328,235	419,598
Total	2,130,369	1,745,487

Fees include EUR 710k of fees for the acquisition of Hanami.

Note 5.13 Taxes, duties and other levies

Taxes, duties and other levies mainly comprises EUR 2,713k in registration tax relating to the acquisition of K Rueil.

Note 5.14 Non-recurring items

Non-recurring items for the year ended December 31, 2016 correspond to capital gains and losses on the sale of treasury shares.

Note 5.15 Taxable income

Election for tax treatment as an SIIC

Cegereal SA has elected for the preferential tax treatment granted to listed real estate investment companies (*Sociétés d'Investissement Immobilières Cotées* – SIICs) in accordance with Article 208 C of the French Tax Code.

Owing to this tax treatment, no corporate income tax is payable directly or indirectly through income from subsidiaries in respect of the real estate leasing business and no deferred taxes were recognized at December 31, 2016. Similarly, no tax was payable on capital gains arising on disposals of real estate or equity interests in subsidiaries eligible for the same tax treatment.

Income tax expense for the reporting period can be analyzed as follows:

In thousands of euros

	2016 12 months	2015 12 months
Corporate income tax[1]		
Additional corporate income tax contribution[2]	802	662
Corporate income tax	802	662

(1) Corporate income tax on other taxable activities (other than property rental activities).
(2) Additional corporate income tax contribution on amounts distributed.

Terms and conditions and impact of tax treatment as an SIIC

a) When a company elects for SIIC status, the ensuing change in tax treatment has a similar impact to that of a discontinuance of business (taxation of unrealized capital gains, income which is subject to tax deferral and as yet untaxed operating income).

b) SIICs that have elected for preferential tax treatment are exempted from paying corporate income tax on the portion of their income resulting from:

- the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income is generated;
- capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for preferential tax treatment, provided that 60% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated;
- dividends received from subsidiaries having elected for preferential tax treatment and resulting from exempt income or from capital gains provided that they are redistributed in full during the fiscal year following the year in which they were received.

In the event that they choose to leave the SIIC tax regime at any time, the SIICs and their subsidiaries must add back to their taxable earnings for the period the portion of their income available for distribution at the end of said period which results from previously tax-exempt amounts.

c) The Amending French Finance Act for 2006 stipulates that companies may not benefit from preferential tax treatment as an SIIC if 60% or more of their capital or voting rights are held by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code.

d) The Amending French Finance Act for 2006 also introduced a 20% withholding tax to be paid by SIICs on dividends distributed from tax-exempt income to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs and that are not liable for corporate income tax or another equivalent tax on the dividends received. However, the withholding tax is not due when the beneficiary of the dividends is a company required to distribute the full amount of the dividends it receives and whose shareholders that directly or indirectly hold at least 10% of the dividend rights are liable for corporate income tax or another equivalent tax on the dividends received.

Note 5.16 Statement of subsidiaries and investments

In euros

	Share capital	Shareholders' equity other than share capital	% interest held	Carrying amount of shareholdings	Outstanding loans and advances granted by the Company and not yet repaid	Amount of guarantees and endorsements given by the Company	2016 revenue (net of taxes)	2016 net loss	Dividends received by the Company in 2016
Subsidiaries (more than 50%-owned)									
- Prothin SAS	115,417,466	57,312,076	100	272,148,926			60,655,351	3,166,057	0
- OPPCI K Rueil	174,944	54,372,154	100	53,970,995				(882,399)	
- Hanami SCI	100	(2,171,158)	1	285,443			12,951,566	(2,171,558)	0
Investments (between 10%- and 50%-owned)	0	0	0	0	0	0	0	0	0
Total	115,592,510	109,513,072		326,405,364	-	-	73,606,917	112,100	-

Note 5.17 Off-balance sheet commitments and security provided

At its meeting of July 7, 2016, the Board of Directors decided to set up a free share plan under which it would grant 5,349 ordinary shares (i.e., 0.047% of the share capital at May 26, 2016) to the Company's Chief Executive Officer, based on the achievement of performance objectives.

The shares will vest on expiration of a twelve-month period beginning on the date on which the free shares are granted by the Board of Directors (i.e., July 7, 2017 at the earliest), subject to the beneficiary remaining with the Company and fulfilling the performance conditions. The number of ordinary shares that vest will be determined based on the achievement of performance objectives.

Cegereal has given the following commitments under the credit agreements entered into by its subsidiaries:

– pledge of shares in Prothin SAS and Hanami SCI;

– pledge of receivables relating to the current account agreement between Cegereal and Prothin.

Note 5.18 Recommended dividend payout

Subject to the approval of the General Shareholders' Meeting, the Board of Directors recommends that a dividend of EUR 2.10 per share be paid for the 2016 fiscal year.

Note 5.19 Headcount

The employment contracts for Cegereal's employees were transferred from Prothin SAS to Cegereal SA on May 1, 2015. The Company had three employees at December 31, 2016.

The Group only has three employees and therefore considers that its employee benefit commitments in respect of defined benefit plans are not material. Consequently, the amount of its employee benefit commitments was not assessed at December 31, 2016.

Note 5.20 Statutory Auditors

The Statutory Auditors are:

KPMG Audit FS I
Tour Eqho
2 avenue Gambetta
92923 Paris-La Défense Cedex
Tenure renewed at the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011.

Denjean & Associés
35 avenue Victor Hugo
75016 Paris
First appointed at the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011.

Fees paid to the Statutory Auditors for the year ended December 31, 2016:

In euros

	Amount (net of taxes)		%	
	2016	2015	2016	2015
Statutory audit of the financial statements	127,539	151,113	69	91
Advisory services and services directly related to the statutory audit engagement	56,860	15,780	31	9
Total	184,399	166,893	100	100

Note 5.21 Subsequent events

Not applicable

3.5. STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Cegereal S.A.

Registered office: 42, rue de Bassano - 75008 Paris, France

Share capital: EUR 66,862,500

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Year ended December 31, 2016

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying financial statements of Cegereal SA;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2016 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 2.1 to the financial statements describes the rules and accounting methods used to measure long-term investments and their impairment.
- As part of our assessment of the rules and accounting principles used by your Company, we verified that the accounting methods applied are appropriate and that the notes to the financial statements contain the appropriate disclosures.
- Since the value in use of the Company's investments, which include real estate assets, is dependent on the market value of these assets, we verified that the assets were subject to an independent assessment. Our work notably consisted in reviewing the external real estate valuers' reports, analyzing the data and assumptions on which these estimates are based and assessing the procedures used by Executive Management to approve these estimates.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verifications and information

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L.225102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

The Statutory Auditors

Paris-La Défense, February 16, 2017	Paris, February 16, 2017
KPMG AUFIT FS I	**Denjean & Associés**
Régis Chémouny	Thierry Denjean
Partner	Partner
KPMG	Denjean Associés

3.6. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

Cegereal S.A.

Registered office: 42, rue de Bassano - 75008 Paris, France

Share capital: EUR 66,862,500

This is a free translation into English of the Statutory Auditors' special report on related party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

General Shareholders' Meeting for the approval of the 2016 financial statements

To the Shareholders,

In our capacity as Statutory Auditors of Cegereal SA we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable it is also our responsibility to provide shareholders with the information required by Article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the General Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments to be submitted for the approval of the general shareholders' meeting

AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE YEAR

We were not informed of any agreements or commitments to be submitted for approval at the General Shareholders' Meeting pursuant to the provisions of Article L.225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved by the General Shareholders' Meeting in previous years, remained in force during the year ended December 31, 2016.

Non-compete, non-solicitation, non-disparagement and confidentiality agreement with the Chief Executive Officer

On November 5, 2015, the Board decided to request that the Chief Executive Officer, Raphaël Tréguier, sign a non-compete (valid for a period of six months as of the termination of his duties), non-solicitation, non-disparagement and confidentiality agreement.

The agreement entitles the Chief Executive Officer to non-compete benefits, payable monthly in an amount equal to:

- his last fixed monthly compensation; and
- 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

These non-compete benefits would be paid monthly during the six-month period following the termination of his duties.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

- release him from his non-compete agreement, in which case the corresponding noncompete benefits shall not be due; or,
- reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

The Statutory Auditors

Paris-La Défense, February 16, 2017	Paris, February 16, 2017
KPMG AUFIT FS I	**Denjean & Associés**
Régis Chémouny	Thierry Denjean
Partner	Partner

IV. LEGAL INFORMATION

1. General Shareholders' Meeting of April 20, 2017

1.1. REPORT OF THE BOARD OF DIRECTORS TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The Board of Directors has convened an Ordinary and Extraordinary Shareholders' Meeting on April 20, 2017 to report on the Company's and Group's activity in the course of the year that began on January 1, 2016 and ended on December 31, 2016, and to submit that year's annual and consolidated financial statements to the shareholders for approval. The shareholders have also been convened in particular to decide on the items of the agenda indicated in section IV.1.2.

BOARD OF DIRECTORS' REPORT ON THE AGENDA OF THE APRIL 20, 2017 GENERAL SHAREHOLDERS' MEETING

The purpose of Cegereal's General Shareholders' Meeting will be to approve the resolutions whose purpose is specified and commented upon below.

The full texts of the proposed resolutions to be submitted to Cegereal's General Shareholders' Meeting are included in section IV.1.2.

Approval of the financial statements

The first two resolutions submit the previous year's annual and consolidated financial statements, showing a net loss of EUR 6,684,893 and net attributable income of EUR 41,265,218 respectively, to the shareholders for approval.

Discharge to the directors

The third resolution concerns the discharge to be given to the directors for their management.

Transfer to a reserve account

Pursuant to the deliberations of the Extraordinary Shareholders' Meeting of February 18, 2016 and by virtue of the deliberations of the Board of Directors' meeting of October 25, 2016, the share capital was reduced by an amount of EUR 93,607,500, from EUR 160,470,000 to EUR 66,862,500 by reducing the par value of the shares making up the capital of the Company from EUR 12 to EUR 5.

In the fourth resolution, therefore, we therefore propose to transfer a portion of the amount in the "Legal reserve" account at December 31, 2016, i.e., EUR 9,360,750, to "Other reserves". The "Legal reserve" account would be reduced from EUR 16,047,000 to EUR 6,686,250, thereby representing one-tenth of the share capital.

Appropriation of the 2016 net loss and setting of the dividend

The fifth resolution proposes to transfer the loss for the year, after transferring a portion of the "Legal reserve" to "Other reserves", as follows:

Source:

– 2016 net loss: EUR 6,684,893

– Retained earnings: EUR 24,910

Appropriation:

– To retained earnings: a negative EUR 24,910, reducing the "Retained earnings" account to zero;

– To other reserves: a negative EUR 6,659,983, reducing "Other reserves" from EUR 9,371,420 (after transfer of a portion of the "Legal reserve" to "Other reserves") to EUR 2,711,437.

Distribution of additional paid-in capital

The sixth resolution proposes a distribution of additional paid-in capital in an amount of EUR 28,082,250, i.e., EUR 2.1 per share.

If this proposal is adopted, the distribution will take place on July 13, 2017.

Related party agreements and commitments

The seventh resolution refers to related party agreements that were entered into in the previous year and disclosed in the Statutory Auditors' special report.

Terms of office of the Statutory Auditors

The eighth and ninth resolutions concern the terms of office of the principal Statutory Auditors.

The terms of office of Statutory Auditors KPMG Audit FS I and Denjean & Associés are due to expire.

On expiration, Régis Chemouny, the signing partner for KPMG Audit FS I, will have certified the annual financial statements for two consecutive fiscal years.

On expiration, Thierry Denjean, the signing partner for Denjean & Associés, will have certified the annual financial statements for six consecutive fiscal years.

We propose to re-appoint KPMG Audit FS I, represented by the signing partner Régis Chemouny, and Denjean & Associés, represented by the signing partner Céline Kien, as Statutory Auditors for a term of six years expiring at the close of the General Shareholders' Meeting to be held in 2023 to approve the annual financial statements for the year ending December 31, 2022.

The candidates have not provided any audit services relating to any mergers or contributions involving the company and the companies it controls within the meaning of Article L.233-16 of the French Commercial Code (*Code de commerce*) during the past two years.

Furthermore, we would remind you that the Company is no longer required to appoint alternate Statutory Auditors pursuant to Article L.823-1 of the French Commercial Code as amended by the Sapin II Act no. 2016-1691 of December 9, 2016. Accordingly, we are not proposing to re-appoint the alternate Statutory Auditors, whose term of office expires at the close of this General Shareholders' Meeting.

Terms of office of the members of the Board of Directors

The tenth to fourteenth resolutions concern the re-appointment of members of the Company's Board of Directors.

The shareholders are invited to re-appoint John Kukral, Jérôme Anselme, Erin Cannata, Sophie Kramer and Jean-Marc Besson for a period of four years.

The candidates' profiles are presented hereafter:

– John Kukral, a US national, was born on April 9, 1960 in Illinois (United States) and currently resides at 8, Rocky Point Rd., Old Greenwhich, CT06870, United States.

A biography of John Kukral is presented hereafter: John Kukral, Chairman and Chief Executive Officer of Northwood Investors, has been an active real estate investor for over 31 years and has been involved in over USD 43 billion of real estate transactions worldwide.

At December 31, 2016, John Kukral did not hold any Cegereal shares.

– Jérôme Anselme, a French national, was born on December 18, 1974 in Neuilly-sur-Seine (France) and currently resides at 63 Harrington Gardens, London SW7 4JZ, United Kingdom.

A biography of Jérôme Anselme is presented hereafter: Jérôme Anselme is a Managing Director at Northwood Investors and is responsible for sourcing and executing real estate investments in Europe. Since joining the team in 2012, Mr. Anselme has been actively involved in all of Northwood Investors' European investments as well as its real estate management business.

At December 31, 2016, Jérôme Anselme did not hold any Cegereal shares.

– Erin Cannata, a US national, was born on April 3, 1989 in Connecticut (United States) and currently resides at Flat 7, 31 Nevern Place, London, SW5 9NP, United Kingdom.

A biography of Erin Cannata is presented hereafter: Erin Cannata is Vice President and is responsible for evaluating real estate equity and investment opportunities in the United Kingdom and Continental Europe. Prior to joining Northwood Investors, Ms. Cannata worked in the real estate group at Bank of America Merrill Lynch where she focused on corporate advisory assignments, capital markets transactions and mergers and acquisitions.

At December 31, 2016, Erin Cannata did not hold any Cegereal shares.

– Sophie Kramer, a French national, was born on November 10, 1977 in Oullins (France) and currently resides at 90, Harley Street, London W1G 7HS, United Kingdom.

A biography of Sophie Kramer is presented hereafter: Sophie Kramer is a Vice President, responsible for Asset Managing deals at Northwood Investors in the United Kingdom and in Continental Europe. Prior to joining Northwood Investors, Ms. Kramer was Director of European Asset Management for TIAA-CREF (which subsequently became THRE) for a USD 1.5 billion portfolio of assets in the United Kingdom and Europe. She was involved in real estate transactions of all sizes.

At December 31, 2016, Sophie Kramer did not hold any Cegereal shares.

– Jean-Marc Besson, a French national, was born on February 2, 1958 in Chelles (France) and currently resides at 21 Place de la Madeleine, 75008 Paris, France.

A biography of Jean-Marc Besson is presented hereafter: Jean-Marc Besson has been Senior Managing Director of Beacon Capital Partners France SAS, a subsidiary of US group Beacon Capital Partners, since its creation in 2006. Prior to joining Beacon, Mr. Besson was Managing Director of Hammerson France for six years and Finance Director at McDonald's, France, from 1991 to 1997. He holds a Master's degree in Corporate Finance and Financial Engineering from Paris-Dauphine University.

At December 31, 2016, Jean-Marc Besson did not hold any Cegereal shares.

Directors' fees

The fifteenth resolution relates to directors' fees. The shareholders are being asked to set the overall amount of directors' fees allocated to members of the Board of Directors at EUR 200,000. Said sum shall apply to the current fiscal year and shall remain unchanged until a further resolution is passed.

Executive corporate officers' compensation

A) "Say on Pay" - Binding vote of the annual Ordinary Shareholders' Meeting on the individual compensation of executive corporate officers (Section 26 of the AFEP-MEDEF Code)

In companies that refer to the AFEP-MEDEF Code, the Board must present to the annual Ordinary Shareholders' Meeting the individual compensation owed and awarded to each executive corporate officer in respect of the past year. The presentation is followed by a binding vote, which is the purpose of the sixteenth and seventeenth resolutions.

In the event of a negative vote, the Board must:

– meet within a reasonable timeframe after the General Shareholders' Meeting to review the reasons for the negative vote and the expectations voiced by the shareholders;

– after consultation with, and based on recommendations from the Compensation Committee, vote on the changes to the compensation owed or awarded in respect of the past year, or on the future compensation policy; and

– immediately publish a statement on the Company's website setting out how it will respond to the vote held at the General Shareholders' Meeting and report back on this matter at the next Meeting.

B) The ex ante vote derived from the Sapin II Act (Articles L. 225-37-2 of the French Commercial Code)

The General Shareholders' Meeting must vote on a resolution on the principles and criteria for setting, allocating and awarding the fixed, variable and exceptional items comprising the total compensation and benefits of any kind to be awarded to corporate executive officers during their terms of office. This is the objective of the eighteenth resolution.

The items concerned by the law include fixed, variable, exceptional compensation and benefits of any kind. Such a wide scope seems to require the inclusion of free shares, stock options, pension benefits and severance indemnities.

A report attached to the Management Report provides details of the principles and criteria for setting, allocating and awarding items of compensation and specifies that the payment of variable and exceptional compensation for a given year Y is subject to approval by the Ordinary Shareholders' Meeting in year Y+1 (*ex post* vote).

As required by law, the *ex ante* vote must take place at least once a year, whenever any change is made to the commitments made in favor of the executives and every time their term of office is renewed.

(1) Chairman of the Board, CEO, Deputy CEO, members of the Management Board, legal manager of an SCA, Chairman of the Supervisory Board

In the event of a negative vote:

– the previously approved principles and criteria, if any, will remain in force;

– in the absence of any previously approved principles and criteria, compensation is determined in accordance with the compensation awarded for the previous fiscal year; or

– in the absence of any compensation awarded for the previous fiscal year, the compensation is determined in accordance with existing practices within the Company.

Share buy-back program

The nineteenth resolution allows the Company to repurchase its own shares within the limits set by the shareholders in compliance with the law. It allows such repurchases to be made within the limit of 10% of the share capital and for a maximum price of EUR 45 per share.

The authorization granted to the Board of Directors for the purpose of repurchasing the Company's own shares, pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code (*Code de commerce*), is due to expire on November 26, 2017.

We propose the renewal of this authorization and therefore, in compliance with Article L.225 209 of the French Commercial Code, to authorize the Board to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the buy-back program.

This authorization will terminate the authorization granted to the Board of Directors by the May 26, 2016 Ordinary Shareholders' Meeting.

The buy-backs may be carried out with the following aims:

– to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;

– to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. In accordance with Article L.225-209, paragraph 6 of the French Commercial Code, the shares acquired for this purpose may not exceed 5% of the Company's share capital;

– to have shares available for stock purchase option plans and/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;

– to have shares available in exchange for securities granting entitlement to the shares of the Company pursuant to current regulations;

– to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by this General Shareholders' Meeting in its twentieth resolution (extraordinary).

The shares may be purchased by any means, including by purchases of blocks of shares and at such time as the Board of Directors deems appropriate.

The Company reserves the right to use optional mechanisms or derivative instruments in the framework of the applicable regulations.

The maximum purchase price is set at EUR 45 per share. In the event of a transaction involving the share capital, in particular, a share split or reverse share split or free share grants, the aforementioned amount will be adjusted in the same proportions (by a coefficient equal to the ratio of the number of shares composing the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the program is thus set at EUR 60,176,250.

The twentieth resolution allows the Company to cancel the shares bought back for this purpose under the share buy-back program, within the limit of 10% of the share capital over a 24-month period.

Authorities to increase share capital

Twenty-first resolution: Delegation of authority to increase the Company's share capital by capitalizing reserves, profits and/or additional paid-in capital

The twenty-first resolution grants authority to the Board of Directors to capitalize all or part of reserves, profits and additional paid-in capital by raising the par value or granting ordinary free shares.

This authority would terminate the authority granted to the Board of Directors by the April 15, 2015 General Shareholders' Meeting in its fourteenth resolution, which expires on June 15, 2017.

Consequently, we propose to renew the authority and grant the Board of Directors, for a further 26 months, the authority to increase the capital by capitalizing reserves, profits, additional paid-in capital or other amounts that may be capitalized, by issuing and granting free shares, raising the par value of existing ordinary shares or a combination of these two methods.

The amount of the capital increase resulting from issues carried out under this delegation of authority may not exceed a nominal amount of EUR 300,000,000.

This amount does not include the total nominal value of additional ordinary shares that may be issued to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions. This amount is independent from any other limits provided for in the other delegations of authority at this General Shareholders' Meeting.

Resolutions twenty-two to twenty-seven refer to the delegations of financial authority granted to the Board of Directors to issue, at any time, ordinary shares, granting access to other ordinary shares or debt securities and/or ordinary shares securities granting access to ordinary shares to be issued by the Company, with or without pre-emptive subscription rights for existing shareholders, according to the Company's needs and given the characteristics of the markets at the time under consideration.

The General Shareholders' Meeting of April 15, 2015 authorized the Board of Directors to carry out such operations. The Board has not used these authorizations. Nevertheless, given that they are due to expire on June 15, 2017, the shareholders are invited to renew them for a period of 26 months in order to allow the Board of Directors to carry out such operations.

In the event of a transaction involving the share capital, the Board of Directors favors maintaining the pre-emptive subscription rights for existing shareholders. However, some circumstances or opportunities may require the cancellation of these rights as part of a public offer or private placement for qualified investors or a limited pool of investors. In addition, it is in the Company's best interests to reserve the right to issue securities in a public exchange offer for the securities of another company. Similarly, the Company must be able to issue ordinary shares or securities granting access to ordinary shares as consideration for the acquisitions.

Issues carried out with pre-emptive subscription rights (twenty-second resolution) may reach a maximum nominal amount of EUR 300,000,000.

Issues carried out without pre-emptive subscription rights (twenty-third and twenty-fourth resolutions) by means of a public offer or by private placement could represent EUR 300,000,000, limited to 20% of the share capital per year in the case of issues by private placement.

The resolution also provides that the Board may grant existing shareholders a priority period to subscribe to the shares issued.

The aggregate nominal amount of debt securities that can be issued pursuant to each of the delegations of authority shall not exceed EUR 300,000,000, or the equivalent in another currency, insofar as the aggregate limit also covers delegations of authority for issues without pre-emptive subscription rights made by way of public offer or private placement.

Issues in consideration of contributions of equity securities or securities granting access to the share capital (twenty-seventh resolution) would be capped at 10% of the share capital at the date of the General Shareholders' Meeting.

In order for the abovementioned resolutions to be included on the agenda, a resolution concerning a capital increase for members of an employee savings plan must be submitted to the General Shareholders' Meeting.

A) Twenty-second resolution: Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued, with pre-emptive subscription rights

We propose to set the maximum total nominal amount of shares authorized for issue pursuant to this delegation of authority at EUR 300,000,000.

This amount is independent from any other limits provided for in the delegations of authority without pre-emptive subscription rights and does not include the total nominal value of additional ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions.

The nominal amount of Company debt securities authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

Under this delegation of authority, the ordinary shares and/or any securities granting access to the share capital are issued with pre-emptive subscription rights for existing shareholders.

If the issue is undersubscribed, the Board of Directors has the following options:

1. to limit the issue to the amount subscribed provided that it equals at least three quarters of the issue authorized,
2. to distribute without restriction all or part of the unsubscribed securities,
3. to float all or part of the unsubscribed securities.

B) Twenty-third resolution: Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued, without pre-emptive subscription rights by means of a public offer

Under this delegation of authority, the issues are offered to the public.

Pre-emptive subscription rights for existing shareholders to ordinary shares and/or securities granting access to the share capital are canceled, but the Board of Directors may grant existing shareholders a priority subscription right.

The total nominal amount of shares authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000. This amount is deducted from the maximum nominal amount of shares authorized for issue under the authority to increase the share capital without pre-emptive subscription rights through a private placement.

The nominal amount of Company debt securities authorized for issue may not exceed EUR 300,000,000. This amount is deducted from the maximum nominal amount of debt securities authorized for issue under the authority to increase the share capital without pre-emptive subscription rights through a private placement.

The sum paid or owed to the Company for each ordinary share issued, after taking into account the subscription price of any share subscription warrants issued, is determined in accordance with the legal and regulatory provisions and is at least equal to the minimum required in application of Article R.225-119 of the French Commercial Code when the Board of Directors implements the delegation of authority.

In the event of an issue of securities tendered to remunerate securities contributed in a public exchange offer, the Board of Directors is granted the necessary powers, within the limits set above, to define the list of securities tendered in the exchange, the terms of issue, the exchange ratio, the balance to be settled in cash, where applicable, and the issue procedures.

If the issue of ordinary shares or securities granting access to the share capital is undersubscribed, the Board of Directors has the following options:

1. to limit the issue to the amount subscribed provided that it equals at least three quarters of the issue authorized,
2. to distribute without restriction all or part of the unsubscribed securities.

C) Twenty-fourth resolution: Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued, without pre-emptive subscription rights by means of an offer as defined in section II of Article L.411-2 of the French Monetary and Financial Code (private placement)

Under this delegation of authority, the issues are carried out as an offer, as defined in Section II of Article L.411 2 of the French Monetary and Financial Code (*Code monétaire et financier*).

Pre-emptive subscription rights for existing shareholders to ordinary shares and/or securities granting access to the share capital are canceled.

The total nominal amount of shares authorized for issue may not exceed EUR 300,000,000 and is limited to 20% of the share capital per year. This amount is deducted from the maximum nominal amount of shares authorized for issue under the authority to increase the share capital without pre-emptive subscription rights by means of a public offer.

The nominal amount of Company debt securities authorized for issue may not exceed EUR 300,000,000. This amount is deducted from the maximum nominal amount of debt securities authorized for issue under the authority to increase the share capital without pre-emptive subscription rights by means of a public offer.

The sum paid or owed to the Company for each ordinary share issued, after taking into account the subscription price of any share subscription warrants issued, is determined in accordance with the legal and regulatory provisions and is at least equal to the minimum required in application of Article R.225-119 of the French Commercial Code when the Board of Directors implements the delegation of authority.

D) Twenty-fifth resolution: Determination of the terms and conditions for setting the subscription price in the event of the cancellation of pre-emptive subscription rights within the limit of 10% of the capital per year

In compliance with Article L.225-136-1°, paragraph 2, of the French Commercial Code, we propose to authorize the Board of Directors' meeting which decides on the issuance of ordinary shares or securities granting access to the share capital without pre-emptive subscription rights by means of a public offer and/or private placement, to waive the terms and conditions for setting the subscription price indicated above, within the limit of 10% of the share capital per year, and to set the issue price of the equity securities to be issued in accordance with the following terms and conditions:

The issue price of the equity securities for immediate or deferred issue will be at least equal to the weighted average price of the Company's stock on the trading day prior to the date on which the issue price is set, which may be discounted by up to 15%.

This exceptional pricing rule may be explained by the discount at which the Company's stock is trading compared with its NAV.

E) Twenty-sixth resolution - Authorization to increase the amount of shares issued in the event of over-subscription

We propose, in connection with the above-mentioned delegations of authority with or without pre-emptive subscription rights, to grant the Board of Directors the option of increasing, in accordance with the terms and limits set by the legal and regulatory provisions, the number of securities planned for the initial issue.

F) Twenty-seventh resolution: Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital, within the limit of 10%, in consideration of contributions of securities granting access to capital

This authority would terminate the authority granted to the Board of Directors by the April 15, 2015 General Shareholders' Meeting, which expires on June 15, 2017.

In order to facilitate acquisitions, we propose to renew this delegation of authority and grant the Board of Directors the authority to increase the share capital by issuing ordinary shares or securities granting access to the share capital in consideration of any contributions to the Company of shares or securities granting access to capital.

This delegation of authority would be granted for 26 months.

The total nominal amount of ordinary shares authorized for issue pursuant to this delegation of authority may not exceed 10% of the share capital. This amount is independent from any other limits provided for in the other delegations of authority to increase the share capital.

G) Twenty-eighth resolution – Delegation of authority to issue free share subscription warrants and grant them to shareholders in the event of a public offer

The shareholders are being asked to authorize the Board of Directors, in the event that the Company's securities are concerned by a public offer, to issue warrants entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period.

H) Twenty-ninth resolution: Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities granting access to the share capital without pre-emptive subscription rights in favor of members of a company savings plan in accordance with Articles L.3332-18 *et seq.* of the French Labor Code

This resolution has been submitted in order to comply with Article L.225-129-6 of the French Commercial Code, under the terms of which the Extraordinary Shareholders' Meeting is also asked to vote on a resolution referring to capital increases in application of Articles L.3332-18 *et seq.* of the French Labor Code (*Code du travail*) when it delegates its authority to carry out capital increases in cash.

Under this delegation of authority, the shareholders are asked to authorize the Board of Directors to increase the share capital in favor of members of a company savings plan, in accordance with Articles L.3332-18 *et seq.* of the French Labor Code, by issuing ordinary cash shares and, where applicable, by granting free ordinary shares or other securities granting access to the share capital.

In compliance with the law, the General Shareholders' Meeting would cancel shareholders' pre emptive subscription rights.

The maximum nominal amount of the increase(s) in share capital that could be carried out by means of this delegation of authority is 1% of the amount of the share capital at the time of the Board of Directors' decision to carry out the increase.

This delegation of authority is granted for 26 months.

In compliance with Article L.3332-19 of the French Labor Code, the price of the shares to be issued may not be over 20% (or 30% if the lock-up period provided for by the plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more), lower than the average of the opening price of the share during the 20 trading days prior to the Board of Directors' decision to increase the share capital and issue the corresponding shares; nor may it be higher than said average.

The Board of Directors is granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its sole discretion, the costs of the capital increase(s) to paid-in capital relating thereto, deduct from this charge the amount required to increase the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.

Obviously, the completion of such a reserved capital increase remains subject to the Company having a company savings plan.

Such a capital increase is not in line with the compensation policy currently pursued by the Company and does not correspond to the strategy proposed by the Board.

Consequently, the Board requests that shareholders purely and simply reject this resolution and vote against the proposed increase in share capital that will be submitted to them only to satisfy legal provisions. Authority was already granted to the Board of Directors under the same conditions by the General Shareholders' Meeting held on May 26, 2016 in its fourteenth resolution (extraordinary).

The text of the twenty-ninth resolution is included in section IV.1.2 below.

Amendments to the bylaws

The thirtieth, thirty-first and thirty-second resolutions relate to amendments to the Company's bylaws.

It is proposed to:

– Grant a delegation of authority to the Board of Directors to amend the bylaws to bring them into line with the new statutory and regulatory provisions, subject to ratification of such amendments at the next Extraordinary Shareholders' Meeting. This option is now provided for under Article L.225-36 of the French Commercial Code as amended by the Sapin II Act no. 2016-1691 of December 9, 2016;

– Amend Article 22 of the bylaws to delete any reference to the appointment of alternate Statutory Auditors, as such appointment is no longer mandatory under the provisions of Article L.823-1 of the French Commercial Code, as amended by the Sapin II Act no. 2016-1691 of December 9, 2016;

– Amend Article 23.9 of the bylaws on the holding of General Shareholders' Meetings to permit meetings to be chaired, in the Chairman's absence, by a Vice-Chairman or a director temporarily designated for that purpose. Otherwise, the meeting will elect its own chairman.

1.2. AGENDA AND TEXTS OF THE RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

AGENDA

Ordinary resolutions:

1. Approval of the annual financial statements for the year ended December 31, 2016 – Approval of non tax-deductible expenses.
2. Approval of the consolidated financial statements for the year ended December 31, 2016.
3. Discharge to the directors.
4. Transfer to a reserve account.
5. Appropriation of the net loss for the year.
6. Distribution of additional paid-in capital.
7. Statutory Auditors' special report on related party agreements and commitments and acknowledgment of absence of new agreements.
8. Re-appointment of KPMG Audit FS I as Statutory Auditor.
9. Re-appointment of Denjean & Associés as Statutory Auditor.
10. Re-appointment of John Kukral as director.
11. Re-appointment of Jérôme Anselme as director.
12. Re-appointment of Erin Cannata as director.
13. Re-appointment of Sophie Kramer as director.
14. Re-appointment of Jean-Marc Besson as director.
15. Amount of directors' fees to be allocated to members of the Board of Directors.
16. Binding vote on the items of compensation owed or awarded for the 2016 fiscal year to Richard Wrigley, Chairman of the Board of Directors until April, 14 2016.
17. Binding vote on the items of compensation owed or awarded for the 2016 fiscal year to Raphaël Tréguier, Chief Executive Officer.
18. Approval of the principles and criteria for setting, allocating and awarding items of compensation of executive corporate officers;
19. Share buy-back program: authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code, term of the authorization, purposes, terms and conditions, limit.

Extraordinary resolutions:

20. Authorization to be granted to the Board of Directors for the purpose of canceling the shares bought back by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code, period of validity of the authorization, ceiling.
21. Delegation of authority to the Board of Directors to increase the Company's share capital by capitalizing reserves, profits, and/or additional paid-in capital, period of validity of the delegation, maximum nominal amount of the increase in share capital, fractional shares.
22. Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued (by the Company or a company belonging to the Group), with pre-emptive subscription rights, period of validity of the delegation, maximum nominal amount of the increase in share capital, option of offering unsubscribed shares to the public.
23. Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued (by the Company or a company belonging to the Group) without pre-emptive subscription rights by means of a public offer and/or in consideration for securities as part of a public exchange offer, period of validity of the delegation, maximum nominal amount of the increase in share capital, issue price, option of limiting the issue to the amount subscribed or of distributing unsubscribed securities.
24. Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued (by the Company or a company belonging to the Group) without pre-emptive subscription rights by means of an offer as defined in section II of Article L.411-2 of the French Monetary and Financial Code, period of validity of the delegation, maximum nominal amount of the increase in share capital, issue price, option of limiting the issue to the amount subscribed or of distributing unsubscribed securities.
25. Authorization, in the event of the cancellation of pre-emptive subscription rights, to set the issue price, within the limit of 10% of the share capital per year and according to the conditions determined by the General Shareholders' Meeting.
26. Authorization to increase the amount of shares issued in the event of over-subscription.
27. Delegation of authority to the Board of Directors to increase the capital by issuing ordinary shares and/or securities granting access to the share capital, within the limit of 10%, in consideration of contributions of shares or securities granting access to the capital, period of validity of the delegation.
28. Delegation of authority to the Board of Directors to issue free share subscription warrants and grant them to shareholders in the event of a public offer.
29. Delegation of authority to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities granting access to the share capital without pre-emptive subscription rights in favor of members of a company savings plan in accordance with Articles L.3332-18 *et seq.* of the French Labor Code, period of validity of the delegation, maximum nominal amount of the increase in share capital, issue price, possibility to grant free shares in accordance with Article L.3332-21 of the French Labor Code.
30. Amendment of Article 22 of the bylaws relating to the Statutory Auditors; deletion of the obligation to appoint alternate Statutory Auditors.
31. Amendment of Article 23 of the bylaws relating to the holding of General Shareholders' Meetings.
32. Delegation to the Board of Directors in consideration of harmonizing the bylaws with statutory and regulatory provisions.
33. Powers for formalities.

PROPOSED RESOLUTIONS

Ordinary resolutions

1. Resolution – Approval of the annual financial statements for the year ended December 31, 2016 – Approval of non tax-deductible expenses

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports for the year ended December 31, 2016, the General Shareholders' Meeting approves the financial statements for 2016 as presented, i.e., showing a net loss of EUR 6,684,893.

The General Shareholders' Meeting approves in particular the total amount of EUR 12,066 of expenses and charges referred to in Article 39 (4) of the French Tax Code as well as the related tax.

2. Resolution – Approval of the consolidated financial statements for the year ended December 31, 2016

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2016, the General Shareholders' Meeting approves the consolidated financial statements as presented, i.e., showing net attributable income of EUR 41,265,218.

3. Resolution – Discharge to the directors

Having reviewed the Board of Directors' report, the Chairman's report and the Statutory Auditors' reports on the year ended December 31, 2016, the General Shareholders' Meeting gives the directors full and unconditional discharge for performance of their duties during that period.

4. Resolution – Transfer to a reserve account

On the recommendation of the Board of Directors, the General Shareholders' Meeting decides to transfer a portion of the amount in the "Legal reserve" account at December 31, 2016, i.e., EUR 9,360,750, to "Other reserves". The "Legal reserve" account is therefore reduced from EUR 16,047,000 to EUR 6,686,250, thereby representing one-tenth of the share capital.

5. Resolution – Appropriation of the net loss for the year

On the recommendation of the Board of Directors, the General Shareholders' Meeting decides to appropriate the net loss for the year ended December 31, 2016 as follows, following the adoption of the fourth resolution:

Source:

– 2016 net loss: EUR 6,684,893

– Retained earnings: EUR 24,910

Appropriation:

– To retained earnings: a negative EUR 24,910, reducing the "Retained earnings" account to zero;

– To other reserves: a negative EUR 6,659,983, reducing "Other reserves" from EUR 9,371,420 (after transfer of a portion of the "Legal reserve" to "Other reserves") to EUR 2,711,437.

In compliance with the provisions of Article 243 bis of the French Tax Code, the General Shareholders' Meeting acknowledges that it has been informed that, in the last three fiscal years, the following dividends were distributed:

In euros

Fiscal year ended	Eligible for tax rebate		Ineligible for tax rebate	Dividend treated as the reimbursement of a contribution
	Dividends	Other income distributed		
12/31/13	-	-	-	€10,029,375[1] i.e., €0.75/share
12/31/14	€32,094,000[1] i.e., €2.40/share			
12/31/15	€26,745,000[1] i.e., €2/share	-	-	-

(1) Including the amount corresponding to dividends on treasury shares, which was transferred to retained earnings

6. Resolution – Approval of a distribution of additional paid-in capital

In accordance with Article L.232-11, paragraph 2, of the French Commercial Code and ruling under the quorum and majority requirements for Ordinary Shareholders' Meetings, the General Shareholders' Meeting decides to pay a dividend of EUR 28,082,250, deducted from "Additional paid-in capital", i.e., EUR 2.1 per share.

The balance of "Additional paid-in capital" will therefore be reduced from EUR 98,996,276.19 to EUR 70,194,026.19.

The ex-dividend date is July 11, 2017.

The dividends will be paid on July 13, 2017.

Should the Company hold any treasury shares on the ex-dividend date, the sums corresponding to the dividends not paid in respect of those shares will be transferred to retained earnings.

In the event of a change in the number of shares granting entitlement to dividends from the 13,372,500 shares making up the share capital at April 20, 2017, the overall amount of dividends will be adjusted accordingly and the amount transferred to retained earnings will be determined based on dividends actually paid.

7. Resolution – Statutory Auditors' special report on related party agreements and commitments and acknowledgment of the absence of new agreements

Having reviewed the Statutory Auditors' special report mentioning the absence of any new agreements of the type referred to in Articles L.225-38 *et seq.* of the French Commercial Code, the General Shareholders' Meeting simply places this fact on record.

8. Resolution – Re-appointment of KPMG Audit FS I as Statutory Auditor

On the recommendation of the Board of Directors, the General Shareholders' Meeting re-appoints KPMG Audit FS I, Tour Eqho, 2 Avenue Gambetta, 92066 Paris La Défense Cedex, France, registered with the Nanterre Trade and Companies Registry under number 512 802 596, represented by the signing partner Régis Chemouny, whose term of office is due to expire at the close of this General Shareholders' Meeting, as Statutory Auditor for a term of six years expiring at the close of the Annual General Shareholders' Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022.

KPMG Audit FS I has not provided any services relating to any mergers or contributions involving the Company and the companies it controls within the meaning of Article L.233-16 of the French Commercial Code during the past two years.

KPMG Audit FS I has stated that it accepts the appointment.

9. Resolution – Re-appointment of Denjean & Associés as Statutory Auditor

On the recommendation of the Board of Directors, the General Shareholders' Meeting re-appoints Denjean & Associés, a French *société par actions simplifiée* (simplified joint-stock corporation) whose registered office is located at 35 avenue Victor Hugo, 75016 Paris, France, registered with the Paris Trade and Companies Registry under number 398 971 903, represented by the signing partner Céline Kien, whose term of office is due to expire at the close of this General Shareholders' Meeting, as Statutory Auditor for a term of six years expiring at the close of the Annual General Shareholders' Meeting to be held in 2023 to approve the financial statements for the year ending December 31, 2022.

Denjean & Associés has not provided any services relating to any mergers or contributions involving the Company and the companies it controls within the meaning of Article L.233-16 of the French Commercial Code during the past two years.

Denjean & Associés has stated that it accepts the appointment.

10. Resolution – Re-appointment of John Kukral as director

The General Shareholders' Meeting decides to re-appoint John Kukral, born on April 9, 1960 in Illinois (United States), a US national, residing at 9 Rocky Point Rd, Old Greenwich, CT 06970, United States, as director, for a term of four years, expiring at the close of the General Shareholders' Meeting to be held in 2021 to approve the financial statements for the year ending December 31, 2020.

11. Resolution – Re-appointment of Jérôme Anselme as director

The General Shareholders' Meeting decides to re-appoint Jérôme Anselme, born on December 18, 1974 in Neuilly-sur-Seine (France), a French national, residing at 63 Harrington Gardens, London, SW7 4JZ, United Kingdom, as director, for a term of four years, expiring at the close of the General Shareholders' Meeting to be held in 2021 to approve the financial statements for the year ending December 31, 2020.

12. Resolution – Re-appointment of Erin Cannata as director

The General Shareholders' Meeting decides to re-appoint Erin Cannata, born on April 3, 1989 in Connecticut (United States), a US national, residing at residing at Flat 7, 31 Nevern Place, London, SW5 9NP, United Kingdom, as director, for a term of four years, expiring at the close of the General Shareholders' Meeting to be held in 2021 to approve the financial statements for the year ending December 31, 2020.

13. Resolution – Re-appointment of Sophie Kramer as director

The General Shareholders' Meeting decides to re-appoint Sophie Kramer, born on November 10, 1977 in Oullins (France), a French national, residing at 90 Harley Street, London, W1G 7HS, United Kingdom, as director, for a term of four years, expiring at the close of the General Shareholders' Meeting to be held in 2021 to approve the financial statements for the year ending December 31, 2020.

14. Resolution – Re-appointment of Jean-Marc Besson as director

The General Shareholders' Meeting decides to re-appoint Jean-Marc Besson, born on February 2, 1958 in Chelles (France), a French national, residing at 21 Place de la Madeline, 75008 Paris, France, as director, for a term of four years, expiring at the close of the General Shareholders' Meeting to be held in 2021 to approve the financial statements for the year ending December 31, 2020.

15. Resolution – Setting of the directors' fees to be allocated to the Board of Directors

The General Shareholders' Meeting sets the overall amount of directors' fees allocated to members of the Board of Directors at EUR 200,000.

Said sum shall apply to the current fiscal year and shall remain unchanged until a further resolution is passed.

16. Resolution – Binding vote on the items of compensation owed or awarded for the 2016 fiscal year to Richard Wrigley, Chairman of the Board of Directors until April 14, 2016

Ruling under the quorum and majority requirements for Ordinary Shareholders' Meetings, in accordance with the recommendation of Section 26 of the November 2016 update of the AFEP-MEDEF Corporate Governance Code, which the Company refers to in compliance with Article L.225-37 of the French Commercial Code, the General Shareholders' Meeting issues a favorable vote on the items of compensation owed or awarded to Richard Wrigley for the 2016 fiscal year, as presented in the Chairman's report on internal control and corporate governance in section IV.6.3 of the Registration Document.

17. Resolution – Binding vote on the items of compensation owed or awarded for the 2016 fiscal year to Raphaël Tréguier, Chief Executive Officer

Ruling under the quorum and majority requirements for Ordinary Shareholders' Meetings and in accordance with the recommendation of Section 26 of the November 2016 update of the AFEP-MEDEF Corporate Governance Code, which the Company refers to in compliance with Article L.225-37 of the French Commercial Code, the General Shareholders' Meeting issues a favorable vote on the items of compensation owed or awarded to Raphaël Tréguier for the 2016 fiscal year, as presented in section IV.6.3 of the Registration Document.

18. Resolution – Approval of the principles and criteria for setting, allocating and awarding the various items of compensation of executive corporate officers

Ruling under the quorum and majority requirements for Ordinary Shareholders' Meetings and having taken note of the Board of Directors' report on the compensation policy of executive corporate officers in compliance with Article L.225-37-2 of the French Commercial Code, the General Shareholders' Meeting approves the principles and criteria for setting, allocating and awarding the fixed, variable and exceptional items comprising the total compensation and benefits to be awarded to executive corporate officers, as described in the report in section IV.6.3.4 of the Registration Document.

19. Resolution – Share buy-back program: authorization to be granted to the Board of Directors for the purpose of repurchasing the Company's own shares pursuant to the mechanism provided for under Article L.225-209 of the French Commercial Code

Having reviewed the Board of Directors' report, the General Shareholders' Meeting authorizes the Board, for a period of 18 months, in compliance with the provisions of Articles L.225 209 *et seq.* of the French Commercial Code, to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the duration of the buy-back program.

This authorization terminates the authorization granted to the Board of Directors by the May 26, 2016 General Shareholders' Meeting in its eleventh ordinary resolution.

The buy-backs may be carried out with the following aims:

– to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;

– to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. The shares acquired for this purpose may not exceed 5% of the Company's share capital;

– to have shares available for stock purchase option plans and/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;

– to have shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;

– to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the present General Shareholders' Meeting in its twentieth resolution (extraordinary).

The shares may be purchased by any means, including by purchases of blocks of shares and at such time as the Board of Directors deems appropriate.

The Company reserves the right to use optional mechanisms or derivative instruments in the framework of the applicable regulations.

The maximum purchase price is set at EUR 45 per share. In the event of a transaction involving the share capital, in particular, a share split or reverse share split or free share grants, the aforementioned amount will be adjusted in the same proportions (by a coefficient equal to the ratio of the number of shares composing the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the program is thus set at EUR 60,176,250.

The General Shareholders' Meeting grants full powers to the Board of Directors to carry out such transactions, set the terms and conditions, conclude all agreements and perform any and all formalities.

Extraordinary resolutions

20. Resolution – Authorization to be granted to the Board of Directors for the purpose of canceling the shares repurchased by the Company within the scope of the mechanism provided for under Article L.225-209 of the French Commercial Code

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting:

1) Authorizes the Board of Directors to cancel, at its discretion, on one or several occasions, within the limit of 10% of the share capital calculated on the date of the cancellation decision, after deduction of any shares canceled during the previous 24 months, the shares that the Company holds or may hold following the repurchases made under Article L.225-209 of the French Commercial Code and to reduce the share capital by such amount in accordance with the legal and regulatory provisions in force.

2) Sets the period of validity hereof at 24 months from the date of this General Shareholders' Meeting.

3) Gives full powers to the Board of Directors to carry out the operations required for such cancellations and the corresponding reductions of the share capital, to amend the Company's bylaws accordingly and carry out all the required formalities.

21. Resolution – Delegation of authority to the Board of Directors to increase the Company's share capital by capitalizing reserves, profits, and/or additional paid-in capital

Having reviewed the Board of Directors' report and in compliance with Articles L.225-129-2 and L.225-130 of the French Commercial Code, the General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings:

1) Grants authority to the Board of Directors to increase the share capital, on one or more occasions at such time and under the terms and conditions it deems appropriate, by capitalizing reserves, profits, additional paid-in capital or other amounts that may be capitalized, by issuing and granting free shares, raising the par value of existing ordinary shares or a combination of these two methods.

2) Decides that if the Board of Directors uses this delegation of authority, in compliance with Article L.225-130 of the French Commercial Code, in the event of a capital increase through free share grants, the rights to fractional shares shall not be negotiable or transferable, and the attached shares shall be sold. The amounts received from the sale of these shares shall be allocated to the holders of said rights within regulatory time frames.

3) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.

4) Decides that the amount of the capital increase resulting from issues carried out under this resolution may not exceed the nominal amount of EUR 300,000,000. This amount does not include the amount required to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions.

5) This amount is independent from any other limits provided for in the other resolutions presented at this General Shareholders' Meeting.

6) Grants the Board of Directors full powers to implement this resolution and, more generally, to take any and all measures and perform any formalities required to carry out each capital increase successfully, record the completion of the transaction and amend the bylaws accordingly.

7) Acknowledges that this delegation of authority supersedes, as of the date of this General Shareholders' Meeting and in the amount of the unused portion, where applicable, any prior delegation of authority granted to the same effect.

22. Resolution – Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued, with pre-emptive subscription rights

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with the provisions of Article L.225-129-2, L.228-92 and L.225-132 *et seq.* of the French Commercial Code, the General Shareholders' Meeting:

1) Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, in euros, foreign currencies or any other unit of account established based on a currency basket:

   – ordinary shares, and/or

   – equity securities granting access to other equity securities or granting entitlement to debt securities, and/or

   – securities granting access to equity securities to be issued.

   In compliance with Article L.228-93 of the French Commercial Code, the securities to be issued can grant access to equity securities to be issued by the Company and/or by any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital.

2) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.

3) Decides to set the limit of issues authorized if the Board of Directors uses this delegation of authority, as follows:

   The total nominal amount of Company shares authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

   This amount does not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments.

   The nominal amount of Company debt securities authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

   The amounts above are independent from any other limits provided for in the other resolutions presented at this General Shareholders' Meeting.

4) If the Board of Directors uses this delegation of authority for issues referred to in 1) above:

   A/ Decides that the issue(s) of ordinary shares or securities granting access to the share capital are reserved preferably for shareholders with subscriptions to which they are entitled by way of right,

   B/ Decides that if the subscriptions to which the shareholders are entitled by way of right, and, if applicable, applications for excess shares, do not absorb the entire issue referred to in 1) above, the Board of Directors has the following options:

   – to limit the issue to the amount subscribed, it being specified that, in order for this limit to be applied, the amount subscribed must be equal to at least three quarters of the issue authorized for issues of ordinary shares, or of securities, where the primary security is a share,

   – to distribute without restriction all or part of the unsubscribed securities,

   – to float all or part of the unsubscribed securities.

5) Decides that the Board of Directors will be granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s) and the issue price, where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its sole discretion, the costs of the capital increase to paid-in capital relating thereto, deduct from this charge the amount required to increase the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.

6) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose.

<u>23. Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued, without pre-emptive subscription rights by means of a public offer</u>

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with the provisions of Article L.225-129-2, L.225-136, L.225-148 and L.228-92 of the French Commercial Code, the General Shareholders' Meeting:

1) Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, through a public offer, on the French market and/or abroad, in euros, foreign currencies or any other unit of account established based on a currency basket:

   – ordinary shares, and/or

   – equity securities granting access to other equity securities or granting entitlement to debt securities, and/or

   – securities granting access to equity securities to be issued.

   These securities may be issued to remunerate securities that could be contributed to the Company in the framework of a public exchange offer satisfying the conditions set forth in Article L.225-148 of the French Commercial Code.

   In compliance with Article L.228-93 of the French Commercial Code, the securities to be issued can grant access to equity securities to be issued by the Company and/or by any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital.

2) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.

3) The total nominal amount of ordinary shares authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

   This amount does not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments.

   This amount is deducted from the capital increase limit set in the twenty-fourth resolution (relating to issues without pre-emptive subscription rights through a private placement).

   The nominal amount of Company debt securities authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

   This amount is deducted from the nominal amount limit for debt securities set in the twenty-fourth resolution (relating to issues without pre-emptive subscription rights through a private placement).

4) Decides to cancel shareholders' pre-emptive subscription rights attached to the ordinary shares and securities granting access to the share capital and/or debt securities referred to in this resolution. The Board of Directors shall, however, maintain the option of granting shareholders a priority subscription right, in accordance with legal provisions.

5) Decides that the sum paid or owed to the Company for each ordinary share issued under this delegation of authority, after taking into account the subscription price of any share subscription warrants issued, is at least equal to the minimum required by the legal and regulatory provisions in force when the Board of Directors implements the delegation of authority.

6) Decides, in the event of an issue of securities tendered to remunerate securities contributed in a public exchange offer, that the Board of Directors is granted, in accordance with the terms set out in Article L.225-148 of the French Commercial Code and within the limits set above, the necessary powers to define the list of securities tendered in the exchange, the terms of issue, the exchange ratio, the balance to be settled in cash, where applicable, and the issue procedures.

7) Decides that, if the issue mentioned in 1) is undersubscribed, the Board of Directors has the following options:

   – to limit the issue to the amount subscribed, it being specified that, in order for this limit to be applied, the amount subscribed must be equal to at least three quarters of the issue authorized for issues of ordinary shares, or of securities, where the primary security is a share,

   – to distribute without restriction all or part of the unsubscribed securities.

8) Decides that the Board of Directors will be granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its sole discretion, the costs of the capital increase to paid-in capital relating thereto, deduct from this charge the amount required to increase the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.

9) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose.

<u>24. Resolution – Delegation of authority to the Board of Directors to issue ordinary shares and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued, without pre-emptive subscription rights by means of an offer as defined in section II of Article L.411-2 of the French Monetary and Financial Code (private placement)</u>

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with the provisions of Articles L.225-129-2, L.225-136 and L.228-92 of the French Commercial Code, the General Shareholders' Meeting:

1) Grants authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, on the French market and/or abroad, through an offer as defined in Section II of Article L.411-2 of the French Monetary and Financial Code, in euros, foreign currencies or any other unit of account established based on a currency basket:

– ordinary shares, and/or

– equity securities granting access to other equity securities or granting entitlement to debt securities, and/or

– securities granting access to equity securities to be issued.

   In compliance with Article L.228-93 of the French Commercial Code, the securities to be issued can grant access to equity securities to be issued by the Company and/or by any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital.

2) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.

3) The total nominal amount of ordinary shares authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000 and is limited to 20% of the share capital per year.

   This amount does not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments.

   This amount is deducted from the capital increase limit set in the twenty-third resolution (*relating to issues without pre-emptive subscription rights through a public offer*).

   The nominal amount of Company debt securities authorized for issue pursuant to this delegation of authority may not exceed EUR 300,000,000.

   This amount is deducted from the nominal amount limit for debt securities set in the twenty-third resolution (*relating to issues without pre-emptive subscription rights through a public offer*).

4) Decides to cancel shareholders' pre-emptive subscription rights attached to ordinary shares and securities granting access to the share capital and/or debt securities referred to in this resolution.

5) Decides that the sum paid or owed to the Company for each ordinary share issued under this delegation of authority, after taking into account the subscription price of any share subscription warrants issued, is at least equal to the minimum required by the legal and regulatory provisions in force when the Board of Directors implements the delegation of authority.

6) Decides that, if the issue mentioned in 1) is undersubscribed, the Board of Directors has the following options:

   – to limit the issue to the amount subscribed, it being specified that, in order for this limit to be applied, the amount subscribed must be equal to at least three quarters of the issue authorized for issues of ordinary shares, or of securities, where the primary security is a share,

   – to distribute without restriction all or part of the unsubscribed securities.

7) Decides that the Board of Directors will be granted, within the limits set above, full powers notably to set the terms and conditions of the issue(s), where applicable, record the completion of the resulting capital increase(s), amend the bylaws accordingly, charge, at its sole discretion, the costs of the capital increase to paid-in capital relating thereto, deduct from this charge the amount required to increase the legal reserve to one-tenth of the new share capital following each increase, and carry out any other necessary steps.

8) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose.

<u>25. Resolution – Determination of the terms and conditions for setting the subscription price in the event of the cancellation of pre-emptive subscription rights within the limit of 10% of the capital per year</u>

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with the provisions of Article L.225-136-1, paragraph 2 of the French Commercial Code, the General Shareholders' Meeting authorizes the Board of Directors, which decides on the issuance of ordinary shares or securities granting access to the share capital pursuant to the twenty-third and twenty-fourth resolutions (relating to issues without pre-emptive subscription rights through a public offer and private placement), to waive the terms and conditions for setting the subscription price indicated in the abovementioned resolutions, within the limit of 10% of the share capital per year, and to set the issue price of the equity securities to be issued in accordance with the following terms and conditions:

The issue price of the equity securities for immediate or deferred issue will be at least equal to the weighted average price of the Company's stock on the trading day prior to the date on which the issue price is set, which may be discounted by up to 15%.

26. Resolution – Authorization to increase the amount of shares issued in the event of oversubscription

Having taken note of the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting:

1) Decides that for each issue of ordinary shares or securities granting access to the share capital decided in application of the twenty-second, twenty-third and twenty-fourth resolutions (*relating to issues through a public offer or private placement with pre-emptive subscription rights maintained*), the number of shares to be issued can be increased under the terms of Articles L.225-135-1 and R.225-118 of the French Commercial Code and within the limits set by the General Shareholders' Meeting when the Board of Directors notes a case of oversubscription.

2) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.

27. Resolution – Delegation of authority to the Board of Directors to issue ordinary shares and/or securities granting access to the share capital, within the limit of 10%, in consideration of contributions of shares or securities granting access to capital

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with Articles L.225-147 and L.228-92 of the French Commercial Code, the General Shareholders' Meeting:

1) Authorizes the Board of Directors to issue, based on the report of the independent appraiser (*commissaire aux apports*), ordinary shares or securities granting access to ordinary shares in consideration of contributions to the Company of shares or securities granting access to capital where the provisions of Article L.225-148 of the French Commercial Code are not applicable.

2) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.

3) Decides that the total nominal amount of ordinary shares authorized for issue pursuant to this delegation of authority may not exceed 10% of the share capital on the date of this General Shareholders' Meeting. This amount does not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the Company's share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments. This amount is independent from any other limits provided for in the other resolutions presented at this General Shareholders' Meeting.

4) Grants the Board of Directors full powers, in order to approve the appraisal of the contributions, to decide on the resulting capital increase, record the completion of the transaction, charge, where applicable, the costs of the capital increase to paid-in capital relating thereto, deduct from this charge the amount required to increase the legal reserve to one-tenth of the new share capital following each increase, amend the bylaws accordingly, and carry out any other necessary steps.

5) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose.

28. Resolution – Delegation of authority to issue free share subscription warrants and grant them to shareholders in the event of a public offer

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in compliance with Article L.233-32-II of the French Commercial Code, the General Shareholders' Meeting, deciding under the quorum and majority requirements for Ordinary Shareholders' Meetings:

1) Grants the Board of Directors authority to issue warrants entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period.

2) Decides to set the limit of issues authorized if the Board of Directors uses this authorization, as follows:

   – the total nominal amount of shares authorized for issue pursuant to this resolution through the exercise of warrants may not exceed EUR 66,862,500. This amount does not include the total nominal value of additional shares that may be issued to maintain the rights of holders of securities granting access to shares, in accordance with legal provisions;

   – the maximum number of share subscription warrants authorized for issue is equal to the number of outstanding shares upon the issue of said warrants.

   The implementation of the authorization granted under this resolution shall not be deducted from the total limit provided for in the twenty-second, twenty-third and twenty-fourth resolutions presented at this General Shareholders' Meeting.

3) Grants the Board of Directors full powers to implement this delegation of authority in order to:

   – set the procedures for exercising the subscription warrants taking into account the terms of the offer or any other concurrent offer and the other characteristics of these warrants, namely:

     • the number of warrants;

     • the exercise price or terms and conditions for determining this price;

     • the terms of the issue and the free grant of these warrants, with the option of deferring or refusing them;

   – in general, determine all other characteristics and terms and conditions of any other transaction decided by means of this authorization, take any and all measures and perform all the required formalities, record, where applicable, the capital increase and amend the bylaws accordingly.

The share subscription warrants shall automatically become null and void if the offer and any concurrent offer fail, become null and void or are withdrawn.

This authorization is granted for a period expiring at the end of the offer period of any public offer involving the Company and submitted within 18 months of this General Shareholders' Meeting.

29. Resolution – Delegation of authority to the Board of Directors to increase the share capital by issuing shares and/or securities granting access to the share capital without pre-emptive subscription rights in favor of members of a company savings plan in accordance with Articles L.3332-18 *et seq.* of the French Labor Code

Having reviewed the Board of Directors' report and the Statutory Auditors' special report, the General Shareholders' Meeting, deciding pursuant to Articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code:

1) Delegates authority to the Board of Directors to increase the share capital on one or more occasions, at its sole discretion and if it deems appropriate, by issuing ordinary shares and/or securities granting access to the share capital to members of one or more company or group savings plans set up by the Company and/or any related French or foreign companies, in accordance with the provisions of Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code.

2) Cancels, in favor of the above persons, the shareholders' pre-emptive subscription rights to the shares that could be issued pursuant to this delegation of authority.

3) Sets the period of validity hereof at 26 months from the date of this General Shareholders' Meeting.

4) Limits the maximum nominal amount of the increase(s) in share capital that could be carried out by means of this delegation of authority to 1% of the amount of the share capital at the time of the Board of Directors' decision to carry out the increase. This amount is independent from any other limits provided for in the delegation of authority to increase the share capital. This amount does not include the amount of additional ordinary shares that may be issued to maintain the rights of holders of securities granting rights to equity instruments of the Company, in accordance with the applicable legal provisions and, where applicable, contractual provisions providing for other adjustments;

5) Decides that the price of the shares to be issued, pursuant to paragraph 1) of this delegation of authority, may not be over 20% (or 30% if the lock-up period provided for pursuant to Articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more), lower than the average opening price of the shares during the 20 trading days prior to the Board of Directors' decision to increase the share capital and issue the corresponding shares; nor may it be higher than said average.

6) Decides, in application of the provisions of Article L.3332-21 of the French Labor Code, that the Board of Directors may allot, free of consideration, new or existing shares or other securities granting access to the share capital of the Company to the beneficiaries referred to in paragraph one above, in respect of (i) the employer's matching contribution that may be paid in application of the regulations of the company or group savings plans and/or (ii) where applicable, the discount.

7) Acknowledges that this delegation of authority supersedes any previous delegations of authority with the same purpose.

The Board of Directors may implement this delegation of authority or not, take any and all measures and perform all the required formalities.

<u>30. Resolution – Amendment of Article 22 of the bylaws relating to the Statutory Auditors</u>

Having reviewed the Board of Directors' report the General Shareholders' Meeting decides to amend Article 22 of the bylaws entitled "Statutory Auditors" in Section IV "Management and general management – control of the Company". The current wording is as follows:

"The Company shall be audited by one or more principal Statutory Auditors and alternate Statutory Auditors, acting in accordance with the law.

Two alternate Statutory Auditors are appointed to replace the principal Statutory Auditors in the event of their refusal or inability to act, their resignation or death."

It will be replaced by the following wording:

"The Company shall be audited by one or more Statutory Auditors, acting in accordance with the law."

The rest of the Article remains unchanged.

<u>31. Resolution – Amendment of Article 23 of the bylaws relating to the holding of General Shareholders' Meetings.</u>

Having reviewed the Board of Directors' report, the General Shareholders' Meeting decides to amend Article 23.9 of the bylaws entitled "Holding of Meetings" in Section V "Shareholders' Meetings". The current wording is as follows:

"General shareholders' meetings shall be chaired by the Chairman of the Board of Directors, or in his/her absence, by the director who has been on the Board the longest."

It will be replaced by the following wording:

"General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors, or in his/her absence, by a vice-chairman or by a director temporarily designated for that purpose. Otherwise, the general meeting shall elect its own chairman."

The rest of the Article remains unchanged.

<u>32. Resolution – Delegation to the Board of Directors in consideration of harmonizing the bylaws with statutory and regulatory provisions</u>

Having taken note of the Board of Directors' report, the General Shareholders' Meeting gives full powers to the Board of Directors to harmonize the bylaws with statutory and legal provisions, subject to ratification of those amendments at the next Extraordinary Shareholders' Meeting.

<u>33. Resolution – Formalities</u>

The General Shareholders' Meeting grants full powers to the bearer of an original, a copy, or an extract of these minutes for the purposes of performing all the filing and public-notice formalities required by law.

1.3. STATUTORY AUDITORS' REPORT ON THE EXTRAORDINARY RESOLUTIONS

STATUTORY AUDITORS' REPORT ON THE SHARE CAPITAL TRANSACTIONS SPECIFIED IN THE TWENTIETH AND TWENTY-SECOND TO TWENTY-NINTH RESOLUTIONS TABLED AT THE GENERAL SHAREHOLDERS' MEETING OF APRIL 20, 2017

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Cegereal SA and in compliance with the provisions of the French Commercial Code (*Code de commerce*), we hereby report to you on the transactions submitted for your approval.

1. Capital reduction by canceling repurchased shares (twentieth resolution)

In compliance with the provisions of Article L.225-209 of the French Commercial Code applicable in the event of a capital reduction by canceling repurchased shares, we hereby report to you on our assessment of the reasons for and conditions of the planned capital reduction.

The Board of Directors is seeking a 24-month authorization from the date of this General Shareholders' Meeting, to cancel, within the limit of 10% of the share capital calculated on the date of the cancelation decision per 24-month period, the shares bought back by Cegereal SA pursuant to an authorization to buy back its own shares in accordance with the provisions of the aforementioned article.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures consisted in ensuring that the reasons for and conditions of the capital reduction, which cannot undermine shareholder equality in any way, comply with the applicable legal provisions.

We have no matters to report on the reasons for and conditions of the planned capital reduction.

2. Issue of shares and other securities, with or without pre-emptive subscription rights (twenty-second to twenty-seventh resolutions)

In compliance with the provisions of Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code, we hereby report to you on the proposed delegations of authority to the Board of Directors to decide on various issues of shares and/or securities, which are submitted to you for approval.

On the basis of its report, the Board of Directors is seeking a 26-month delegation of authority to decide on and set the final terms and conditions of the following operations, and to cancel shareholders' pre-emptive subscription rights, where appropriate:

– to issue, on one or several occasions in euros or foreign currencies, ordinary shares, and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued, with pre-emptive subscription rights (twenty-second resolution).

  • In compliance with Article L.228-93, §1, of the French Commercial Code, the securities to be issued can grant access to equity securities to be issued by the Company and/or by any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital;

– to issue, on one or several occasions, in euros or foreign currencies, ordinary shares, and/or equity securities granting access to other equity securities or granting entitlement to debt securities and/or securities granting access to equity securities to be issued, without pre-emptive subscription rights by means of a public offer (twenty-third resolution).

  • These securities may be issued to remunerate securities that could be contributed to the Company in the framework of a public exchange offer satisfying the conditions set forth in Article L.225-148 of the French Commercial Code.

  • In compliance with Article L.228-93, §1, of the French Commercial Code, the securities to be issued can grant access to equity securities to be issued by the Company and/or by any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital;

– to issue, on one or several occasions, within the limit of 20% of the share capital per year, in euros or foreign currencies, ordinary shares, and/or equity securities granting access to other equity securities or granting entitlement to debt securities, and/or securities granting access to equity securities to be issued, without pre-emptive subscription rights, by means of an offer as defined in section II of Article L.411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) (twenty-fourth resolution).

  • In compliance with Article L.228-93, §1 of the French Commercial Code, the securities to be issued can grant access to equity securities to be issued by the Company and/or by any company that directly or indirectly owns more than half of its capital or in which it directly or indirectly owns more than half of the capital;

– to authorize the Board of Directors in the twenty-fifth resolution and under the delegations referred to in the twenty-third and twenty-fourth resolutions, to set the issue price within the legal limit of 10% of the share capital per year;

– to delegate authority to the Board of Directors for 26 months to issue ordinary shares and/or securities granting access to the capital, within the limit of 10% of the capital, in consideration of contributions to the Company of shares or securities granting access to capital (twenty-seventh resolution).

The total nominal amount of shares authorized for issue, immediately or in the future, under the twenty-second, twenty-third or twenty-fourth resolution, or cumulatively under the twenty-third and twenty-fourth resolutions, may not exceed EUR 300,000,000. The total nominal amount of debt securities authorized for issue under the twenty-second, twenty-third or twenty-fourth resolutions, or cumulatively under the twenty-third and twenty-fourth resolutions, may not exceed EUR 300,000,000.

If the shareholders adopt the twenty-sixth resolution, these ceilings shall take into account the additional number of shares to be issued within the framework of the delegations referred to in the twenty-second, twenty-third and twenty-fourth resolutions, under the conditions set out in Article L.225-135-1 of the French Commercial Code.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225 113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements, the proposed cancellation of shareholders' pre-emptive subscription rights and on certain other information relating to the transactions contained in this report.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures require that we examine the content of the Board of Directors' report concerning these transactions and the terms and conditions for determining the issue price of the new shares.

Subject to a subsequent examination of the conditions of the issues once they have been decided, we have no matters to report on the information provided in the Board of Directors' report relating to the methods used to set the issue price of the equity securities to be issued under the twenty-third, twenty-fourth and twenty-fifth resolutions.

Moreover, since this report does not provide for the terms and conditions used to set the issue price of the equity securities to be issued in the context of the implementation of the twenty-second and twenty-seventh resolutions, we cannot express an opinion on the method and basis used to calculate the issue price.

Since the final terms and conditions of the issue have not been set, we do not express an opinion on these terms and conditions, or consequently on the proposed cancellation of the shareholders' pre emptive subscription rights in the twenty-third and twenty-fourth resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we will issue a supplementary report, if and when the Board of Directors uses these delegations of authority to issue equity securities granting entitlement to other equity securities or granting entitlement to debt securities, to issue securities granting entitlement to equity securities to be issued, or to issue shares without pre-emptive subscription rights.

3. Proposal to issue free share subscription warrants in the event of a public offer (twenty-eighth resolution)

In compliance with the provisions of Articles L.228-92 of the French Commercial Code, we hereby report to you on the proposed issue of free share subscription warrants in the event of a public offer for the Company's shares, which is submitted for your approval.

On the basis of its report, the Board of Directors proposes that pursuant to Article L.233-32 II of the French Commercial Code, the shareholders delegate authority to the Board to decide to:

- issue warrants subject to the provisions of Article L.233-32 II of the French Commercial Code entitling shareholders to subscribe to discounted Company shares and grant these free warrants to all eligible Company shareholders prior to the expiration of the offer period,
- set the procedures for exercising the subscription warrants and the characteristics of these warrants.

The total nominal amount of shares authorized for issue may not exceed EUR 66,862,500 and the maximum number of warrants authorized for issue may not exceed the number of outstanding shares upon the issuance of said warrants.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225 113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the financial information taken from the financial statements and on certain other information concerning the issue, given in the report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. Those procedures require that we examine the content of the Board of Directors' report concerning this transaction.

We have no matters to report on the information relating to the proposed issue of share subscription warrants in the event of a public offer contained in the Board of Directors' report.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report in the event that the Board of Directors uses this delegation of authority.

4. Issue of shares and/or securities granting access to the share capital in favor of members of a company savings plan (twenty-ninth resolution)

In compliance with the provisions of Article L.228-92 and L. 225-135 *et seq.* of the French Commercial Code, we hereby report to you on the proposed delegation of authority to the Board of Directors to decide to issue ordinary shares or securities granting access to equity securities to be issued, on one or several occasions, without pre-emptive subscription rights, in favor of members of one or more company or group savings plans set up by the Company and/or any related French or foreign companies, in accordance with the provisions of Article L.225-180 of the French Commercial Code, within the limit of 1% of the share capital, which is submitted for your approval.

These issues are submitted to the shareholders for approval in accordance with the provisions of Article L.225-129-6 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code (*Code du travail*).

On the basis of its report, the Board of Directors proposes that the shareholders delegate authority to the Board, for a period of twenty-six months, to decide on the issue and to cancel shareholders' pre-emptive subscription rights to the shares or securities granting access to equity securities to be issued. In such an event, it would be the Board's responsibility to set the final issuance conditions for this transaction.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R.225 113 *et seq.* of the French Commercial Code. It is our responsibility to express an opinion on the fairness of the information taken from the financial statements, on the proposed cancelation of the shareholders' pre-emptive subscription rights, and on certain other information relating to the issue provided in the report.

We performed the procedures we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying the information provided in the Board of Directors' report relating to this transaction and the methods used to set the issue price of the shares or securities giving access to equity securities to be issued.

Subject to a subsequent examination of the issuance conditions once they have been decided, we have no matters to report on the methods used to set the issue price of the shares or securities granting access to equity securities to be issued as set out in the Board of Directors' report.

Since the final terms and conditions of the issue have not been set, we do not express an opinion on these terms and conditions or, consequently, on the proposed cancelation of the shareholders' pre-emptive subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report in the event that the Board of Directors uses this delegation of authority

The Statutory Auditors

Paris-La Défense, February 16, 2017	Paris, February 16, 2017
KPMG AUFIT FS I	**Denjean & Associés**
Régis Chémouny	Thierry Denjean
Partner	Partner

1.4. CHAIRMAN'S REPORT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

"Dear Shareholders,

The law obliges the Chairman of the Board of Directors of any French *société anonyme* (joint stock corporation) whose securities are admitted to trading on a regulated stock market to give an account, in a report attached to the Board's report, of:

– the references made to a corporate governance code,

– the composition of the Board of Directors and the application of the principle of gender balance,

– the preparation and organization of the Board of Directors' work,

– the special conditions for shareholders' participation in General Shareholders' Meetings,

– any limitations provided for the Chief Executive Officer's powers,

– the principles and rules agreed upon to determine the compensation and benefits of any kind that are granted to the corporate officers,

– any information likely to have an impact in the event of a public offer for the Company's shares,

– the internal control and risk management procedures that have been implemented in the Company,

– the financial risks relating to the impact of climate change and the measures taken by the Company to mitigate them by pursuing a low-carbon strategy in all areas of its business.

The procedures that were carried out during the preparation of this report are as follows: monthly meetings between the Chairman of the Board of Directors and the Chief Executive Officer, regular discussions with the other directors and with the Statutory Auditors, particularly at Audit Committee meetings.

This report, which was prepared on the basis of the information provided by the Chief Executive Officer and the Deputy Chief Executive Officer, was submitted to the Board of Directors for approval on February 16, 2017 and transmitted to the Statutory Auditors.

1. CORPORATE GOVERNANCE

In corporate governance matters and pursuant to the Board of Directors' decision of January 30, 2009, our Company refers to the November 2016 update of the AFEP-MEDEF Corporate Governance Code of Listed Corporations (the "Reference Code") available at www.medef.com, to the extent that it is compatible with the Company's organization and size.

The following provisions of the Reference Code have not, however, been applied:

Recommendation rejected	Justification	Achievement of general objective set under the recommendation
Representation of employees (Section 7 of the AFEP-MEDEF Code)	Due to the Group's low number of employees, no employee representatives are required on the Board.	
Proportion of independent directors on the Board of Directors (Section 8.3 of the AFEP-MEDEF Code)	In controlled companies, independent directors should account for at least a third of the Board members (Article 8.3). At February 16, 2017, three of the ten directors were independent (i.e., 30%). The composition of the Board of Directors is linked to the majority shareholder and the minority shareholders being directly involved in the Board's work. Although Northwood Investors controls the Company, it only recommended the appointment of five of the ten directors as two directors were appointed on the recommendation of the main minority shareholder. Furthermore, in order to maintain the Board's effectiveness, we do not consider it appropriate to increase the number of its members.	
Ethical rules for directors (Section 19 of the AFEP-MEDEF Code)	Directors are not required to hold a minimum number of shares. They do not all personally hold Cegereal shares and do not own a large number of shares in relation to the directors' fees they receive, mainly because certain directors are linked to the majority shareholder and they do not all receive directors' fees.	
Shareholding requirement for executive corporate officers (Section 22 of the AFEP-MEDEF Code)	The Chairman of the Board of Directors and the Deputy Chief Executive Officer are not required to hold a minimum number of shares, due in particular to the relationship with majority shareholder and the fact that they do not receive any compensation for their duties. The Chief Executive Officer must keep at least 50% of his vested performance shares until such time as the total amount of shares kept represents his last fixed gross annual comepensation, as assessed at the end of the lock-up period and until the end of his term of office.	

1.1. Board of Directors

1.1.1 Composition of the Board of Directors

Pursuant to the Company's bylaws, directors are appointed for four-year terms.

At December 31, 2016, the composition of the Board was as follows:

	Man/ Woman	Nationality	Independent director	First appointed	Term renewed	Term expires	Committee membership
John Z. Kukral (1) (2)	M	American	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	Chairman of the Board of Directors
Khaled Kudsi	M	British	No	Nov. 5, 2015	May 26, 2016	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2019	Member of the Appointments and Compensation Committee
Jérôme Anselme (2)	M	French	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	
Erin Cannata (2)	W	American	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	
Sophie Kramer (2)	W	French	No	Nov. 5, 2015		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	
Europroperty Consulting Represented by Alec Emmott	M	British	Yes	Feb. 24, 2011	May 26, 2016	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2019	Chairman of the Appointments and Compensation Committee Member of the Investment Committee
Jean-Marc Besson (2) (3)	M	French	Yes	April 14, 2016		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2016	Chairman of the Investment Committee and member of the Audit Committee
Marie-Flore Bachelier (4)	W	French	Yes	Feb. 17, 2016		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2017	Chair of the Audit Committee and member of the Appointments and Compensation Committee
Euro Fairview Private Limited (5) Represented by Sebastien Abascal	M	French	No	April 14, 2016	May 26, 2016	General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2019	Member of the Investment Committee and member of the Audit Committee
Euro Lily Private Limited (6) Represented by Madeleine Cosgrave	W	British	No	May 26, 2016		General Shareholders' Meeting to approve the financial statements for the year ending December 31, 2019	

(1) John Z. Kukral was appointed as Chairman of the Board of Directors on April 14, 2016 to replace outgoing director Richard Wrigley.
(2) Director whose re-appointment is subject to the approval of the General Shareholders' Meeting to be held on April 20, 2017.
(3) Jean-Marc Besson was co-opted at the Board of Directors' meeting of April 14, 2016 to replace Richard Wigley. He was also appointed as a member of the Audit Committee and Chairman of the Investment Committee.
(4) Marie-Flore Bachelier was co-opted on February 17, 2016 to replace Jean-Pierre Bonnefond. She was also appointed as Chair of the Audit Committee and member of the Appointments and Compensation Committee.
(5) Euro Fairview Pte Ltd., represented by Sebastien Abascal, was co-opted at the Board of Directors' meeting of April 14, 2016 to replace Richard Strachan, who was co-opted on February 17, 2016 to replace GMF VIE. The company was also appointed as a member of the Audit Committee and the Investment Committee.
(6) Euro Lily Pte Ltd., represented by Madeleine Cosgrave, was appointed at the General Shareholders' Meeting of May 26, 2016.

No directors are elected by the employees pursuant to Article L.225-27 of the French Commercial Code.

For the purposes of their terms of office, the members of the Board of Directors and Executive Management are domiciled at the Company's registered office.

Independence of the Board members

Three of the Board members, Marie-Flore Bachelier, Jean-Marc Besson and Alec Emmott, in his capacity as permanent representative of Europroperty Consulting, were considered to be independent in accordance with the definition provided in the Reference Code.

According to Article 8.5 of the Reference Code, the criteria used to qualify Board members as independent are the following:

– not being:

  – an employee or executive corporate officer of the Company,

  – or an employee, executive corporate officer or director of a company consolidated by it,

  – or an employee, executive corporate officer or director of its parent or a company consolidated by its parent, and not having been so within the previous five years;

– not being an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated as such or an executive corporate officer of the Company (currently or within the previous five years) holds a directorship;

– not being a significant customer, supplier, investment banker or corporate banker of the Company of its group or for which the Company or its group represents a significant part of its business;

– not being closely related to a corporate officer;

– not having been a Statutory Auditor of the Company in the previous five years;

– not having been a Board member for more than twelve years on the date on which he/she was appointed to his/her current term of office;

– not being a non-executive corporate officer that has received variable compensation in cash or in shares or any other kind of compensation related to the performance of the Company or its group;

– not being a shareholder that exercises control over the Company or its parent company. Beyond a 10% holding of the capital or voting rights, the Board is required to review the independence of the Board member with regard to the ownership structure of the Company and the existence of a potential conflict of interest.

The Company has not appointed a lead director.

After reviewing the situation of each independent director, the Board of Directors established that none of them has any business dealings with the Group.

The Board members who are deemed to be independent have undertaken to comply with the Directors' Charter in order to maintain the conditions required for this independent director status.

Gender balance on the Board

The Board of Directors comprises four women and six men. The Company therefore complies with the recommendations of the Reference Code and the provisions of law no. 2011-103 of January 27, 2011 on gender balance at Board level and gender equality.

Non-voting directors

Article 19 of the bylaws provides for the ability to appoint non-voting directors to the Board. Their assignment is to issue opinions and suggestions to the Company's committees and to assist the Board of Directors in determining corporate strategy.

Graham Spensley, who was appointed non-voting director at the General Shareholders' Meeting held on April 15, 2015, resigned from office on January 18, 2016 and has not been replaced.

1.1.2 Role and functioning of the Board of Directors

Pursuant to the law, the Board determines the Company’s strategic business orientations and ensures the implementation thereof. Subject to the powers expressly granted to General Shareholders’ Meetings and within the limits of the purpose provided for in the bylaws, it deals with any issues affecting the smooth operation of the Company and settles, by its deliberations, all matters concerning the Company’s business.

The Board of Directors can also carry out all controls and verifications that it considers appropriate. Even if the operational management is entrusted to the Chief Executive Officer and Deputy Chief Executive Officer, the Board of Directors may address any issues relating to the Company’s operation.

The preparation of the Board of Directors’ work

To allow the Board members to properly prepare for Board meetings, the Chairman endeavors to provide them with all the information and documents they require in advance.

For example, the draft financial statements were transmitted to the directors 15 days before the relevant Board meeting.

Whenever a Board member so requests, the Chairman of the Board of Directors provides him/her, insofar as possible, with the additional information and documents that he/she wishes to receive.

Directors can meet with the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer at any time.

The holding of Board meetings

The directors are convened to Board meetings by any means and are provided with all the information required to perform their assignments in the notice of the meeting.

In compliance with the bylaws and legal provisions, certain Board of Directors’ meetings may be held by videoconference. Board meetings are generally held at the registered office but can be held in any other place. They are convened by the Chairman of the Board.

In 2016, the Board of Directors met ten times.

The Chairman was present at each meeting.

No meetings were called at the initiative of either the directors or the Chief Executive Officer.

The Statutory Auditors are invited to attend the Board of Directors’ meeting that rules on the annual and the interim financial statements and the projected management accounts.

They attended the April 14, 2016 Board of Directors’ meeting that reviewed and approved for issue the financial statements for the year ended December 31, 2015, and the July 21, 2016 meeting that reviewed and approved for issue the interim financial statements for the six months ended June 30, 2016.

They also attended meetings of the Audit Committee.

To guarantee the coordination between Executive Management and the Board of Directors, the members of the Board of Directors and the Chief Executive Officer meet periodically. The Chief Executive Officer (not a director of the Company) attended all Board of Directors' meetings.

Subjects discussed at Board meetings and activity report

The main themes addressed in those meetings were the following:

– approval for issue of the annual and interim financial statements, appropriation of net income;

– quarterly and interim financial information;

– assessment of the Board of Directors;

– review of the Company's strategy;

– marketing of the real estate portfolio;

– draft simplified public tender offer made by Northwood Investors;

– amendments to the bylaws;

– amendments to the Internal Rules and Regulations;

– issue of share subscription warrants ("BSA");

– amendment to the terms and conditions of the Advisory Services Agreement entered into by Prothin and Northwood Investors France Asset Management SAS.;

– compensation of the Chief Executive Officer for 2016;

– allocation of directors' fees;

– marketing of the buildings;

– resignation of certain directors and co-optation of new directors following the change in control of the Company, re-appointment of directors, appointment of a new director;

– appointment of a new Chairman of the Board of Directors;

– appointment of new members of the different Committees;

– refinancing of the Credit Agreement of July 26, 2012 by Prothin;

– acquisition of K Rueil, an OPCI (property fund) that holds 100% of the capital and voting rights of Hanami Rueil SCI, the owner of the Hanami building located at 89 Boulevard F. Roosevelt, 92500 Rueil Malmaison, France;

– refinancing by Hanami Rueil SCI of the credit agreement dated December 12, 2015, the refinancing of various intra-group loans and the financing of expenses related to that refinancing;

– free share grants to corporate officers;

– reduction in share capital for reasons other than losses, in an amount of EUR 93,607,500 by transferring said amount to additional paid-in capital (share capital reduction authorized by the Extraordinary Shareholders' Meeting of February 18, 2016);

– share buy-back program;

– delegations of financial authority.

Internal Rules and Regulations

Given the Board's structure, it has Internal Rules and Regulations whose purpose is to stipulate the organization of Board meetings and the Chief Executive Officer's responsibilities and powers vis-à-vis the Board. The Internal Rules and Regulations also set forth the rules of corporate governance and stipulate the operational responsibilities and *modus operandi* of the Audit Committee, the Investment Committee and the Appointments and Compensation Committee. A Directors' Charter (*charte de l'administrateur*) adopted at the same time as the Internal Rules and Regulations reiterates the directors' rights and obligations in the exercise of their duties.

The Board's Internal Rules and Regulations are available on the Company's website: www.cegereal.com.

The Internal Rules and Regulations are reviewed on a regular basis and adapted in line with changes to regulations and recommendations.

Conflicts of interest

The internal rules for preventing and managing Board members' conflicts of interest are included in the Directors' Charter.

Article 6 of the Directors' Charter provides that: *"Directors shall inform the Board of Directors of any conflict of interests, even potential, in which they could be directly or indirectly involved. They shall refrain from participating in any debates and decision-making relating to the subjects in question. More generally, directors shall act with total independence and without pressure of any kind. They should inform the Chairman of any family ties they may have with another director or the Chief Executive Officer."*

To the Company's knowledge and on the date of preparation hereof, there is no conflict of interest between the duties of any members of the Board of Directors or Executive Management with respect to the Company regarding their positions as corporate officers and their private interests or other duties.

To the Company's knowledge and on the date of preparation hereof, over the last five years, no member of the Board of Directors or Executive Management has been:

– convicted for fraud;

– involved in a bankruptcy, receivership or liquidation;

– the subject of an indictment or official public sanction handed-down by a statutory or regulatory authority;

– barred by a court order from serving as a director or member of a management or supervisory body or from participating in the management or running of a company's business.

To the Company's knowledge and on the date of preparation hereof:

– no arrangement or agreement exists with the main shareholders, customers or suppliers under which a member of the Board of Directors or Executive Management has been appointed;

– no restrictions exist, other than those mentioned in paragraph IV.5.4 (Items that could have an impact in the event of a public offer), where applicable, which have been accepted by the corporate officers concerning the sale of their interest in the Company's capital;

– no service agreements exist linking the members of the Company's management bodies or those of any of its subsidiaries under which benefits will be granted.

To the Company's knowledge and on the date of preparation hereof, no family ties exist between (i) the members of the Board of Directors, (ii) the Company's corporate officers, and (iii) the persons referred to in (i) and (ii).

Assessment of the Board of Directors

Due to the co-optation and appointment of several new directors following the change of control on November 5, 2015 and GIC's acquisition of a stake in the Company in April 2016, the Board did not assess its functioning with a view to improving it.

1.2. Organization and modus operandi of the Board's Committees

An Audit Committee, an Appointments and Compensation Committee and an Investment Committee have been set up by the Board of Directors. Their composition was adopted by the Board of Directors at its April 14, 2016 meeting. Their responsibilities and modus operandi are specified in the Internal Rules and Regulations.

1.2.1 The Audit Committee

The Audit Committee comprises Marie-Flore Bachelier (independent), Jean-Marc Besson (independent) and Sebastien Abascal (permanent representative of Euro Fairview Private Limited).

Marie-Flore Bachelier was appointed at the Board of Directors' meeting of February 17, 2016. By decision of the Board of Directors at its meeting of April 14, 2016, Jean-Marc Besson and Sebastien Abascal, in his capacity as permanent representative of Euro Fairview Private Limited, were appointed as members of the Audit Committee to replace Richard Wrigley and Khaled Kudsi, respectively.

The criteria used for assessing the independence of Committee members, in particular those of the Audit Committee, are the same as those used for assessing the Board members' independence, as described above.

Marie-Flore Bachelier was appointed to replace Richard Wrigley as Chair of the Audit Committee by decision of the Board of Directors at its meeting of February 17, 2016. She is considered to be independent and proficient in financial matters as well as in internal control and risk management. Her academic training and her knowledge of the Group's activity means that she has the expertise the Board requires.

At its meeting of April 14, 2016, the Board of Directors decided to increase the length of the Audit Committee members' terms of office from three to four years.

The other Committee members also have relevant financial or accounting knowledge.

The Audit Committee's role is described in the Internal Rules and Regulations.

The Audit Committee met three times in 2016, and performed the following work:

– work in relation to documenting information flows;

– work in relation to organizing the closing process for financial statements;

– work in relation to improving internal control and simplifying the related procedures handbook;

– work in relation to the Statutory Auditors' audit approach for the annual financial statements;

– work in relation to improving the presentation of the financial statements.

The attendance rate was 100%.

The Committee members had ample time to review the financial and accounting documents and were able to meet with the Statutory Auditors.

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

The Board is satisfied with the work carried out by the Audit Committee.

1.2.2 The Appointments and Compensation Committee

The Appointments and Compensation Committee comprises Marie-Flore Bachelier, Alec Emmott and Khaled Kudsi.

Marie-Flore Bachelier was appointed as a member of the Appointments and Compensation Committee by decision of the Board of Directors at its meeting of February 17, 2016.

Alec Emmott was appointed as a member of the Appointments and Compensation Committee by decision of the Board of Directors at its meeting of February 13, 2015. He was appointed as Chairman of the Appointments and Compensation Committee by decision of the Board of Directors at its meeting of April 14, 2016, to replace Graham Spensley.

Khaled Kudsi was appointed as a member of the Appointments and Compensation Committee by the Board at its April 14, 2016 meeting.

At the same meeting, the Board of Directors decided to increase the length of the Appointments and Compensation Committee members' terms of office from three to four years.

The Appointments and Compensation Committee's role is described in the Company's Internal Rules and Regulations.

The Appointments and Compensation Committee met three times in 2016, and performed the following work:

– compensation of the Chief Executive Officer;

– assessment of the Board of Directors;

– allocation of directors' fees.

The attendance rate was 100%.

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

The Committee is also responsible for drawing up a succession plan for executive corporate officers. The Committee did not address this matter in 2016.

1.2.3 The Investment Committee

The Investment Committee comprises Jean-Marc Besson (independent), Alec Emmott (independent) and Sebastien Abascal (permanent representative of Euro Fairview Private Limited).

By decision of the Board of Directors at its meeting of April 14, 2016, Jean-Marc Besson and Sebastien Abascal, in his capacity as permanent representative of the company Euro Fairview Private Limited, were appointed as members of the Investment Committee to replace Richard Wrigley and Graham Spensley, respectively. Alec Emmott (independent) was re-appointed as a member of the Investment Committee at the Board of Directors' meeting of February 13, 2015.

Jean-Marc Besson was appointed as Chairman of the Investment Committee by decision of the April 14, 2016 Board meeting to replace Alec Emmott.

The Investment Committee met once in 2016 to review the Company's strategy.

In addition, at the same meeting, the Board of Directors decided to increase the length of the Investment Committee members' terms of office from three to four years.

The attendance rate was 100%.

The Committee reported to the Board on its work and the Board took note of, and followed, all the Committee's recommendations.

1.3. Executive Management and Chairman of the Board

1.3.1 Methods of exercising general management

On December 31, 2005, the Board decided to separate the functions of Chairman of the Board of Directors and Chief Executive Officer.

1.3.2 Executive Committee

Following the change of control, at its December 16, 2015 meeting, the Board of Directors decided to create an Executive Committee.

The Executive Committee is responsible for (i) reviewing issues and decisions relating to the Company's strategy, development, organization and management; and (ii) ensuring the smooth running of projects implemented by the Company.

It is composed of the Chief Executive Officer, the Deputy Chief Executive Officer(s) and a director of the Company.

The Executive Committee meets as often as required in the interest of the Company. The Executive Committee's authorization is required for all decisions that have a significant impact on the Company's business, prior to their approval by the Board.

1.3.3 Limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officers

The Board determines the Company's strategic business orientations and oversees the implementation thereof. It may therefore carry out all controls and verifications that it considers appropriate.

Even if the operational management is entrusted to the Chief Executive Officer and the Deputy Chief Executive Officer, the Board of Directors may address any issues relating to the Company's operation.

The Chief Executive Officer shall have the powers and perform his/her assignment under the conditions laid down by Article L.225-56 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws.

Subject to the limits indicated below, the Chief Executive Officer shall:

– assume, under his/her responsibility, the Company's executive management;

– represent the Company in its dealings with third parties;

– be vested with the broadest powers to act in the Company's name in all circumstances as long as the acts carried out fulfill the following conditions: (i) they fall within the corporate purpose and (ii) they are not expressly reserved for General Shareholders' Meetings.

To limit their powers, the Chief Executive Officer and the Deputy Chief Executive Officers may not, in the name and on behalf of the Company, perform a certain number of acts or transactions, or carry out any contractual steps leading to such acts or transactions, in an amount of more than EUR 10 million per year (it being specified that in the event of related or connected acts or transactions, this limit will be assessed on an aggregate basis including all such acts or transactions), without having requested and received the Board of Directors' prior authorization to do so. These limitations on powers are described in the Company's Internal Rules and Regulations. At its meeting of December 16, 2015, the Board of Directors also set further limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officer in addition to those provided for in the Internal Rules and Regulations.

As decided at the Extraordinary Shareholders' Meeting of February 18, 2016, the limitations on powers set out in Section 17.4 of Article 17 of the bylaws relating to the limitations on the powers of the Chief Executive Officer and the Deputy Chief Executive Officers have been removed.

1.4. Principles and rules for determining corporate officers' compensation

1.4.1 Board members' compensation (directors' fees)

The directors do not receive any compensation other than directors' fees, which are paid for their participation in the Board of Directors or the various committees of the Board. Directors' fees are distributed among directors based on their effective participation at Board meetings, and depending on their position as a member and/or chairman of a Committee.

The compensation of each Board member is set out in section IV.6.3 (Compensation and benefits of the corporate officers) of this Registration Document.

1.4.2 Corporate officers' compensation

On the recommendation of the Appointments and Compensation Committee, the Board validates the corporate officers' compensation policy and the compensation for each of them.

The Board also refers to the Reference Code.

This policy applies to the entire fixed, variable and exceptional compensation granted by the Company as well as benefits of all kinds (e.g., pension benefits, severance indemnities). It includes all conditional deferred compensation, retention plan payments, non-recurring pension benefits, incentives and other variable compensation.

Compensation is determined not only on the basis of work performed, results obtained, and responsibilities assumed, but also in light of practices observed in comparable companies and the compensation of the Company's other corporate officers.

Compensation of the Chairman of the Board of Directors

John Kukral, Chairman of the Board of Directors, did not receive any compensation in respect of his duties.

Richard Wrigley received proportionate compensation.

Compensation of the Chief Executive Officer

Raphaël Tréguier, Chief Executive Officer, receives various items of compensation in respect of his duties, as described in section IV.6.3.2.2 (Compensation and benefits of the Chief Executive Officer) of the 2016 Registration Document.

1.5. Shareholders' participation in General Shareholders' Meetings

A General Shareholders' Meeting is open to all shareholders irrespective of the number of shares that they hold.

The right to participate in General Shareholders' Meetings is substantiated by the shares being registered in the shareholder's or the intermediary's name either in (i) the registered share accounts kept by the Company or (ii) the bearer share accounts kept by the authorized intermediary prior to midnight, Paris time, of the second business day before the holding of the meeting (Article R.225-85 amended of the French Commercial Code).

The registration or recording of bearer shares is evidenced by a share ownership certificate issued by the authorized intermediary.

If a shareholder cannot attend the General Shareholders' Meeting personally, he/she may choose from one of the following three options: (i) issue a proxy to his/her spouse/civil partner or another shareholder or, (ii) send a proxy to the Company indicating no name or (iii) vote by correspondence.

Shareholders' requests to include resolutions and/or items on the agenda must be sent to the registered office by registered letter with return receipt requested no later than twenty-five days before the date of the meeting.

1.6. Information likely to have an impact in the event of a public offer for the Company's shares

This information is set out in section IV.5.4 of the 2016 Registration Document.

2. THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The law requires a description not only of the Board's work methods, but also of the internal control procedures implemented by the Company. First, it is necessary to explain the objectives of such procedures.

2.1. Objectives of the Company's internal control procedures

Among the various objectives assigned to internal control, one is to prevent and control risks resulting from the Company's activity, in particular any risks of accounting or financial errors or fraud. However, as with any control system, there is no absolute guarantee that all risks will be fully eliminated.

At the same time, the purpose of an internal control system is to ensure that management acts, the way in which the Company undertakes various operations and the personnel's activity, are duly in line with the strategic business orientations defined by management.

Lastly, the purpose of an internal control system is to verify that the accounting, financial and management information communicated to the Company's management bodies fairly reflects the Company's activity and situation.

2.2. Internal control procedures set up by the Company

The various procedures implemented by the Company are described below:

2.2.1 General organization of internal control in the Company

A) Persons or structures in charge of internal control

As indicated above, the Audit Committee, the Appointments and Compensation Committee and the Investment Committee were set up for this purpose. The role and assignments of each Committee are described in section 1.2 of this report.

B) Internal or external aids used to prepare control procedures

The Company implements a policy of transparency and public disclosure to best satisfy the shareholders' and potential investors' interests. The Chief Executive Officer is in charge of the Company's financial communication.

The Company decided, in its Internal Rules and Regulations, to set up similar provisions inspired by the Reference Code. These Internal Rules and Regulations are available on the Company's website: http://www.cegereal.com.

In addition, the Internal Rules and Regulations establish a Directors' Charter, which provides an ethical framework within which the directors exercise their duties.

In particular, the Directors' Charter provides that:

– each director, however he/she is appointed, shall represent the interests of all of the shareholders;

– each director shall ensure that he/she continually improves his/her knowledge of the Company and its business sector;

– each director shall ensure that he/she maintains his/her independence of analysis, judgment, decision and action in all circumstances;

– each director undertakes not to seek or accept any benefits that could impair his/her independence;

– each director, before accepting his/her duties, shall familiarize himself/herself with the general or special obligations attached to his/her position and, in particular, the applicable legal or regulatory texts, bylaws, Internal Rules and Regulations and this Charter, as well as any additional information that the Board of Directors deems necessary to provide to him/her;

– each director shall refrain from carrying out transactions on corporate securities in which (and insofar as) he/she has, owing to his/her position, information that has not yet been publicly disclosed;

– each director shall inform the Board of Directors of any conflict of interests, even potential, in which he/she could be directly or indirectly involved. He/she shall refrain from participating in any debates and decision-making relating to the subjects in question.

The Directors' Charter also reiterates, insofar as may be required, the stock market regulations that are applicable in cases of insider trading, failure to inform and price manipulations.

2.2.2 Summary description of the internal control procedures set up by the Company

A) Procedures for processing financial and accounting information

The procedures for processing accounting and financial information are currently organized as follows:

(i) Building operation cycle

On November 5, 2015, Northwood Investors France Asset Management became the new asset manager and the SAP ERP was replaced by ALTAIX.

Bills and receipts for rental charges are issued by the building manager, which also collects payments. The building manager's accounting department records the bills and the asset manager checks them.

The budget of charges relating to each building is prepared by the building manager and validated by the asset manager.

The building manager receives and records day-to-day expenses related to the building in the software tool (ALTAIX).

The building manager also makes payments and approves invoices.

(ii) Consolidated financial statements

Procedures relating to the preparation and processing of financial information are the responsibility of Executive Management.

The accounts closing procedures comprise:

– a closing schedule, which is submitted to the Audit Committee;

– the submission of detailed monthly reports by all Group entities including an income statement, summary balance sheet, and various detailed schedules. The consolidated financial statements are prepared based on the consolidation packages of the Group's various entities;

– information relating to the fair value of real estate assets and financial instruments, and specifically required for the preparation of consolidated financial statements is obtained from independent valuers, in order to guarantee the reliability and objectivity of the data;

– the use of a central information system.

Lastly, the role of Executive Management is to supervise the various contributors to the preparation of the consolidated financial statements and the resulting financial information.

As part of their audit of the consolidated financial statements, the Statutory Auditors review the consolidation packages and consolidation adjustments within the scope set out for their work.

(iii) Corporate accounting

The books are kept by a firm of certified public accountants. The Company's tax lawyers are consulted depending on the nature of the transactions carried out by the Company.

The information necessary for keeping the books is obtained from the building manager, the asset manager and banks.

The Company's Executive Management approves invoices and authorizes payments.

Executive Management supervises the accounting department and any external accounting service providers.

(iv) Periodical financial information

Each month, an interim statement of account is prepared by the certified public accountant and sent to the asset manager's financial department to be checked and approved.

(v) Preparation of financial statements

Financial statements are prepared by the certified public accountant in conjunction with the asset manager, the Company's Executive Management and its advisors.

The Audit Committee reviews the relevance of the main assumptions and principles adopted therein.

The financial statements are audited by the Statutory Auditors.

B) Disclosure and reporting procedures

With a view to ensuring the efficient processing of financial information, the Company has set up disclosure and reporting procedures under which the Chief Executive Officer must, within thirty days of the end of the first half-year, submit to the Board of Directors for control, an unaudited balance sheet (prepared at the date of the last day of the half-year in question), an income statement and a statement of cash flows (for the half-year), a comparison of the balance sheet, income statement and the budget, as well as a comparison between such statements and the budget and the revised income forecasts for the year in progress.

C) Other procedures

The Company calls upon various external parties to ensure the management of the Company and its assets. Accordingly, its assets are managed by Northwood Investors France Asset Management, the duties of property manager are entrusted to the historical business partner, Yxime for Prothin and to CBRE and Vinci for Hanami Rueil SCI, and those of accountant to PwC Entreprises. Executive Management oversees the duties of these external parties by means of daily exchanges and contacts with each of them. Meetings are also organized whenever necessary.

The above mechanisms provide a reasonable assurance that the internal control objectives for the previous year were met. Given the Company's size and current activity, it will endeavor to maintain its internal controls with the permanent objective of mitigating risks in order to protect its assets.

D) Anti-money laundering and counter-terrorist financing

The Company will endeavor to set up the procedures required to combat money laundering.

3. FINANCIAL RISKS RELATING TO THE IMPACTS OF CLIMATE CHANGE:

Risks related to societal and environmental damage

The Group may be exposed to financial risks related to the effects of climate change, and in particular a loss of value due to increased sensitivity of the assets in the Group's portfolio to extreme weather events (temperature, rainfall and flooding, wind, etc.). The Group may also be affected by a shortage of and increase in the cost of the commodities required for its operations (water, energy, etc.).

This could result in an increase in insurance premiums and operating costs (consumables and technical maintenance). There is also a risk that the Group may fail to meet its objectives in terms of CSR, which would affect its image and reputation.

The main CSR issues associated with these risks are responsible purchasing, natural resources and waste other than water and energy, climate change and greenhouse gas emissions, energy efficiency and renewable energy.

CSR is a core pillar of the Group's strategy and the Group monitors the consumption of its real estate assets very closely.

See section II.4.7 for further information regarding the CSR risk management system.

Risk related to climate change regulations

New regulations introduced to combat climate change

Compliance costs, liability, limits, restrictions on the use of carbon-intensive assets, investments in new technology, risk and asset impairment, etc. affect the value of assets and investments.

A carbon tax is expected to be introduced and energy prices are expected to rise.

Cegereal is closely monitoring these new regulations as part of its CSR strategy and is already seeing a reduction in greenhouse gas emissions as well as energy consumption at its properties.

Risks related to energy price rises and the introduction of a carbon tax are minimal with regard to Cegereal's balance sheet.

I hope that this report will give you a better idea of the work procedures and methods that are implemented in the Company, as well as of the allocation of powers among the Company's various decision-making bodies.

I also hope that it will give you a better view of the internal control procedures that have been set up to protect the Company's capital and preserve its assets.

The Chairman of the Board of Directors"

1.5. STATUTORY AUDITORS' REPORT ON THE CHAIRMAN'S REPORT ON INTERNAL CONTROL AND CORPORATE GOVERNANCE

Cegereal SA

Registered office: 42, rue de Bassano - 75008 Paris, France

Share capital: EUR 66,862,500

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF CEGEREAL SA

Year ended December 31, 2016

To the Shareholders,

In our capacity as Statutory Auditors of Cegereal SA, and in accordance with Article L.225-235 of the French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of the French Commercial Code for the year ended December 31, 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the Company and providing the other information required by Article L.225-37 of the French Commercial Code in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, and
- to attest that the report sets out the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

We conducted our work in accordance with professional standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

The professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report.

These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with Article L.225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report sets out the other information required by Article L.225-37 of the French Commercial Code.

The Statutory Auditors

Paris-La Défense, February 16, 2017	Paris, February 16, 2017
KPMG AUFIT FS I	**Denjean & Associés**
Régis Chémouny	Thierry Denjean
Partner	Partner

1.6. FIVE-YEAR FINANCIAL SUMMARY

In euros

	12/31/16 12 months	12/31/15 12 months	12/31/14 12 months	12/31/13 12 months	12/31/12 12 months
Capital at year end					
Share capital	66,862,500	160,470,000	160,470,000	160,470,000	160,470,000
of which paid up	66,862,500	160,470,000	160,470,000	160,470,000	160,470,000
Number of ordinary shares	13,372,500	13,372,500	13,372,500	13,372,500	13,372,500
Operations and income/(loss) for the year					
Net revenue	70,000	46,667		0	0
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(5,882,528)	(2,807,179)	65,857,652	(1,895,753)	(1,618,602)
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(6,684,893)	(3,463,161)	65,539,236	(1,877,070)	(1,439,977)
Income distributed	28,082,250	26,745,000	32,094,000	10,029,375	8,692,125
Earnings per share					
Income/(loss) before tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(0.44)	(0.21)	4.92	(0.14)	(0.12)
Income/(loss) after tax, employee profit-sharing, and depreciation, amortization and provisions for impairment	(0.50)	(0.26)	4.90	(0.14)	(0.11)
Dividend paid per share	2.10	2.00	2.40	0.75	0.65
Personnel					
Average headcount during the year	3	3	0	0	0
Average payroll costs[1]	792,428	649,380	258,734	265,545	237,072
Social security charges[1]	334,152	266,126	121,105	111,548	106,901

(1) These amounts include corporate officers' compensation totaling EUR 628,041 and the related security charges totaling EUR 196,583.

2. General information regarding the issuer

2.1. CORPORATE NAME

The Company's name is Cegereal.

2.2. TRADE AND COMPANIES REGISTRY

The Company is registered with the Paris Trade and Companies Registry under number 422 800 029. Its business identification (SIRET) number is 422 800 029 00031 and its business activity code is 6820B (leasing of other real estate assets).

2.3. COMPANY INCORPORATION AND TERM OF EXISTENCE

The Company was incorporated on April 22, 1999 for a term of ninety-nine years in the form of a limited liability company. It was converted into a French *société anonyme* (joint-stock corporation) on December 31, 2005.

2.4. REGISTERED OFFICE, LEGAL FORM AND APPLICABLE LEGISLATION

The Company's registered office is located at: 42 rue de Bassano, 75008 Paris, France.

The Company is a French *société anonyme* (joint-stock corporation) with a Board of Directors that is governed by the provisions of the French Commercial Code (*Code de commerce*).

The telephone number for the registered office is: +33 (0)1 42 25 76 36.

2.5. SIIC STATUS

SIIC TAX TREATMENT

The Company has elected for the preferential tax treatment granted to listed real estate investment companies (*Sociétés d'Investissement Immobilières Cotées* – SIICs) in accordance with Article 208 C of the French Tax Code (*Code général des impôts*).

The Company's eligibility for SIIC tax treatment was confirmed by the tax authorities on January 3, 2006 subject to compliance with the conditions laid down by the law.

Article 208 C of the French Tax Code stipulates that a company may elect for SIIC tax treatment provided that it meets all of the following conditions at all times:

– it is listed on a regulated market;

– it has a minimum share capital of EUR 15 million;

– its main corporate purpose is the acquisition or construction of buildings intended for lease or the direct or indirect ownership of shareholdings in entities having the same corporate purpose and liable to the tax treatment applicable to partnerships or liable to corporate income tax;

– its capital or voting rights may not be held at 60% or more by one or several persons acting in concert within the meaning of Article L.233-10 of the French Commercial Code;

If during a fiscal year, the Company fails to comply with this threshold, in principle it shall no longer be eligible for the preferential tax treatment.

However, the 60% condition does not apply if the breach is due to certain specific transactions and is temporary in nature.

More specifically, if during a fiscal year, 60% or more of the company's capital or voting rights comes to be held by one or several persons acting in concert pursuant to a public offer within the meaning of Article L.433-1 of the French Monetary and Financial Code *(Code monétaire et financier*), the condition is deemed to have been met if the percentage holding is reduced to less than 60% before the final date for filing the financial statements for the fiscal year in which the threshold was breached (for companies with a December 31 year end, the final date is the second business day after May 1);

– its capital and voting rights must be held at 15% or more by persons each holding less than 2% of the capital and voting rights on the first day of the financial period in which the Company applies the SIIC tax treatment.

<u>Consequences of the acquisition by the Northwood Concert (as defined below) of shares of the Company on its eligibility for SIIC tax treatment</u>

Following their acquisition of shares of the Company on November 5, 2015, the Northwood entities held 59.78% of the Company's capital and voting rights and consequently did not breach the 60% threshold.

However, as they exceeded the 30% holding threshold, they were required to make a mandatory public offer ("**the Offer**").

The Northwood entities, which held 98.44% of Cegereal's share capital following the tender offer that closed on January 25, 2016, have sold a portion of their Cegereal shares, representing 40.96% of Cegereal's capital, to leading institutional investors acting independently, including an affiliate of GIC, the Singaporean wealth fund, which took up 25%.

At January 19, 2017, the Northwood entities only held 55.38% of the share capital and voting rights of Cegereal.

The Northwood entities' sale of the proportion of their shareholding in Cegereal exceeding 60%, in 2016 and therefore before April 30, 2017, enabled Cegereal to retain its SIIC preferential tax treatment.

ACQUISITION OF THE OPCI K RUEIL

The acquisition by Cegereal of the Kensington property fund (*organisme de placement collectif immobilier* – OPCI) does not affect the Company's eligibility for SIIC preferential tax treatment.

OBLIGATION TO DISTRIBUTE INCOME

SIICs that have elected for preferential tax treatment granted to listed real estate investment companies (*Sociétés d'Investissement Immobilières Cotées* – SIICs) in accordance with Article 208 C of the French Tax Code (*Code général des impôts*) are exempted from paying corporate income tax on the portion of their income resulting from:

– the lease of buildings, provided that 95% of this income is distributed before the end of the fiscal year following the year in which the income is generated;

– capital gains generated on the sale of buildings, shareholdings in partnerships falling within the scope of Article 8 of the French Tax Code and having the same purpose as that of the SIIC, or shareholdings in subsidiaries having elected for preferential tax treatment, provided that 60% of these capital gains are distributed by the end of the second fiscal year following the year in which they were generated;

– dividends received from subsidiaries having elected for preferential tax treatment and resulting from exempt income or from capital gains, and dividends received from SPPICAVs that are at least 5%-owned, provided that they are redistributed in full during the fiscal year following the year in which they were received.

Cegereal's exemption from corporate income tax could be fully or partially contested if it fails to meet this condition.

WITHHOLDING TAX ON DIVIDEND DISTRIBUTIONS

<u>Dividend distributions to NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL:</u>

The dividends distributed by Cegereal in July 2016 to NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL gave rise to the application of the 15% withholding tax provided for in Article 8 of the tax treaty between France and Luxembourg.

<u>Dividend distributions to other shareholders:</u>

Dividend distributions to other shareholders may be subject to withholding tax depending on their tax residence.

20% WITHHOLDING TAX

A 20% withholding tax is payable by SIICs on dividends paid out of tax-exempt income to shareholders, other than natural persons, that hold at least 10% of dividend entitlements in said SIICs, and that are not liable for corporate income tax or another equivalent tax on the dividends received. The amounts received are not deemed to be liable for corporate income tax or another equivalent tax if they are exempt or are liable to a tax that is more than two-thirds lower than the corporate income tax that would have been payable in France at the standard rate.

However, the withholding tax is not due when the beneficiary of the dividend is a company required to distribute the dividend it receives in full and whose shareholders directly or indirectly owning at least 10% of the dividend rights are liable for corporate income tax (or another equivalent tax) as a result of those distributions. The Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.

<u>Dividend distributions to NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL:</u>

Since the dividends distributed by Cegereal in July 2016 to NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL were not paid out of tax-exempt income, withholding tax was not applicable. With regard to future distributions, NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL informed the Company that since dividend distributions made by Cegereal to NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL will be subject to withholding tax at the rate of 15%, provided for in Article 8 of the tax treaty between France and Luxembourg, these dividend distributions will not be liable to the 20% withholding tax, subject to any legislative changes, inasmuch as they will be liable to a tax whose amount is not more than two-thirds lower than the corporate income tax that would have been due in France under ordinary conditions.

Dividend distributions to other shareholders

Cegereal will not be subject to the 20% withholding tax if it is established that no dividends are paid to shareholders other than natural persons meeting both of the following conditions:

(i) the shareholder holds, directly or indirectly, at least 10% of the dividend entitlements in the SIIC at the time the dividends are paid;

(ii) the shareholders' dividend is not subject to corporate income tax or another equivalent tax.

Since the dividends distributed by Cegereal in July 2016 were not paid out of tax-exempt income, withholding tax was not applicable.

In any event, the Company's bylaws stipulate that if the withholding tax applies, it will be paid by the shareholder generating this withholding tax.

ADDITIONAL CORPORATE INCOME TAX CONTRIBUTION (3% OF DISTRIBUTED INCOME)

Amounts to be distributed by SIICs as part of their dividend payment obligations, in accordance with Article 208 C of the French Tax Code, are exempt from the 3% contribution.

In addition, a subsidiary of a company that has elected for preferential treatment as a SIIC is not liable for the contribution if it distributes dividends to another SIIC that holds an interest of over 95% in the company. Consequently, dividends distributed by Prothin to Cegereal are not subject to the 3% contribution.

The July 2016 dividend payment by Cegereal was subject to the 3% contribution as it was not paid pursuant to Cegereal's dividend payment obligations.

2.6. ARTICLES OF INCORPORATION AND BYLAWS

The following paragraphs present the main provisions of the bylaws of Cegereal and of the Internal Rules and Regulations for its Board of Directors on the date of this Registration Document.

CORPORATE PURPOSE (ARTICLE 2 OF THE BYLAWS)

The Company's purpose is, directly or indirectly:

The purpose of the Company, both in France and abroad, is to:

1. acquire, by any means whatsoever, and in particular through purchases, exchanges or contributions in kind, any land, property rights or buildings, whether built or to be built, as well as any assets and rights accessory to or associated with such real estate assets;
2. construct buildings and carry out any operations directly or indirectly linked to the construction of such buildings;
3. operate and develop these buildings, primarily through the leasing thereof;
4. sell and dispose of any real estate assets;

It may carry out all such activities, either directly or indirectly, and either alone or through a partnership, joint venture, group or company or with any other person(s) or companies;

5. hold interests in the entities referred to in Article 8 and sections 1, 2 and 3 of Article 206 of the French Tax Code (*Code général des impôts*), whose main purpose is operating real estate assets for leasing;
6. acquire interests in any companies whose main purpose is operating real estate assets for leasing;
7. assist and provide any administrative, technical, legal, accounting, financial or management services to any of the Company's subsidiaries and any companies in which the Company holds an interest.

And more generally, all financial, commercial or industrial transactions, whether in real or movable property, of any kind whatsoever, directly or indirectly related to the Company's corporate purpose as described above, or to any similar or connected purpose likely to facilitate or promote the Company's expansion or development, in any way whatsoever.

The Company's corporate purpose was amended at the Extraordinary Shareholders' Meeting of May 26, 2016.

BYLAW PROVISIONS RELATING TO THE MANAGEMENT AND EXECUTIVE STRUCTURES – BOARD OF DIRECTORS' INTERNAL RULES AND REGULATIONS

Board of Directors (excerpts from Articles 15 and 16 of the bylaws)

The Company shall be managed by a Board of Directors composed of at least three members and a maximum of eighteen members, except as otherwise provided by law in the case of a merger. The term of office for directors is four years. By way of exception, the terms of office that were initially set at six years shall run until expiration. Directors may be removed from office at any time by the Ordinary Shareholders' Meeting (Article 15 of the bylaws).

The Board of Directors shall elect a Chairman from among its members, who must be an individual, whose compensation shall be determined by the Board where applicable. The Chairman of the Board of Directors shall be appointed for a term that cannot exceed that of his/her term of office as director. The Chairman can be re-elected. The Board of Directors can remove the Chairman from office at any time, any provision to the contrary shall be deemed null and void. The Chairman of the Board shall have and exercise powers under the conditions laid down by Article L.225-51 of the French Commercial Code. If the Chairman of the Board of Directors is not the Chief Executive Officer, the Chief Executive Officer and/or the Deputy Chief Executive Officer(s) shall assist the Chairman in order to obtain information that is useful for the performance of his/her duties.

If it deems it useful, the Board may appoint one or more Vice-Chairmen, whose sole duty is to chair Board meetings and General Shareholders' Meetings in the absence of the Chairman.

The Board of Directors shall have the powers and perform its assignment under the conditions laid down by Article L.225-35 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws.

Each Board member shall receive directors' fees according to the allocation defined by the Board of Directors of the overall amount set by the Ordinary Shareholders' Meeting. Each Board member may also receive exceptional compensation in respect of his/her involvement in a committee or a specific assignment (Article 6 of the Internal Rules and Regulations).

Board meetings shall be convened by all means, including orally, by the Chairman of the Board. When the Board has not met for more than two months, at least one-third of the Board members can ask the Chairman of the Board of Directors to convene the Board to meet on a specific agenda. If the Chief Executive Officer does not perform the duties of Chairman of the Board, he/she can also ask the Chairman of the Board to convene the Board to meet on a specific agenda. The Chairman of the Board shall be bound by requests made to him/her in this way.

Board meetings shall be held at the registered office or at any other place specified in the convening notice.

These meetings may be held through videoconference means or by any other means of telecommunication that allows for the identification of the directors, guarantees their effective participation in the meeting of the Board and allows for uninterrupted broadcasting of the discussions and decisions, within the scope of the applicable provisions of the law and regulations, it being specified that discussions relating to the adoption of the decisions referred to in paragraph 3 of Article L.225-37 of the French Commercial Code cannot be held by videoconference.

Decisions shall be made under the quorum and majority conditions laid down by law.

Non-voting directors (Article 19 of the bylaws)

The Ordinary Shareholders' Meeting may appoint one or more persons, who may or may not be chosen from among the shareholders, to act as non-voting directors. The assignment of the non-voting directors is to issue opinions and suggestions to the Company's committees and to assist the Board of Directors in determining corporate strategy. The non-voting directors may be chosen from among the committee members.

The non-voting directors shall be appointed for a term of three years. Their term of office shall expire at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the third fiscal year that follows the year during which they were appointed. Non voting directors can be reelected. Each non-voting director can be removed from office at any time by the Ordinary Shareholders' Meeting.

The non-voting directors shall have access to the same information as that made available to the members of the Board of Directors. The non-voting directors may be invited to attend any meeting of the Board of Directors. They are not allowed to vote at Board meetings, however.

Method of general management (excerpt from Article 17 of the bylaws)

The general management of the Company shall be placed under the responsibility of either the Chairman of the Board of Directors, or another individual appointed by the Board of Directors who shall have the title of Chief Executive Officer.

The choice between these two methods of exercising general management shall be made by the Board of Directors, which must inform the shareholders and third parties thereof under the regulatory conditions.

The Board's decision as to how the general management will be exercised shall be taken by the majority of the directors who are present or represented. The Board shall determine the duration of the option; in any event, the Board's decision on this point shall remain valid until a decision to the contrary is taken.

When the Board of Directors chooses to separate the duties of the Chairman of the Board of Directors from those of the Chief Executive Officer, it shall appoint the Chief Executive Officer, who need not be a director, set his/her term of office, determine his/her compensation and, where applicable, the limits on his/her powers. The Chief Executive Officer shall have the powers and perform his/her assignment under the conditions laid down by Article L.225-56 of the French Commercial Code, by the Internal Rules and Regulations adopted by the Board of Directors and by the Company's bylaws. The Board of Directors can remove the Chief Executive Officer from office at any time. If the removal from office is decided without due grounds, it may give rise to damages, unless the Chief Executive Officer is also Chairman of the Board of Directors.

On the recommendation of the Chief Executive Officer, the Board of Directors can appoint one or more individuals who are responsible for assisting the Chief Executive Officer and who shall have the title of Deputy Chief Executive Officer. The Board of Directors shall determine the compensation of the Deputy Chief Executive Officer(s) and, in agreement with the Chief Executive Officer, the scope and duration of the powers of the Deputy Chief Executive Officer(s). With regard to third parties, the Deputy Chief Executive Officer(s) shall have the same powers and be subject to the same obligations as the Chief Executive Officer. When the Chief Executive Officer ceases or is unable to perform his/her duties, the Deputy Chief Executive Officer(s), unless decided otherwise by the Board of Directors, shall continue to exercise their duties and responsibilities until a new Chief Executive Officer is appointed. The Board of Directors, on the recommendation of the Chief Executive Officer, can remove the Deputy Chief Executive Officer(s) from office at any time. If the removal from office is decided without due grounds, it can give rise to the payment of damages.

Internal Rules and Regulations of the Board of Directors

The Company's Board of Directors adopted Internal Rules and Regulations which supplement and clarify the terms and conditions of its operation, as provided by law and the Company's bylaws. These Internal Rules and Regulations specify, in particular, how the Board is organized and operates, as well as its powers and responsibilities and those of its committees and the limitations to the powers of Executive Management.

A Directors' Charter, which is attached to these Internal Rules and Regulations, specifies the conditions under which all Company directors are required to perform their duties.

RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

Each ordinary share entitles holders, under the conditions provided for by law and regulations, to exercise and enjoy monetary and non-monetary rights. Shareholders only bear losses up to the amounts paid in.

The voting right attached to shares is proportional to the portion of the capital the shares represent and each share grants the right to one vote.

Limits on voting rights

None

Double voting rights (excerpt from Article 11 of the bylaws)

Pursuant to the twenty-third resolution passed by the Extraordinary Shareholders' Meeting of April 15, 2015, the shareholders decided not to confer double voting rights pursuant to law 2014-384 of March 29, 2014 on the shareholders referred to in Article L.225-123, paragraph 3, of the French Commercial Code.

Bylaw provisions relating to the allocation of profits, the payment of dividends and interim dividends (excerpt from Article 27 of the bylaws)

The profit for the fiscal year, less prior losses carried forward and amounts allocated to the legal reserve, plus prior profits carried forward, constitutes the distributable profit. In addition to the distributable profit, under the conditions defined by law, the Ordinary Shareholders' Meeting can decide to distribute amounts drawn from the reserves to which the shareholders are entitled.

After approval of the annual financial statements and verification of the existence of distributable amounts, the Ordinary Shareholders' Meeting decides the portion allocated to shareholders in the form of dividends.

Insofar as the Company has elected for the tax treatment referred to in Article 208 C of the French Tax Code, the amount of the distributable profit shall be determined in accordance with the provisions of the second, third and fourth paragraphs of Article 208 C II of said Code, in order to allow the Company to benefit from the provisions of Article 208 C II.

The General Shareholders' Meeting has the option of offering shareholders the choice between payment in cash or in shares, for all or part of the securities that grant the right to the payment of dividends, within the scope of the relevant provisions of the law and regulations.

Interim dividends can also be distributed before the approval of the financial statements for the fiscal year, under the conditions laid down by law.

For all or part of the interim dividends paid, shareholders can be offered the option of payment in cash or in shares.

Lastly, all shareholders, other than individuals:

(i) that directly or indirectly hold at least 10% of the Company's dividend rights, at the time of any payment of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, and

(ii) whose specific situation or that of its partners who directly or indirectly hold 10% or more of the Company's dividend rights, in respect of all payments of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, render the Company liable for the 20% withholding tax referred to in Article 208 C II ter of the French Tax Code (the "withholding tax") (such shareholders are referred to as "shareholders subject to withholding tax");

shall owe the Company, when any dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code are paid, an amount that shall be set in such a way as to neutralize completely the withholding tax owed by the Company in respect of said payment.

If there is more than one shareholder subject to withholding tax, each of them shall owe the Company the portion of the withholding tax triggered by its direct or indirect shareholding. The status of shareholder subject to withholding tax shall be assessed on the date the payment is distributed.

Subject to the information provided in accordance with Article 10 of the bylaws, all shareholders, other than individuals, that directly or indirectly hold at least 10% of the Company's dividend rights shall be presumed to be shareholders subject to withholding tax.

The amount of any debt owed by a shareholder subject to withholding tax shall be calculated in such a way that, after the debt is paid and in light of any tax treatment applicable to it, the Company is placed in the same position as though the withholding tax had not been triggered.

The payment of any distribution to a shareholder subject to withholding tax shall be made by an entry in said shareholder's individual current account (which shall not bear interest). The current account balance shall be repaid within five business days as from said entry, after offsetting against the monies owed by the shareholder subject to withholding tax pursuant to the provisions set out above.

The General Shareholders' Meeting can grant each shareholder, for all or part of the dividend or interim dividend payment, an option between payment in cash or in shares. If a shareholder subject to withholding tax opts for the payment of its dividend in shares, said shareholder shall receive part of the payment in shares (without creating fractional shares), and the other part in cash (this portion shall take the form of an individual current account entry), so that the offsetting mechanism described above can apply to the portion of the dividend payment made by an entry in the individual current account.

In the event of a distribution at the time of a public exchange offer, the Company shall only deliver the shares owed to the shareholder subject to withholding tax in respect of its involvement in the exchange after full payment in cash of the monies owed by the shareholder subject to withholding tax to the Company pursuant to the provisions set out above.

In the event that:

(i) subsequent to a payment by the Company of dividends, reserves, premiums or income deemed distributed within the meaning of the French Tax Code, a shareholder is found to be a shareholder subject to withholding tax on the date of payment of said monies; and

(ii) the Company should have paid the withholding tax in respect of the monies thus paid to said shareholder, without said monies having been reduced as required, said shareholder subject to withholding tax shall be required to pay the Company not only the amount it owed to the Company pursuant to the provisions of this article, but also an amount equal to the penalties and default interest, where applicable, owed by the Company as a result of the late payment of the withholding tax.

Where applicable, the Company may set off its receivable in this regard pro tanto against all monies that may subsequently be owed to said shareholder subject to withholding tax.

CHANGES TO THE CAPITAL AND THE RIGHTS ATTACHED TO SHARES (ARTICLE 8 OF THE BYLAWS)

The share capital can be increased by any method and in any way authorized by law. The Extraordinary Shareholders' Meeting has the sole power to decide on any immediate or deferred increases in capital. The meeting can delegate this power to the Board of Directors under the conditions laid down by law.

The Extraordinary Shareholders' Meeting can also, under the terms and conditions laid down by law, authorize a capital reduction or decide to reduce the capital for any reason and in any way whatsoever. However, capital reductions cannot undermine shareholder equality in any way.

The provisions of the bylaws that govern changes in the Company's share capital are no stricter than those imposed by law.

GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 23 OF THE BYLAWS)

General Shareholders' Meetings shall be convened and deliberate under the quorum and majority conditions laid down by law.

They shall be held at the registered office or at any other place specified in the convening notice.

All shareholders are entitled to attend General Shareholders' Meetings and to take part in the vote in person or via proxy, upon presentation of proof of their identity and title to their securities, provided that:

– for holders of registered shares, the securities are recorded in the accounts of registered shares kept by the Company, in the name of the shareholder;

– for holders of bearer shares, the securities are recorded in the accounts of bearer shares kept by the accredited financial intermediary, and evidenced by a share ownership certificate.

These formalities must be carried out at the latest on the second business day prior to the meeting at midnight, Paris time (Article R.225-85 amended of the French Commercial Code).

The Board of Directors may reduce this timeframe via a general measure that benefits all the shareholders.

All shareholders can vote prior to the meeting by post or electronically, in accordance with legal and regulatory terms and conditions.

The shareholders can, under the conditions laid down by the laws and regulations, send their proxy form or postal vote form for any General Shareholders' Meeting on paper or electronically pursuant to a decision by the Board of Directors stated in the convening notice, in accordance with the regulations in force.

Shareholders shall be deemed to be present for the calculation of the quorum and majority if they attend the meeting by videoconference or by other means of telecommunication that make it possible to identify them, in accordance with legal and regulatory conditions.

General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors, or in his/her absence, by the director who has been on the Board the longest. An attendance sheet shall be drawn up under the conditions laid down by law.

Decisions at General Shareholders' Meetings shall be taken under the quorum and majority conditions laid down by law.

CROSSING THE THRESHOLDS SET IN THE BYLAWS (ARTICLE 10 OF THE BYLAWS)

In addition to the thresholds provided for by the applicable laws and regulations, any individual or legal entity, acting alone or in concert, that acquires or disposes of, directly or indirectly through one or more companies over which it has majority control, 3% or more of the share capital and/or voting rights, shall inform the Company of each additional fraction of 2% of the capital and/or voting rights held, up to 33%, within five trading days from the crossing of said threshold(s), by registered letter with return receipt requested sent to the Company's registered office, specifying the total number of shares or securities that grant access to the capital, as well as the number of voting rights it holds, alone, indirectly or together with other shareholders, on the basis of the most recent number of voting rights published by the Company.

In the event of failure to comply with this disclosure obligation, one or more shareholders that hold at least 5% of the capital or voting rights can request that the shares exceeding the fraction that should have been disclosed be stripped of voting rights for all Shareholders' Meetings that are held, until the expiration of a two-year period following the date on which the disclosure obligation is complied with. The request shall be recorded in the minutes of the General Shareholders' Meeting. Under the same conditions, the voting rights attached to these shares and that were not duly disclosed cannot be delegated by the defaulting shareholder.

The disclosure obligation described above must be complied with in addition to legal disclosure threshold obligations, in particular those referred to in Article L.233-7 of the French Commercial Code.

Lastly, all shareholders, other than individuals, that hold and/or acquire 10% of the Company's dividend rights, directly or through entities they control, within the meaning of Article L.233-3 of the French Commercial Code, must state in their disclosure threshold notice or subsequent thereto, whether or not the entity is a shareholder subject to withholding tax as defined in Article 27 of the bylaws. If the shareholder declares that it is not a shareholder subject to withholding tax, it must comply with any request by the Company to provide proof thereof and/or a legal opinion issued by an internationally renowned tax firm at the latest ten (10) business days before payment of the distributions.

All shareholders, other than individuals, that report that they have exceeded the threshold of 10% of the dividend rights, directly or indirectly, must notify the Company in a timely manner, and in any event at the latest ten (10) business days before the distributions are made, of any change in their tax status that would cause them to acquire or lose the status of shareholder subject to withholding tax.

If they are not declared under the conditions provided for in the previous paragraph of this article, the shares that exceed the disclosure threshold shall be stripped of voting rights in Shareholders' Meetings if, during a meeting, the failure to declare is recorded and if one or more shareholders that together hold at least 2% of the capital make a request to this effect during such meeting. The removal of voting rights shall also apply to all Shareholders' Meetings that are held until the expiration of a two-year period following the date on which the disclosure obligation is complied with.

The shares of all shareholders subject to withholding tax shall be issuer-registered.

3. Related-party transactions

3.1. ASSET MANAGEMENT AGREEMENT

3.1.1. ASSET MANAGEMENT AGREEMENT BETWEEN PROTHIN AND NORTHWOOD INVESTORS FRANCE ASSET MANAGEMENT

On December 16, 2015, Northwood Investors France Asset Management SAS (the "**Advisor**") and Prothin entered into an advisory services agreement amended on December 23, 2016, effective January 1, 2016 for an initial term of six years (the "**Prothin ASA**"), the key terms of which are summarized below.

Services provided under the Prothin ASA

Under the terms of the ASA, the Advisor is responsible for advising Prothin on and assisting it in identifying investment opportunities, handling due diligence procedures and feasibility studies, and structuring and negotiating transactions and the related legal documentation, in liaison with general management and under the control of Prothin and any representatives it may appoint.

The Advisor also provides Prothin with advice on and assistance in (i) preparing and executing the annual business plan, (ii) determining and monitoring the implementation of Prothin's letting strategy, (iii) planning and supervising the key investment activities and (iv) Prothin's relations and interactions with existing and future investors.

The agreement also gives Prothin a right of first refusal over investment opportunities identified by Northwood Investors that are in keeping with the Group's strategy. Should Prothin decline such an investment opportunity due to a negative vote by one or several of the Company's directors appointed by Northwood Investors, Northwood Investors may not complete the investment directly if all the other directors of the Company approved the transaction.

Fees and alignment of the Advisor's interests with those of the Group

The Advisor will receive the following fees:

Advisory fee

An advisory fee equal to 0.75% of the Group's EPRA NNNAV is payable quarterly in advance (the calculation only includes the proportion of net asset value that Prothin represents relative to that of Ceregeal and its subsidiaries or affiliates).

Incentive fee

An incentive fee will also be paid to encourage the Advisor to create value for the shareholders ("Value Growth").

Value Growth is determined on the basis of growth in the Group's EPRA NNNAV over a period of three years adjusted upwards for dividend distributions and downwards for capital increases made over that period (the calculation only includes the proportion of net asset value that Prothin represents relative to that of Ceregeal and its subsidiaries or affiliates). The incentive fee is equal to a maximum of 10% of Value Growth, provided that an annualized IRR of at least 6% is achieved (the "Initial Hurdle"). A catch-up clause divides the proportion of Value Growth in excess of the Initial Hurdle equally between the Advisor and Prothin until the point that the incentive fee reaches 10% of Value Growth. Beyond that hurdle, the total incentive fee is 10% of Value Growth.

No specific fees are due in the event of the sale or acquisition of real estate assets, as the incentive is fee is structured in such a way as to encourage long-term value creation.

Furthermore, to better align the interests of the Advisor with those of the Group and therefore encourage the Advisor to maximize Prothin's long-term performance, the Prothin ASA requires the Advisor to invest the net amount of incentive fees received (i.e., net of VAT and after taxes) in shares of the Company via the exercise of share subscription warrants. The shares obtained will be subject to a lock-up period of (i) twelve months for 100% of the shares, (ii) twenty-four months for 66.66% of the shares and (iii) thirty-six months for 33.33% of the shares. Beyond that, no restrictions will apply.

3.1.2. ASSET MANAGEMENT AGREEMENT BETWEEN HANAMI RUEIL SCI AND NORTHWOOD INVESTORS FRANCE ASSET MANAGEMENT

On December 23, 2016, Northwood Investors France Asset Management SAS (the "**Adviser**") and Hanami Rueil SCI entered into an advisory services agreement, effective December 23, 2016 for an initial term of 6 years (the "**SCI Hanami Rueil ASA**") along the same lines as the Prothin ASA.

4. Employees

At December 31, 2016, the Company had three employees.

The small number of employees within the Group can be explained by the fact that the Group outsources all administrative, financial, accounting, legal, tax and IT services to external service providers. Likewise, all of the Group's property management services are outsourced to Yxime. In this respect, some five Yxime employees are responsible for the day-to-day management of the Group's real estate assets, mainly management of rents and service charges, facility management, reception and security.

The Company is governed by the French National Collective Bargaining Agreement for the Real Estate sector – Property Managers – Real Estate companies and Estate Agents.

The Group has not encountered any specific difficulties in hiring personnel. There were no dismissals within the Group during the year ended December 31, 2016.

The Group does not use any external manpower.

No mass layoff plans have been implemented.

Due to the Company's structure, it has no employee representatives.

Employee share ownership and stock options

At December 31, 2016, there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

The Group's employees have not been granted any stock subscription or purchase options.

Mandatory and optional employee profit-sharing

On June 30, 2016, the Company set up an employee incentive plan for the years 2016, 2017 and 2018.

Information on the Group's CSR policy – employment issues

In application of Article L.225-102-1 of the French Commercial Code, derived from law no. 2010-788 of July 12, 2010, information on Cegereal's employment policy is presented below.

Cegereal's HR values are as follows:

– Equal treatment of employees;

– Training employees and ensuring that they develop their skills;

– Involving our employees in the development of our strategy.

The employment indicators for 2016 were as follows:

– 100% of employees are women, bearing in mind that Raphaël Tréguier, Chief Executive Officer, and Jérôme Anselme, Deputy Chief Executive Officer, are not employees of the Company or any of its subsidiaries;

– 66% of employees are on permanent contracts while the remaining 33% are on professional training contracts;

– 100% of employees on permanent contracts received training in 2016, mainly English language training. A total of 40 training hours were completed.

Training

40 hours of training were completed by Group employees in 2016.

A detailed evaluation of each employee following training courses is carried out at the start of each year during the annual assessments. This ensures that all employees have equal access to training.

Industrial relations

Due to Cegereal's limited number of employees, the Company does not have a staff representative body.

Equal treatment

All of the Company's employees are treated fairly and have equal access to professional training opportunities. Each employee takes part in a biannual performance review with Management.

Cegereal ensures that there is no discrimination towards its employees or partners.

Promotion and compliance with the fundamental conventions of the International Labor Organization

The Group is governed by French law and undertakes to comply with the French Labor Code in its entirety, particularly the aspects concerning child labor, forced labor and the employment of people with disabilities.

The nature of the Group's property business, which consists of managing office buildings, does not pose any significant risks in relation to the working conditions of its employees.

Food waste

As Cegereal's business is property management, it is not directly affected by risks related to food waste.

However, when selecting its food service providers for each of its assets, Cegereal pays close attention to the measures they take with regard to food waste.

2016 Employment data

Headcount	2016	2015
Total headcount	3	4
of which men	*0*	*1*
of which women	*3*	*3*
AVERAGE AGE OF EMPLOYEES	38	40
Employee turnover		
External recruitment	0	2
Departures	0	1
of which dismissals	*0*	*0*
Compensation		
Total payroll (in thousands of euros)	1,094	710
Change (%)	*54%*	*29.25%*
Training		
Total number of hours of training	40	60
% of trained employees	*100%*	*100%*
A detailed evaluation of each employee following training courses is carried out at the start of each year during the annual assessments. This ensures that all employees have equal access to training		
Working time – absenteeism		
Theoretical number of hours worked	3,905	6,065
Absenteeism rate	21.6%	2.37%
of which work accidents	*0%*	*0%*
of which occupational diseases	*5%*	*0%*
of which sick leave	*16.2%*	*0%*

5. Share capital

5.1. INFORMATION ON THE SHARE CAPITAL

5.1.1 AMOUNT OF THE CAPITAL

As of the date of this Registration Document, the share capital is set at EUR 66,862,500.

It is divided into 13,372,500 ordinary shares with a par value of EUR 5 per share.

Pursuant to the deliberations of the Extraordinary Shareholders' Meeting of February 18, 2016 and by virtue of the deliberations of the Board of Directors' meeting of October 25, 2016, it was decided to reduce the share capital by an amount of EUR 93,607,500 by reducing the par value of the shares making up the capital of the Company from EUR 12 to EUR 5. The share capital was therefore reduced from EUR 160,470,000 to EUR 66,862,500.

The Company's shares have all been subscribed and fully paid up and are all of the same class.

5.1.2 ALLOCATION OF CAPITAL AND VOTING RIGHTS

At December 31, 2016, the total number of shares in issue was 13,372,500. As of the date of this Registration Document, no shareholder holds specific voting rights. There are no shares with double voting rights. However, the number of voting rights must be adjusted to take into account treasury shares, which do not carry voting rights.

The table below shows the allocation of capital and voting rights at December 31, 2016, to the best of the Company's knowledge.

Ownership structure at December 31, 2016	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood	7,405,494	55.38%	7,405,494	55.38%	7,405,494	55.44%
GIC	3,343,125	25.00%	3,343,125	25.00%	3,343,125	25.03%
AXA	701,332	5.24%	701,332	5.24%	701,332	5.25%
University of Texas	701,378	5.24%	701,378	5.24%	701,378	5.25%
Silas[1]	552,826	4.13%	552,826	4.13%	552,826	4.14%
Gothic	420,827	3.15%	420,827	3.15%	420,827	3.15%
Free float	232,335	1.74%	232,335	1.74%	232,335	1.74%
Treasury shares	15,183	0.11%	15,183	0.11%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,372,500	100%

(1) 50113 Investment Holdings LLC, 30314 Investment Holdings LLC and Silas Holding I LLC, governed by the laws of the state of Delaware acted in concert for the acquisition of 4.13% of the Company's capital and voting rights.

To the Company's knowledge, no other shareholder, acting alone or in concert, directly or indirectly holds more than 3% of the capital or voting rights.

At December 31, 2016, with the presence of representatives of Northwood and GIC on its Board of Directors, the percentages of the capital and voting rights held by all the members of the management and executive bodies were 80.38% and 80.47%, respectively.

At December 31, 2016 there was no employee share ownership as defined in Article L.225-102 of the French Commercial Code.

To the Company's knowledge, there are no significant pledges of issuer-registered Cegereal shares.

The Company has not pledged its treasury shares.

5.1.3 CHANGES IN SHARE CAPITAL OVER THE PAST THREE YEARS

From December 31, 2016 to the date of this Registration Document, there has been no significant change in the ownership of the capital or voting rights.

Ownership structure at December 31, 2016	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood	7,405,494	55.38%	7,405,494	55.38%	7,405,494	55.44%
GIC	3,343,125	25.00%	3,343,125	25.00%	3,343,125	25.03%
AXA	701,332	5.24%	701,332	5.24%	701,332	5.25%
University of Texas	701,378	5.24%	701,378	5.24%	701,378	5.25%
Silas (1)	552,826	4.13%	552,826	4.13%	552,826	4.14%
Gothic	420,827	3.15%	420,827	3.15%	420,827	3.15%
Free float	232,335	1.74%	232,335	1.74%	232,335	1.74%
Treasury shares	15,183	0.11%	15,183	0.11%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,372,500	100%

(1) 50113 Investment Holdings LLC, 30314 Investment Holdings LLC and Silas Holding I LLC, governed by the laws of the state of Delaware acted in concert for the acquisition of 4.13% of the Company's capital and voting rights.

Ownership structure at December 31, 2015	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
Northwood	7,993,489	59.78%	7,993,489	59.78%	7,993,489	59.84%
Free float	1,868,151	13.97%	1,868,151	13.97%	1,868,151	13.98%
Covéa	1,877,555	14.04%	1,877,555	14.04%	1,877,555	14.05%
Debioholding SA	947,782	7.09%	947,782	7.09%	947,782	7.09%
Moneta Asset Management	671,985	5.03%	671,985	5.03%	671,985	5.03%
Treasury shares	13,538	0.10%	13,538	0.10%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,358,962	100%

Ownership structure at December 31, 2014	Shares		Theoretical voting rights		Voting rights exercisable at the General Shareholders' Meeting	
	Number	%	Number	%	Number	%
CRI	7,993,757	59.78%	7,993,757	59.78%	7,993,757	59.88%
Free float	2,541,118	19.00%	2,541,118	19.00%	2,541,118	19.03%
Covéa	1,867,888	13.97%	1,867,888	13.97%	1,867,888	13.99%
Debioholding SA	947,782	7.09%	947,782	7.09%	947,782	7.10%
Treasury shares	21,955	0.16%	21,955	0.16%	-	0.00%
Total	13,372,500	100%	13,372,500	100%	13,350,545	100%

5.1.4 OTHER SECURITIES THAT GRANT ACCESS TO CAPITAL

In accordance with the authorization granted by the Extraordinary Shareholders' Meeting of February 18, 2016, on April 14, 2016 the Board of Directors decided to issue 865,000 share subscription warrants ("**BSA**") at a unit price of EUR 0.01, each granting eligibility to subscribe to one new ordinary share of the Company. The share subscription warrants must be exercised no later than June 30, 2022.

865,000 of the share subscription warrants are reserved for Northwood Investors France Asset Management SAS (a French *société par actions simplifiée* [simplified joint-stock corporation]) registered with the Paris Trade and Companies Registry under number 814 490 645), and grant eligibility to subscribe, in accordance with the conditions set out in the issue agreement, to 865,000 new ordinary shares.

The subscription price for one ordinary share of the Company through the exercise of one share subscription warrant will be equal to the volume-weighted average share price during the 20 trading days prior to the exercise date.

Northwood Investors France Asset Management SAS may only subscribe to new shares of the Company by exercising share subscription warrants if it is owed an incentive fee pursuant to the terms and conditions of the Advisory Services Agreement. In the event that Northwood Investors France Asset Management SAS is unable to subscribe to new shares by exercising share subscription warrants, it will receive said incentive fee in cash.

In principle, should the Company decide to carry out financial operations that could result in the dilution of share subscription warrant holders' rights or a decrease in the Company's share price, the initial exercise basis for the as yet unexercised share subscription warrants should be adjusted. The distribution of reserves in an amount of EUR 2 per share, as decided by the General Shareholders' Meeting of May 26, 2016, falls into the above category of operations. However, insofar as the subscription price for one ordinary share of the Company through the exercise of one share subscription warrant will be equal to the volume-weighted average share price during the 20 trading days prior to the exercise date, the necessary adjustment will automatically be included in the exercise price. There is therefore no need to adjust the rights of share subscription warrant holders. The same applies to the reduction in share capital for reasons other than losses in an amount of EUR 93,607,500 by transferring said amount to additional paid-in capital, as decided by the Board of Directors' Meeting of October 25, 2016 following the authorization granted by the Extraordinary Shareholders' Meeting on February 18, 2016, in the absence of the dilution of the share subscription warrant holders' rights or a decrease in the intrinsic value of the Cegereal shares concerned by said share subscription warrants.

5.1.5 AMOUNT OF THE SHARE CAPITAL AUTHORIZED, BUT NOT ISSUED

1) The Ordinary and Extraordinary Shareholders' Meeting on April 15, 2015 delegated authority to the Board of Directors to issue, on one or several occasions and in proportions and at such time as it deems appropriate, in euros, foreign currencies or any other unit of account established based on a currency basket, ordinary shares and/or ordinary shares granting access to other ordinary shares or debt securities, and/or securities granting access to ordinary shares to be issued by the Company, based on the Company's needs and in light of the market characteristics at the relevant time.

The aggregate nominal amount of shares that may be granted with pre-emptive subscription rights shall not exceed EUR 300,000,000. The aggregate nominal amount of shares that may be granted without pre-emptive subscription rights by public offering or private placement is expected to be EUR 300,000,000. In the event of a private placement, this amount shall also be capped at 20% of the share capital per year. These amounts do not include the nominal value of ordinary shares that may be issued to maintain the rights of holders of securities granting access to the share capital, in accordance with legal provisions and, where applicable, contractual provisions providing for other adjustments.

On the same date, the Ordinary and Extraordinary Shareholders' Meeting also delegated authority to the Board of Directors to:

– In the event of the cancelation of pre-emptive subscription rights, set the issue price, within the limit of 10% of the share capital per year and according to the conditions determined by the General Shareholders' Meeting.

– Increase the amount of shares issued in the event of over-subscription.

– Issue ordinary shares and/or securities granting access to the share capital, within the limit of 10% of the share capital, in consideration of contributions of shares or securities granting access to the Company's share capital.

– Capitalize all or part of reserves, profits and additional paid-in capital by raising the par value or granting ordinary free shares.

These authorizations, which are valid for a period of 26 months as of the General Shareholders' Meeting of April 15, 2015, have not been used as of the date hereof. Nevertheless, given that they are due to expire on June 14, 2017, the shareholders are invited to renew them at the General Shareholders' Meeting to be held to approve the 2016 financial statements, for a period of 26 months in order to allow the Board of Directors to carry out such operations.

2) The General Shareholders' Meeting of February 18, 2016 delegated authority to the Board of Directors to issue a maximum number of 865,000 share subscription warrants ("BSA") entitling the holders to subscribe for a maximum number of 865,000 new ordinary shares of the Company without pre-emptive subscription rights in favor of Northwood Investors France Asset Management SAS (a *société par actions simplifiée* registered with the Paris Trade and Companies Registry under number 814 490 645). This authorization was used in full by decision of the Board of Directors' meeting on April 14, 2016 (see section 5.1.4 "Other securities that grant access to capital").

3) The General Shareholders' Meeting of February 18, 2016 also authorized the Board of Directors to reduce the share capital for reasons other than losses, by reducing the par value of each of the shares comprising the capital of the Company on the date on which the Board of Directors implements the shareholders' resolution, from EUR 12 to EUR 5. The Board of Directors' meeting of October 25, 2016 used this authorization in full. The share capital was reduced by an amount of EUR 93,607,500 from EUR 160,470,000 to EUR 66,862,500 by transferring the said amount to additional paid-in capital (see paragraph 5.1.1 "Share capital").

4) The General Shareholders' Meeting of May 26, 2016 delegated authority to the Board of Directors to grant free existing shares or shares to be issued by the Company to employees and/or corporate officers of the Company and/or its subsidiaries representing a maximum of 0.5% of the share capital. Valid for a period of 38 months as of the General Shareholders' Meeting of May 26, 2016, this authorization has been partially used pursuant to a decision of the Board of Directors at its meeting on July 7, 2016 (see section 5.7 “Options and performance shares”).

5.1.6 SUMMARY TABLE OF VALID DELEGATIONS OF FINANCIAL AUTHORITY

Shares affected Date of General Shareholders' Meeting (Term of the authorization and expiration)	Authorized amount	Use of authorization
1. Issues with pre-emptive subscription rights		
Share capital increase by issuing shares and/or securities granting access to the capital and/or the issuance of securities AGM of April 15, 2015 - 15th resolution (maximum 26 months, expires on June 14, 2017)	**Maximum amount of share capital increase** EUR 300 million	None
Share capital increase by capitalizing reserves, profits or premiums AGM of April 15, 2015 - 14th resolution (maximum 26 months, expires on June 14, 2017)	**Maximum amount of share capital increase** EUR 300 million	None
2. Issues without pre-emptive subscription rights		
Share capital increase by issuing shares and/or securities granting access to the capital in connection with a public offer (A) AGM of April 15, 2015 - 16th resolution (maximum 26 months, expires on June 14, 2017)	**Maximum amount of share capital increase** EUR 300 million (A) + (B) capped at EUR 300 million	None
Share capital increase by issuing shares and/or securities granting access to the capital in connection with a private placement (B) AGM of April 15, 2015 - 17th resolution (maximum 26 months, expires on June 14, 2017)	**Maximum amount of share capital increase** EUR 300 million (A) + (B) capped at EUR 300 million + 20% of the share capital per year	None
Share capital increase in consideration of in-kind contributions AGM of April 15, 2015 - 20th resolution (maximum 26 months, expires on June 14, 2017)	**Maximum amount of share capital increase** 10% of adjusted share capital per year	None
Issue of freely priced shares AGM of April 15, 2015 - 18th resolution (maximum 26 months, expires on June 14, 2017)	**Maximum amount of share capital increase** 10% of adjusted share capital per year (A) + (B) capped at EUR 300 million	None
Share capital increase by issuing shares for members of an employee savings plan AGM of May 26, 2016 - 14th resolution (maximum 26 months, expires on July 26, 2018)	**Maximum amount of share capital increase** 1% of adjusted share capital	None
Share subscription warrants ("BSA") AGM of February 18, 2016 - 6th resolution (maximum 12 months, expires on February 18, 2017)	**Maximum number of share subscription warrants to be issued** 865,000	Issue of 865,000 BSAs on April 14, 2016
Performance shares AGM of May 26, 2016 - 13th resolution (maximum 38 months, expires on July 26, 2019)	**Maximum number of performance shares (existing or to be issued)** 0.5% of the share capital on the date of the Shareholders' Meeting's decision Shares granted to (i) employees, and (ii) executive corporate officers	Grant of 5,349 shares to be issued on July 7, 2016

Shares affected Date of General Shareholders' Meeting (Term of the authorization and expiration)	Authorized amount	Use of authorization
3. Issues with or without pre-emptive subscription rights		
Increase in the number of shares to be issued in the event of share capital increases AGM of April 15, 2015 - 19th resolution (maximum 26 months, expires on June 14, 2017)	**Maximum amount of share capital increase** 15% of initial issue	None
4. Share buy-backs		
Performance shares AGM of May 26, 2016 - 11th resolution (maximum 18 months, expires on November 26, 2017)	**Maximum number of shares that can be bought bac** 10% of adjusted share capital or 5% in the event of share buy-backs in view of external growth transactions Maximum number of shares that can be held by the Company: 10% of the share capital Maximum buy-back price: EUR 45 per share Maximum aggregate amount of the share buy-back program: EUR 60,176,250	None
Share capital reduction by canceling treasury shares AGM of May 26, 2016 - 12th resolution (maximum 24 months, expires on May 26, 2018)	**Maximum number of shares that can be canceled in any 24-month period** 10% of the shares comprising the adjusted share capital	None
Share capital reduction for reasons other than losses by reducing the par value of the shares from EUR 12 to EUR 5 AGM of February 18, 2016 - 7th resolution (maximum 12 months, expiring on February 18, 2017)	**Maximum amount of the share capital reduction** EUR 93,607,500	EUR 93,607,500 by transferring said amount to additional paid-in capital, as decided on October 25, 2016

5.1.7 SECURITIES THAT DO NOT REPRESENT CAPITAL

Not applicable

5.2. TRANSACTIONS IN THE COMPANY'S OWN SHARES

The Ordinary and Extraordinary Shareholders' Meeting of May 26, 2016 renewed the delegation of authority granted to the Board of Directors, for a period of 18 months, to purchase, on one or several occasions and at such time as it deems appropriate, Company shares within the limit of 10% of the number of shares composing the share capital (5% in the event of share buy-backs in view of external growth transactions), at any time, where applicable adjusted to include any increases or decreases in capital that may have been implemented during the duration of the buy-back program.

Within the scope of this share buy-back program, the Company carried out the following sale and purchase transactions involving its own shares between the opening and closing dates of the last fiscal year:

– Number of shares purchased: 14,423;

– Average purchase price: EUR 36.38 (gross);

– Number of shares sold: 13,042;

– Average sale price: EUR 37.00 (gross);

– Reasons for the acquisitions: market stimulation (100%).

At December 31, 2016, the Company held 14,919 treasury shares with a market value of EUR 37.71 each (closing value).

The reason for the acquisitions was solely market stimulation. Shares held by the Company have not been allocated for other purposes since the last authorization granted by the General Shareholders' Meeting.

DESCRIPTION OF THE SHARE BUY-BACK PROGRAM

In compliance with the provisions of Article 241-2 of the AMF's General Regulations and European Regulation no. 2273/2003 of December 22, 2003, the aim of this description is to state the purposes, terms and conditions of the Company's share buy-back program.

This program is subject to the authorization of the General Shareholders' Meeting to be held on April 20, 2017.

Breakdown of treasury shares by objective, as at December 31, 2016.

Number of treasury shares directly or indirectly held: 14,919 shares, representing 0.1% of the Company's share capital.

Number of treasury shares broken down by objective:

– Stabilizing the share price through an AMAFI liquidity agreement: 10,489;

– Acquisitions: 4,430;

– Having shares available for stock option or other employee share-based payment plans: 0;

– Having shares available in exchange for securities giving entitlement to shares: 0;

–Cancellations: 0.

New share buy-back program

Authorization of the program: General Shareholders' Meeting of April 20, 2017

Shares affected: ordinary shares

Maximum percentage of the capital that can be repurchased: 10% of capital (equivalent to 1,337,250 shares at the present time). This limit is calculated at the buy-back date in order to take account of any capital increases or decreases during the share buy-back program. The number of shares included in the calculation of this limit corresponds to the number of shares purchased, less the number resold within the scope of the liquidity agreement, over the term of the program. Given that the Company may hold a maximum of 10% of its share capital and that it already holds 14,919 shares (i.e., 0.1% of the share capital), the maximum number of shares that can be purchased is 1,322,331 shares (i.e., 9.9% of the share capital), unless the Company decides to sell (or cancel) some or all of the treasury shares it already holds.

Maximum purchase price: EUR 45

Maximum amount of the program: EUR 60,176,250

Repurchase conditions: purchases, sales and transfers may be carried out by any means, either on the market or over the counter, including via transactions of blocks of shares. The resolution to be put to the shareholders for a vote does not limit the portion of the program that can be carried out by blocks of shares.

Objectives (in decreasing order of priority):

– to stabilize the secondary market or ensure the liquidity of the Cegereal share. This may be achieved by entering into a liquidity agreement with an investment services provider compliant with the AMAFI ethics charter endorsed by the AMF;

– to keep the shares purchased and subsequently tender them in exchange or as consideration for an acquisition. The shares acquired for this purpose may not exceed 5% of the Company's share capital;

– to have shares available for stock purchase option plans and/or free share grants (or similar plans) in favor of the Group's employees and/or corporate officers, as well as all share awards made as part of a company or group savings plan (or a similar plan), in connection with profit-sharing plans and/or any other type of share awards made to the Group's employees and/or corporate officers;

– to have shares available in exchange for securities granting entitlement to the shares in the Company pursuant to current regulations;

– to cancel, where applicable, any repurchased shares, subject to the authorization to be granted by the next General Shareholders' Meeting on April 20, 2017 in its twentieth resolution (extraordinary).

Term of the program: 18 months as of the General Shareholders' Meeting of April 20, 2017.

This Registration Document is available on the Company's Internet site (www.cegereal.com).

5.3. SHAREHOLDERS' AGREEMENT

By letter dated April 11, 2016, the AMF received a shareholders' agreement entered into on April 6, 2016 (effective from April 7, 2016) between NW CGR 1 SARL, NW CGR 2 SARL and NW CGR 3 SARL (entities of the Northwood Concert) and Euro Bernini Private Limited (a GIC group entity), not acting in concert. The main provisions of the agreement were published by the AMF on April 12, 2016 in accordance with Article L.233-11 of the French Commercial Code.

As of the date hereof, to the knowledge of the Company, there are no agreements, which, if implemented, could lead to a change in its control.

5.4. ITEMS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Pursuant to Article L.225-100-3 of the French Commercial Code, we specify below the points that could have an impact in the event of a public offer. They include agreements entered into by the Company that would be amended or terminated in the event of a change in control of the Company.

These points are as follows:

– The capital structure as well as any known direct or indirect shareholdings in the Company's capital and all related information are described in section IV.5.1.2 above.

– There are no bylaw restrictions to the exercise of voting rights, subject to those relating to disclosure thresholds set out in section IV.2.6.

– To the Company's knowledge, there is a shareholders' agreement between Northwood and the GIC group, as indicated above, which was disclosed to the Company in accordance with Article L.233-11 of the French Commercial Code.

– There are no securities conferring special control rights.

– There are no control mechanisms provided for in an employee share ownership arrangement where the control rights are not exercised by said employees.

– The appointment and removal of members of the Board of Directors are governed by legal provisions and the provisions of Article 15 of the bylaws, subject to the agreements between Northwood and GIC regarding the Company's governance and provided for in their shareholders' agreement referred to in section 5.3. Therefore, directors are appointed and replaced in compliance with the law. They may be removed at any time by a decision of the Ordinary Shareholders' Meeting. The Chairman is appointed by the Board of Directors and may be removed by the Board at any time.

– With respect to the Board of Directors' powers, current delegations of financial authority are described in section IV.5.1.6. In addition, the Board of Directors has the powers and exercises its duties under the conditions set forth in Article L.225-35 of the French Commercial Code and in the Company's bylaws.

– The Company's bylaws are amended in accordance with legal and regulatory provisions. Only an Extraordinary Shareholders' Meeting is empowered to amend the provisions of the bylaws. However, a unanimous decision is required to increase the shareholders' commitments. The meeting may delegate its authority to the Board of Directors for the purpose of amending the bylaws to bring them into line with any new statutory and regulatory provisions, subject to ratification of such amendments at the next Extraordinary Shareholders' Meeting;

– The only agreements entered into by the Group that would be amended or terminated in the event of a change in control of the Company are financing agreements, the Advisory Services Agreement entered into by Prothin, the Advisory Services Agreement entered into by Hanami Rueil SCI and the insurance contracts.

– There are no agreements specifically providing for compensation in the event of termination of a Board member's term of office, with the exception of commitments made to Raphaël Tréguier with regard to his non-compete agreement as described in section 6.3.2.2.

5.5. TRANSACTIONS IN THE COMPANY'S SHARES BY SENIOR EXECUTIVES, SENIOR MANAGERS AND PERSONS WITH WHOM THEY HAVE CLOSE TIES DURING THE PREVIOUS FINANCIAL YEAR

Transactions by the persons mentioned in Article L. 621-18-2 of the French Monetary and Financial Code in the Company's shares					
Date of declaration	Date of transaction	Declared by	Type of transaction	Unit price	Amount of transaction
January 20, 2016	January 14, 2016	GMF Vie	Sale	€35.6500	€33,643,867.55
February 26, 2016	February 22, 2016	NW CGR 4 S.à.r.l	Sale	€35.6441	€7,499,982.18
February 26, 2016	February 22, 2016	NW CGR 5 S.à.r.l	Sale	€35.6441	€7,500,017.82
February 29, 2016	February 26, 2016	NW CGR 5 S.à.r.l	Sale	€35.6443	€1,582,500.00
February 29, 2016	February 26, 2016	NW CGR 5 S.à.r.l	Sale	€35.6439	€922,500.00
February 29, 2016	February 26, 2016	NW CGR 5 S.à.r.l	Sale	€35.6441	€690,000.00
February 29, 2016	February 26, 2016	NW CGR 5 S.à.r.l	Sale	€35.6440	€52,218.50
February 29, 2016	February 26, 2016	NW CGR 5 S.à.r.l	Sale	€35.6441	€8,749,987.18
February 29, 2016	February 26, 2016	NW CGR 4 S.à.r.l	Sale	€35.6440	€52,218.50
February 29, 2016	February 26, 2016	NW CGR 4 S.à.r.l	Sale	€35.6439	€922,500.00
February 29, 2016	February 26, 2016	NW CGR 4 S.à.r.l	Sale	€35.6443	€1,582,500.00
February 29, 2016	February 26, 2016	NW CGR 4 S.à.r.l	Sale	€35.6441	€690,000.00
February 29, 2016	February 26, 2016	NW CGR 4 S.à.r.l	Sale	€35.6441	€8,750,022.82
March 2, 2016	March 1, 2016	NW CGR 4 S.à.r.l	Sale	€35.6442	€1,050,258.68
March 2, 2016	March 1, 2016	NW CGR 4 S.à.r.l	Sale	€35.6437	€686,248.68
March 2, 2016	February 29, 2016	NW CGR 5 S.à.r.l	Sale	€35.6440	€4,304,982.18
March 2, 2016	March 1, 2016	NW CGR 5 S.à.r.l	Sale	€35.6437	€686,284.32
March 2, 2016	March 1, 2016	NW CGR 5 S.à.r.l	Sale	€35.6442	€1,050,294.32
March 2, 2016	March 2, 2016	NW CGR 5 S.à.r.l	Sale	€35.6441	€12,500,000.00
March 2, 2016	March 2, 2016	NW CGR 4 S.à.r.l	Sale	€35.6441	€12,500,000.00
April 7, 2016	April 7, 2016	NW CGR 4 S.à.r.l	Sale	€35.6500	€54,110,211.70
April 7, 2016	April 7, 2016	NW CGR 1 S.à.r.l	Sale	€35.6500	€4,003,566.30
April 7, 2016	April 7, 2016	NW CGR 5 S.à.r.l	Sale	€35.6500	€54,110,176.05
April 7, 2016	April 7, 2016	NW CGR 5 S.à.r.l	Sale	€35.6500	€4,003,566.30
April 7, 2016	April 7, 2016	NW CGR 3 S.à.r.l	Sale	€35.6500	€2,954,885.90
May 13, 2016	May 12, 2016	NW CGR 1 S.à.r.l	Sale	€35.6499	€3,333,345.00
May 13, 2016	May 12, 2016	NW CGR 2 S.à.r.l	Sale	€35.6499	€3,333,345.00
May 13, 2016	May 12, 2016	NW CGR 3 S.à.r.l	Sale	€35.6499	€3,333,310.00

5.6. DISCLOSURE THRESHOLD NOTICES AND STATEMENTS OF INTENT

CROSSING OF THRESHOLDS

In 2016, the Company was notified that the following statutory disclosure thresholds had been crossed.

As Northwood exceeded the 30% holding threshold following its acquisition of shares of the Company on November 5, 2015, it was required to make a mandatory public offer. Pursuant to Book II, Part III and, in particular, Articles 231-1, paragraph 2 and 234-2 *et seq.* of the AMF's General Regulations, Northwood filed a draft simplified public tender offer (the "Offer") on December 17, 2015.

By letter received on December 23, 2015, NW CGR 4 SARL and NW CGR 5 SARL (initiators of the public offer for Cegereal shares filed on December 17, 2015) notified the AMF that they had entered into agreements relating to the sale, on December 18 and 21, 2015, of Cegereal shares representing around 10.7% of the share capital, to:

– AXA Selectiv'Immo;

– Gothic Corporation, Gothic HSP Corporation, Gothic ERP LLC and Gothic JBD LLC;

– Woodley Family Real Estate Direct Group 2016 LLC;

– 50113 Investment Holdings LLC, 30314 Investment Holdings LLC and Silas Holdings LLC.

The share sales took place after the Cegereal Shareholders' Meeting held on February 18, 2016 after the offer closed.

GMF Vie and the other entities of the mutual insurance group company Covéa tendered the 1,877,555 shares they held in the Company to the Offer, which represented as many voting rights, i.e., 14.04% of the Company's capital and 14.04% of its voting rights.

Debioholding, a Swiss company controlled by Rolland-Yves Mauvernay tendered the 947,782 shares it held in the Company to the Offer, which represented as many voting rights, i.e., 7.09% of the Company's capital and 7.09% of its voting rights.

On April 6, 2016, Northwood Investors signed an agreement to sell a 25% stake in Cegereal to an affiliate of GIC, the Singaporean wealth fund, for a price of EUR 35.65 per share. After the completion of the transaction on April 7, 2016, Northwood's entities held in concert 57.48% of Cegereal's capital and voting rights.

In this respect:

– By letter received on April 7, 2016, the Singaporean company GIC Private Limited, wholly-owned by the Government of the Republic of Singapore, disclosed that on April 6, 2016, its holding in the Company's capital and voting rights exceeded the 5%, 10%, 20% and 25% thresholds and that it held 3,343,125 Cegereal shares, representing as many voting rights, i.e., 25% of the Company's capital and voting rights. This was the result of a purchase of Cegereal shares by private agreement.

– By letter received on April 11, 2016, the Northwood Concert disclosed that on April 7, 2016, its holding had fallen below the threshold of 2/3 of the Company's capital and voting rights and that it held 7,685,999 Cegereal shares representing as many voting rights, i.e., 57.48% of the Company's capital and voting rights.

Summary table of disclosure thresholds:

Legal crossing of thresholds						
No of declaration	Date of declaration	Date of crossing of threshold	Shareholder concerned	Threshold of share capital crossed	Threshold of voting rights crossed	Above/below
216C0139	January 13, 2016	January 12, 2016	Moneta Asset Management	5%	5%	Below
216C0181	January 18, 2016	January 18, 2016	Debiopharm Holding SA	5%	5%	Below
216C0211	January 20, 2016	January 14, 2016	SGAM Covéa GMV Vie	5% and 10% 5%	5% and 10% 5%	Below
216C0229	January 21, 2016	January 14, 2016	NW CGR 1 S.à.r.l NW. CGR 2 S.à.r.l NW. CGR 3 S.à.r.l NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l NW. CGR SCS NW. CGR GP S.à.r.l NW. CGR Holding S.à.r.L NW. Europe Holdings S.à.r.l ("Northwood concert")	66.60%	66.60%	Above
216C0229	January 21, 2016	January 14, 2016	NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l	5% and 10% 5% and 10%	5% and 10% 5% and 10%	Above
216C0314	January 28, 2016	January 26, 2016	NW CGR 1 S.à.r.l NW. CGR 2 S.à.r.l NW. CGR 3 S.à.r.l NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l NW. CGR SCS NW. CGR GP S.à.r.l NW. CGR Holding S.à.r.L NW. Europe Holdings S.à.r.l ("Northwood concert")	90% and 95%	90% and 95%	Above
216C0314	January 28, 2016	January 14, 2016	NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l	15% 15%	15% 15%	Above
216C0601	March 3, 2016	February 26, 2016	NW CGR 1 S.à.r.l NW. CGR 2 S.à.r.l NW. CGR 3 S.à.r.l NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l NW. CGR SCS NW. CGR GP S.à.r.l NW. CGR Holding S.à.r.L NW. Europe Holdings S.à.r.l ("Northwood concert")	95%	95%	Below
216C0601	March 3, 2016	February 29, 2016	NW CGR 1 S.à.r.l NW. CGR 2 S.à.r.l NW. CGR 3 S.à.r.l NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l NW. CGR SCS NW. CGR GP S.à.r.l NW. CGR Holding S.à.r.L NW. Europe Holdings S.à.r.l ("Northwood concert")	90%	90%	Below
216C0601	March 3, 2016	February 29, 2016	NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l	15% 15%	15% 15%	Below
216C0617	March 7, 2016	March 1, 2016	Board of Regents of the University of Texas System	5%	5%	Above
216C0846	April 8, 2016	April 6, 2016	GIC Private Limited	5%, 10%, 15%, 20% and 25%	5%, 10%, 15%, 20% and 25%	Above
216C0867	April 12, 2016	April 7, 2016	NW CGR 1 S.à.r.l NW. CGR 2 S.à.r.l NW. CGR 3 S.à.r.l NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l NW. CGR SCS NW. CGR GP S.à.r.l NW. CGR Holding S.à.r.L NW. Europe Holdings S.à.r.l ("Northwood concert")	66.60%	66.60%	Below
216C0867	April 12, 2016	April 7, 2016	NW. CGR 4 S.à.r.l NW. CGR 5 S.à.r.l	10% and 5% 10% and 5%	10% and 5% 10% and 5%	Below
216C1110	May 13, 2016	May 12, 2016	Axa Investment Managers	5%	5%	Above

Date of declaration	Date of crossing of threshold	Crossing of statutory disclosure thresholds Shareholder concerned	Threshold of share capital crossed	Threshold of voting rights crossed	Above/below
March 1, 2016	February 26, 2016	50113 Investment Holdings LLC	3%	3%	Above
March 1, 2016	February 26, 2016	50113 Investment Holdings LLC 30314 Investment Holdings LLC (acting in concert)	3%	3%	Above
March 1, 2016	March 1, 2016	50113 Investment Holdings LLC 30314 Investment Holdings LLC Silas Holding I LLC (acting in concert)	3%	3%	Above
March 2, 2016	February 26, 2016	Gothic Corporation Gothic HSP Corporation Gothic ERD LLC Gothic JBD LLC (acting in concert)	3%	3%	Above

CONCERT PARTY

Northwood Investors declared that it was acting in concert with other entities.

The Northwood Concert comprises the following entities: (i) **NW CGR 1 SARL**, (ii) **NW CGR 2 SARL**, (iii) **NW CGR 3 SARL**, (iv) **NW CGR S.C.S.**, managed by its general partner, **NW CGR GP SARL**, (v) **NW CGR Holding SARL**, (vi) **NW Europe Holdings SARL**, (vii) **NW Europe (No. 1) Limited Partnership**, (viii) **NW Europe (No. 2) Limited Partnership**, (ix) **NW Europe Co Invest (No. 1) Limited Partnership**, (x) **NW Europe Co-Invest (No. 2) Limited Partnership**, (xi) **NW Europe Employees Co-Invest Limited Partnershi**p, the latter five companies all being managed by their general partner, Northwood Canada AIV GP Limited Partnership (Alberta), (xii) **Northwood Employees Limited Partnership**, managed by its general partner, Northwood GP LLC, and (xiii) **Northwood Real Estate Partners Europe Limited Partnership**, managed by its general partner, Northwood Canada AIV GP II Limited Partnership (hereinafter referred to collectively as "**Northwood**" or the "**Northwood Concert**").

These declarations were published in AMF notice no. 215C1387 of October 8, 2015 and no. 215C1640 on November 9, 2015.

Northwood declared that it was not acting in concert with any other third party or Cegereal shareholder.

Northwood therefore has an indirect controlling interest in Cegereal. However, the presence of independent directors on the Board and Committees means that there is no risk that this control will be exercised in an abusive manner.

50113 Investment Holdings LLC, 30314 Investment Holdings LLC, Silas Holdings I LLC, all governed by the laws of the state of Delaware, declared on March 1, 2016 that they had acted in concert for the acquisition of the Cegereal shares. These declarations were sent by post to Cegereal.

5.7. OPTIONS AND PERFORMANCE SHARES

5.7.1 STOCK OPTIONS

The Company did not set up any stock option plans during the year.

Special report on stock options granted to corporate officers and employees

To the Shareholders,

Pursuant to Article L.225-184 of the French Commercial Code, we hereby report to you on the stock options granted in 2016 to corporate officers and/or employees of the Company under the conditions set out in Articles L.225-177 to L.225-186 of the French Commercial Code.

Stock options granted (Art. 225-184 [1]):

None

Options granted to corporate officers of the Company in 2016 (Art. 225-184 [2]):

None

Options granted to the ten employees (non-corporate officers) of the Company that received the largest number of options in 2016

None

Options granted by the Company and related companies or groups in 2016 to all employee beneficiaries

None

Options exercised by the Company's corporate officers and employees in 2016

None

Information concerning options exercised by the ten employee beneficiaries that exercised the largest number of options in 2016

None

5.7.2 PERFORMANCE SHARES

Pursuant to the 13th resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2016, at its meeting of July 7, 2016, the Board of Directors decided, on the recommendation of the Appointments and Compensation Committee, to set up a free share plan under which it would grant 5,349 ordinary shares (i.e., 0.04% of the share capital at May 26, 2016) to the Company's Chief Executive Officer, based on the achievement of performance objectives.

An incentive plan is also in place at the Company. As a result and pursuant to Article L.225-197-6 of the French Commercial Code, the free share plan does not have to be offered to all employees of the Company and at least 90% of all the employees of its subsidiaries.

PERFORMANCE SHARE PLAN OF JULY 7, 2016 (AP 16)

Vesting period:

The shares will vest on expiration of a twelve-month period beginning on the date on which the free shares are granted by the Board of Directors (i.e., July 7, 2017 at the earliest), subject to the beneficiary remaining with the Company and fulfilling the performance conditions set out below. The number of ordinary shares that vest will be determined based on the achievement of performance objectives.

Condition to remain with the Company:

The shares shall only vest if the beneficiary continues to hold the position of executive corporate officer of a Group entity for a consecutive period of twelve months following the date on which the shares were granted, except where otherwise provided by the rules and regulations adopted by the Board of Directors on July 7, 2016.

Performance condition:

The number of shares that vest will vary based on the achievement of performance objectives.

The performance objectives are based on the Company's total shareholder return ("TSR") over a period of twelve months versus the average TSR of comparable companies (the "Benchmark Property Companies") over the same period. The Board of Directors has decided that the reference period for calculating the TSR of the Company and the Benchmark Property Companies will be from January 1 to December 31, 2016.

The TSR refers to the ratio between (i) the sum of the EPRA Triple Net Asset Value ("NAV") per share on the last day of the reference period and any dividends, interim dividends or other income arising on the shares and paid in respect of the reference period, and (ii) the Triple NAV EPRA per share on the first day of the reference period.

In addition to these quantifiable objectives, the performance of the executive corporate officers is also measured based on qualitative criteria relating to management quality.

Lock-up period:

Pursuant to the Rules and Regulations, the shares that vest following the aforementioned vesting period must be held by the beneficiary for a period of twelve months (i.e., until July 7, 2018 at the earliest), subject to certain exceptions (invalidity or death of the beneficiary). On expiration of the twelve-month lock-up period, the executive corporate officer shall hold, until expiration of his/her term of office, 50% or more of the vested shares so that the total amount of the shares held represents 100% of his/her fixed gross annual compensation in respect of the prior year, as determined at the end of the lock-up period.

The following table sets out the number and main characteristics of the performance shares granted as part of the aforementioned delegations of authority:

Performance share plan	
Date of Board of Directors' meeting	July 7, 2016
Start of vesting period	July 7, 2016
Vesting date of the shares	July 7, 2017
End of lock-up period	July 7, 2018
Number of shares awarded	5,349
o/w number of shares subscribed, purchased or canceled by corporate officers	-
o/w number of shares subscribed, purchased or canceled by the ten employees receiving the most shares	-
Number of shares subscribed, purchased or canceled by corporate officers	-
o/w number of shares subscribed, purchased or canceled by corporate officers	-
o/w number of shares subscribed, purchased or canceled by the ten employees receiving the most shares	-
Number of shares that can be awarded	5,349
o/w number of shares that can be awarded to corporate officers	5,349
o/w number of shares that can be awarded to the ten employees receiving the most shares	-

SPECIAL REPORT ON FREE SHARE AWARDS TO CORPORATE OFFICERS AND EMPLOYEES

To the Shareholders,

Pursuant to Article L.225-197-4 of the French Commercial Code, we hereby report to you of the free share awards in 2016 to employees of the Company or the companies directly or indirectly related to it within the meaning of Article L.225-197-2 of the French Commercial Code, and/or corporate officers who meet the criteria set out in Article L.225-197-1 of the French Commercial Code.

Performance share awards authorized by the Board of Directors' meeting of July 7, 2016

Pursuant to the thirteenth resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2016, at its meeting of July 7, 2016, the Board of Directors decided, on the recommendation of the Appointments and Compensation Committee, to set up a free share plan (AP 16) under which it would grant 5,349 ordinary shares (i.e., 0.04% of the share capital at May 26, 2016) to the Company's Chief Executive Officer, Raphaël Tréguier, with a value of EUR 39 (share price on the award date).

Pursuant to Article L.225-197-1 of the French Commercial Code and the conditions provided for in the Cegereal performance share plan of July 7, 2016, the shares awarded by the Board of Directors shall only vest at the end of the vesting period, provided that the beneficiary remains with the Company and achieves his or her performance objectives. The number of shares that vest will be determined based on the achievement of performance objectives.

As of the vesting date and subject to fulfillment of the aforementioned conditions, the beneficiaries will become owners of the free shares awarded and benefit from all of the rights granted to shareholders. However, they will be unable to sell the vested performance shares for a period of twelve-months (lock-up period) as of the vesting date, subject to certain exceptions (invalidity or death of the beneficiary). On expiration of the initial lock-up period, senior executives must also hold, until the expiration of their term of office, at least 50% of the vested shares so that the total amount of the shares held represents 100% of their fixed gross annual compensation in respect of the prior year, as calculated at the end of the lock-up period.

At the end of the lock-up period, the vested shares become available and may be freely sold by the beneficiary.

PERFORMANCE SHARES GRANTED TO THE COMPANY'S CORPORATE OFFICERS

Date of Board of Directors' meeting	Grant date	Number of shares	Grantee
July 7, 2016	July 7, 2016	5,349	Raphaël Tréguier Chief Executive Officer

PERFORMANCE SHARES GRANTED TO THE TEN EMPLOYEES (NON-CORPORATE OFFICERS) OF THE COMPANY THAT RECEIVED THE LARGEST NUMBER OF SHARES DURING THE PERIOD

None

6. Other information on the Board of Directors and Executive Management

6.1. LIST OF THE TERMS OF OFFICE AND DUTIES EXERCISED BY THE CORPORATE OFFICERS OVER THE YEAR

The table below shows the terms of office of the members of the Company's Board of Directors and its senior executives at December 31, 2016 (Article L.225-102-1 of the French Commercial Code).

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held(1)
Chairman of the Board of Directors			
John Z. Kukral (2) (3) Director	Director	First appointment on November 5, 2015 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Corporate officer: Northwood Securities Europe B.V. (NL) Northwood Investors International Limited (UK) Northwood Property Management Limited (UK) Northwood International Acquisitions Limited (UK)
Chief Executive Officer			
Raphaël Tréguier	Chief Executive Officer	Termination of duties as Deputy Chief Executive Officer and first appointment as Chief Executive Officer on February 14, 2012 expiring at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2017	Legal manager: SCI Pianissimmo SCI du Lauzin SCI Reuil Hanami Chairman: Prothin SAS Charirman of the Board: OPCI K Reuil
Deputy Chief Executive Officer			
Jérôme Anselme (2) (3)	Deputy Chief Executive Officer and director	First appointment as Deputy Chief Executive Officer on November 5, 2015 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016 First appointment as a director on November 5, 2015 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Chairman: NW Bruges SAS Garnier SR3 SAS Scala SR3 SAS NW Fontenay Sous Bois SAS Director: Foncière NW 2 SAS STAM REI III Rossini SAS K Reuil SAS Managing Director: Prothin SAS Legal manager: NW Pointe Métro 1 SCI NW Pointe Metro 2 SCI Chinon SCI Les Guignières SCI Prosdim Joué SCI NW Péripôle Construction Sarl Hanami Reuoil SCI Corporate officer: NW One Warrington Limited (Ir) NW S1 Sàrl (Lux) NW S2 Sàrl (Lux) NW G1 Sàrl (Lux) NWS Holdings Sàrl (Lux) NW PM Holding Sàrl (Lux) NW PM 1 Sàrl (Lux) NW PM 2 Sàrl (Lux) Highcross Strategic Advisors Limited (UK) Glidefern Property Management Limited (UK)

(1) Regardless of the Company's legal form and country of incorporation.
(2) Co-opted as director on October 29, 2015, with effect from November 5, 2015 Appointment as director ratified by the Extraordinary Shareholders' Meeting of February 18, 2016.
(3) Director whose reappointment is subject to the approval of the next Annual General Shareholders' Meeting.
(4) Independent director. whose reappointment is subject to the approval of the next Annual General Shareholders' Meeting.

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held[1]
Director			
Khaled Kudsi	Director Member of the Appointments and Compensation Committee	First appointment on November 5, 2005 Renewal at the General Shareholders' Meeting of May 26, 2016 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2019	Chairman: SWEN SAS
Europroperty Consulting[4] Permanent representative: Alec Emmott	Director Member of the Investment Committee Chairman of the Appointments and Compensation Committee	First appointment on February 24, 2011 Renewal at the General Shareholders' Meeting of May 26, 2016 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2019	Director: Lar Espana Real Estate SOCIMI SA Advisory committee: Weinberg Real Estate Parners WREP# 1&2 Mitsui Fudosan
Erin Cannata [2] [3] Director	Director	First appointment on November 5, 2015 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	None
Sophie Kramer [2] [3] Director	Director	First appointment on November 5, 2015 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2016	Director: Foncière NW2 SAS STAM REI III Rossini SAS Managing Director: Garnier SAS Scala SR3 SAS Defense Plaza Mezz SAS Legal manager: NW Pointe Métro 1 SCI NW Pointe Metro 2 SCI Chinon SCI Les Guignières SCI Prosdim Joué SCI SCI de la Boucle
Jean-Marc Besson [4]	Director Member of the Audit Committee Chairman of the Investment Committee	First appointment on April 14, 2016 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2016	Corporate officer: Terrell Groyup France
Marie-Flore Bachelier	Director Member of the Appointments and Compensation Committee Chair of the Audit Committee	First appointment on February 17, 2016 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2017	Chair: Consilio Member of the Supervisory Board: Novaxia Immo Club 3 Immo Club 3 Selection
Euro Fairview Private Limited Represented by Sébastien Abascal	Director Member of the Audit Committee Member of the Investment Committee	First appointment on April 14, 2016 Renewal at the General Shareholders' Meeting of May 26, 2016 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2019	Corporate officer: Development Venture IV SCA ECE European Prime Shopping Centre II C, SCSP SIF ECE European Prime Shopping Centre SCS SICAF SIF A Euro Cervantes SOCIMI S.A. ICAMAP Investors, SLP-SIF SITQ Les Tours SA
Euro Lily Private Limited represented by Madeleine Cosgrave	Director	First appointment on May 26, 2016 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2019	Corporate officer: 201 Bishopsgate Limited 4 Broadgate 2010 Limited 6 Broadgate 2010 Limited Barstep Limited Bluebutton (12702) Limited Bluebutton (5 Broadgate) UK Limited Bluebutton Circle Retail PHC 2013 Limited Bluebutton Developer Company (2012) Limited Bluebutton Properties UK Ltd British Land Broadgate 2005 Limited Broadgate (Cash Management) Limited Broadgate (Funding) 2005 Limited Broadgate (Lending) Limited Broadgate (PHC 11) Broadgate (PHC 11) 2005 Limited Broadgate (PHC 14) Limited Broadgate (PHC 15a) Limited Broadgate (PHC 15b) Limited Broadgate (PHC 15c) Limited Broadgate (PHC 16) 2005 Limited Broadgate (PHC 2) Limited Broadgate (PHC 3) Limited Broadgate (PHC 5) 2005 Limited Broadgate (PHC 5) Limited Broadgate (PHC 6) 2005 Limited Broadgate (PHC 7) Limited Broadgate (PHC 8) 2008 Limited Broadgate (PHC 9) Limited Broadgate PHC 2010 Limited Broadgate Property Holdings Limited Broadgate REIT Limited BWAT Retail Property Trust Fund Estate Management (Brick) Limited Exeter/GIC Investment Partnership S.C.S.P. P3 Group Sarl Metrocentre (GP) Limited Metrocente Lancaster LLP

(1) Regardless of the Company's legal form and country of incorporation.
(2) Co-opted as director on October 29, 2015, with effect from November 5, 2015 Appointment as director ratified by the Extraordinary Shareholders' Meeting of February 18, 2016.
(3) Director whose reappointment is subject to the approval of the next Annual General Shareholders' Meeting.
(4) Independent director. whose reappointment is subject to the approval of the next Annual General Shareholders' Meeting.

The following directors resigned in 2016:

Name of corporate officer	Directorship held in the Company	Term of office	Other current directorships and positions held[1]
Director			
Richard Wrigley [1]	Chairman of the Board of Directors and director	First appointment by the Board of Directors on December 31, 2005 Renewal by the Board of Directors on June 29, 2011 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2016	Legal manager: CPI SARL SCI Galopinvest SCI Le Barragiste SCI Hume Bureaux Buref SARL Trike SARL Wicklow SARL Resam Vendôme EURL Director: SVPV SA Chairman: Apollonis Montrouge SAS Chairman and member of the Supervisory Board: Novaxia Immo Club Nio Immo IDF, Paris, Quart Sud Est Nio Hotel Paris, IDF, Quart Sud Est Nio 3 Immo Europe, Nio Immo 3 Paris Sud, Paris Est, Paris Ouest, Quart Sud Est Nio 3 Immo Diversification Nio 3 Hotel 2/3 and 3/4 and 3/5
GMF VIE [2] Permanent representative Olivier Le Borgne	Director	Appointment on June 29, 2010 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ending December 31, 2015	Director: Assistance Protection Juridique SA Covéa Coopérations SA Covéa Ste de Groupe d'Assurance Mutuelle Eurosic SA Fidelia Assistance SA Foncière de Paris SIIC SA Société Foncière des Régions SA GMF Assurances SA La Sauvegarde SA MAAF VIE SA Silverseine SCI Téléassurances SA Member of the Supervisory Board: Covéa Finance SAS Foncière de Paris SIIC SA Legal manager: Silverseine SCI
Richard Strachan [3]	Director	First appointment on February 17, 2016 Expiration at the General Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2015	NW One Warrington Ltd (Ireland)

(1) Resigned as independent director on April 14, 2016.
(2) Resigned as director on January 15, 2016.
(3) Resigned as independent director on April 14, 2016.

6.2. SUMMARY OF THE TERMS OF OFFICE AND DUTIES EXERCISED BY THE CORPORATE OFFICERS OVER THE LAST FIVE FISCAL YEARS

The table below shows the terms of office of the members of the Company's Board of Directors and its senior executives over the last five fiscal years (Article L.225-102-1 of the French Commercial Code).

Name of corporate officer	Directorships and positions held in the last five years (expired)[1]
Raphaël Tréguier	None
John Z. Kukral	None
Europroperty Consulting Director Permanent representative: Alec Emmott	Société Foncière Lyonnaise Silic Catella France
Erin Cannata	None
Jérôme Anselme	Chairman: NWI IDF SAS NW Péripôle NW Gennevilliers Mariinsky SR3 SAS Chairman of the Board of Directors: Foncière NW SAS Legal manager: NW Isle d'Abeau SCI NW Limonest SCI NW Marseille SCI NW Vitrolles SCI
Sophie Kramer	Legal manager: SNC La Défense SNC Lazuli SNC Péridot SNC Garnet-TIAA SNC Roosevelt SARL Des Brateaux SARL Olympe (holding company) EURL Olympe SARL Servin (holding company) EURL Servin EURL 154 rue de l'Université Managing Director: Mariinsky SR3 SAS SAS Malachite SAS Roosevelt Villabé SAS Bruyères I SAS Bruyères II SAS SAS Courcelles 70 SAS rue de l'Université 154 SAS 36 rue La Fayette SAS Provence 110
Khaled Kudsi	Chairman: Défense Plaza Mezz SAS Legal manager: SCI de la Boucle
Jean-Marc Besson	None
Marie-Flore Bachelier	None
Euro Fairview Private Limited Represented by Sebastien Abascal	Corporate officer: London Student Accommodation Venture (Holdings) Ltd London Student Accommodation Venture (Trustee) Ltd
Euro Lily Private Limited Represented by Madeleine Cosgrave	Corporate officer: ECE European Prime Shopping Centre II C, SCSP SIF ECE European Prime Shopping Centre SCS SICAF SIF A Exeter/GIC Investment Partnership S.C.S.P. New Tower Real Estate B.V Old Tower Real EstateB.V CBRE Retail Property Fund France Belgium C.V CBRE Retail Property Fund Iberica Limited Partners Manhattan Acquisition Oy New Tower Real Estate B.V Old Tower Real EstateB.V RPSE Lunghezza SARL

(1) Regardless of the Company's legal form and country of incorporation.

6.3. COMPENSATION AND BENEFITS OF THE CORPORATE OFFICERS

6.3.1 COMPENSATION AND BENEFITS OF NON-EXECUTIVE CORPORATE OFFICERS

The May 26, 2016 General Shareholders' Meeting set the overall amount of directors' fees to be allocated to members of the Board of Directors at EUR 200,000. Said sum shall apply to the current fiscal year and shall remain unchanged until a further resolution is passed.

In respect of the year ended December 31, 2016 and in light of the work of the Appointments and Compensation Committee, the December 8, 2016 Board of Directors' meeting decided to allocate directors' fees as follows:

– Jean-Marc Besson: EUR 62,400;

– Europroperty Consulting: EUR 62,800;

– Marie-Flore Bachelier: EUR 59,500.

Making a total of EUR 184,700.

Table summarizing the directors' fees and other compensation paid to each non-executive corporate officer
(table 3 of AMF recommendation– AFEP-MEDEF Code)

Non-executive corporate officers	Amounts paid during 2015	Amounts paid during 2016
John Kukral		
Directors' fees	-	-
Other compensation	-	-
Khaled Kudsi		
Directors' fees	-	-
Other compensation	-	-
Sophie Kramer		
Directors' fees	-	-
Other compensation	-	-
Jérôme Anselme		
Directors' fees	-	-
Other compensation	-	-
Erin Cannata		
Directors' fees	-	-
Other compensation	-	-
Europroperty Consulting		
Directors' fees	34,000	62,800
Other compensation	-	-
Richard Strachan (1)		
Directors' fees	-	-
Other compensation	-	-
Marie-Flore Bachelier		
Directors' fees	-	59,500
Other compensation	-	-
Jean-Marc Besson		
Directors' fees	-	62,400
Other compensation	-	-
Euro Fairview Private Limited		
Directors' fees	-	-
Other compensation	-	-
Euro Lily Private Limited		
Directors' fees	-	-
Other compensation	-	-
GMF VIE (2)		
Directors' fees	-	-
Other compensation	-	-
Jean-Pierre Bonnefond(3)		
Directors' fees	34,000	-
Other compensation	-	-
Graham Spensley (4)		
Directors' fees	17,000	-
Other compensation	-	-
TOTAL	85,000	184,700

(1) Resigned as director on April 14, 2016.
(2) Resigned as director on January 15, 2016.
(3) Resigned as director on January 6, 2016.
(4) Resigned as non-voting director on January 18, 2016.

6.3.2 COMPENSATION AND BENEFITS OF EXECUTIVE CORPORATE OFFICERS

This section describes the items of compensation and benefits granted to executive corporate officers by the Board of Directors on the recommendation of the Appointments and Compensation Committee. In order to determine these items, the Board of Directors took into account the principles of comprehensiveness, balance, benchmark, consistency, understandability and proportionality as recommended by the AFEP-MEDEF Corporate Governance Code.

6.3.2.1 Compensation and benefits of the Chairman of the Board of Directors, John Kukral

John Kukral has been Chairman of the Board of directors since April 14, 2016. He does not receive any compensation in respect of his duties. He is not subject to an employment contract or complementary pension scheme within the Group.

6.3.2.2 Compensation and benefits of the Chief Executive Officer, Raphaël Tréguier

Compensation of the Chief Executive Officer

Raphaël Tréguier, Chief Executive Officer, receives various items of compensation in respect of his duties, as described below:

Determining the fixed portion

On the recommendation of the Appointments and Compensation Committee, the Board of Directors' meeting of November 5, 2015 decided to increase Raphaël Tréguier's fixed annual compensation to EUR 400,000 gross. The amount of this compensation will be reviewed every three years at the first Board of Directors' meeting of the year in question, beginning in 2018, following discussions with the Appointments and Compensation Committee.

Determining the variable portion of compensation

The Board of Directors also decided to grant Raphaël Tréguier variable compensation in a maximum annual amount of EUR 200,000 based on the achievement of quantifiable and qualitative objectives set by the Board of Directors, after consultation with the Appointments and Compensation Committee.

The Board of Directors will determine whether those objectives have been met on an annual basis at the Board meeting held to approve the statutory financial statements. The variable compensation will be paid no later than 15 calendar days after the date of the Board meeting held to approve the financial statements (the "Payment Date").

The Chief Executive Officer may only receive the variable compensation provided that, as of the Payment Date, he has not been dismissed for gross professional misconduct (as defined by the employment division of the *Cour de Cassation*) and has not resigned.

In the event that his duties as Chief Executive Officer are terminated for other reasons, the variable compensation will be determined on a pro rata basis as follows:

- If his office is terminated on or before March 31 of a given year, based on (i) his variable compensation in respect of the previous year in the event of termination in 2016 or 2017, and (ii) the average of his variable compensation for the three previous years in the event of termination in 2018 or beyond. In this case, the amount will be determined on the termination date.
- If his office is terminated after March 31 of a given year, based on his variable compensation for the current year according to whether or not the relevant quantifiable objectives were met. In this case, the amount will be determined no later than 15 days after the date of the Board meeting that determined whether or not the objectives had been met.

Determining the variable portion of compensation for 2016

For 2016, the variable compensation is determined on the basis of the objective criteria set out below:

i) Quantifiable objectives (portion capped at a maximum of EUR 120,000)

For 2016, the quantifiable objective has been set as EPRA earnings in an amount of EUR 20 million on a constant scope of consolidation.

ii) The qualitative objectives (portion capped at a maximum of EUR 80,000) were as follows:

- Quality of leadership;
- Quality of communication and representation of the Group, particularly as regards its shareholders;
- Quality of internal and external communication with other stakeholders;
- Success of the "Upgreen your business" project.

The Board of Directors' meeting of February 16, 2017 decided to grant Raphaël Tréguier, in his capacity of Chief Executive Officer, variable compensation in respect of 2016 and, accordingly:

(i) to fix the quantitative portion of Raphaël Tréguier's variable compensation for 2016 at EUR 120,000, based on an achievement rate of 100% of the objective set at the Board of Directors' meeting of February 17, 2016, i.e., EPRA earnings of EUR 20 million on a constant scope of consolidation;

(ii) to set the portion of Raphaël Tréguier's variable compensation for 2016 based on the quantitative objective at EUR 80,000, corresponding to the achievement of the target set by the Board of Directors' Meeting of November 5, 2015.

Determining the variable portion of compensation for 2017

The Board of Directors' meeting of February 16, 2017 decided that for 2017 variable compensation of a maximum gross amount of EUR 200,000 would be granted to Raphaël Tréguier, Chief Executive Officer, depending on the achievement of the following quantifiable and qualitative objectives:

(i) Quantifiable objectives

For 2017, the variable compensation for the quantifiable objectives is split into two parts as follows:

A) EPRA Earnings

For an amount of EUR 55,000, the quantifiable objective is EPRA Earnings of EUR 30.6 million on a constant scope basis.

This amount of EUR 55,000 will be prorated to the amount of EPRA Earnings obtained by applying the following correlation table:

2017	
Achievement ratio	Quantifiable-related compensation
110% (inclusive) or more	110% of the relevant amount
From 100% up to (but not including) 110%	100% of the relevant amount
From 90% up to (but not including) 100%	80% of the relevant amount
From 80% up to (but not including) 90%	50% of the relevant amount

B) Total Shareholder Return (TSR)

For an amount of EUR 55,000, the quantifiable objective is based on the Company's TSR (as defined below) over a twelve-month period.

The relevant amount of EUR 55,000 should be prorated in accordance with the table below:

2017	
Total Shareholder Return	Quantifiable-related compensation
15% (inclusive) or more	110% of the relevant amount
From 14% up to (but not including) 15%	100% of the relevant amount
From 12% up to (but not including) 14%	75% of the relevant amount
From 10% up to (but not including) 12%	50% of the relevant amount
Less than 10%	0%

Total Shareholder Return (TSR) means the ratio between:

on the one hand, the amount of EPRA NNNAV (or **"triple net" asset value**) per share as at the last day of fiscal 2017 plus the amount of any distribution to shareholders by the company in the form of a dividend, interim dividend or any other income accruing to the shares that is distributed during 2017 minus the amount of any capital contributed per share by the shareholders during 2017; and

on the other hand, the amount of EPRA NNNAV per share as at December 31, 2016/January 1, 2017.

In the event of an achievement ratio of 110% of the quantifiable objectives and of an achievement of 100% of the qualitative objectives referred to below, Raphaël Tréguier's variable compensation for his quantifiable objectives will be capped at EUR 120,000. Consequently, Raphaël Tréguier's variable compensation for the quantifiable objectives may exceed EUR 120,000 only if his variable compensation for the qualitative objectives is less than EUR 80,000.

(ii) Qualitative objectives

The qualitative objectives, for a portion of a maximum amount of EUR 80,000, are as follows:

20%: Continue to improve the recalibration of documentation and reporting to the directors, the revision of management procedures and accounting systems, and the exchange of information between the Company (including the Board and Board committees) and the Investment manager.

20%: Acquisitions: Continue the growth momentum of the company through corporate or single asset acquisitions, including the identification and sourcing of opportunities on the basis of the strategy to be presented to and agreed with the Board, and their subsequent implementation.

20%: Propose and implement a specific business plan for the sale of Rives de Bercy adding value to its current (12.16) open market valuation, on a timetable to be agreed with the Board.

20%: Propose and implement initiatives to accrue and protect shareholder value both through the growth of cash-flows and the underlying asset value and the management of the premium/discount to NAV.

20%: On-going management of the company's press coverage and marketing, presence and representation at trade events, initiating contact with potential shareholders and communication with the market.

In addition, the Board of Directors' meeting of July 7, 2016 granted Raphaël Tréguier 5,349 free shares/performance shares, i.e., 0.04% of the share capital at May 26, 2016.

The other terms and conditions of Raphaël Tréguier's compensation set at the Board meeting of November 5, 2015 remain unchanged.

Benefits-in-kind

Raphaël Tréguier also enjoys benefits-in-kind which represent an annual basis of a maximum total amount of EUR 37,000 and take the form of a company car and unemployment insurance for company managers.

No benefits-in-kind have been granted to the corporate officers.

Indemnities, benefits and compensation granted to corporate officers with respect to the termination of or a change of their duties

Non-compete, non-solicitation, non-disparagement and confidentiality agreement

On November 5, 2015, the Company decided to request that Raphael Tréguier sign a non compete, non-solicitation, non-disparagement and confidentiality agreement valid for a period of six months as of the termination of his duties as Chief Executive Officer. The agreement entitles him to non-compete benefits for a period of six months, payable monthly in an amount equal to:

– his last fixed monthly compensation; and

– 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

– release him from his non-compete agreement, in which case the corresponding non compete benefits shall not be due; or,

– reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

The Company has not entered into any other agreement to pay severance indemnities to senior executives or employees in the event of their resignation or dismissal without just cause, or in the event of a public offer for the Company's shares.

Complementary pension benefits

No undertakings with respect to complementary pension benefits have been made for the corporate officers.

Employment contract

There is no employment contract between Raphaël Tréguier and Cegereal or any of its subsidiaries or their subsidiaries.

6.3.2.3 Compensation and benefits of the Deputy Chief Executive Officer, Jérôme Anselme

Jérôme Anselme, Deputy Chief Executive Officer, does not receive any compensation in respect of his duties. He does not have an employment contract or complementary pension scheme within the Group.

The information disclosed hereafter is presented based on the AFEP-MEDEF Code as amended in November 2016, the Annual Reports of the French High Committee for Corporate Governance (*Haut Comité de Gouvernement d'Entreprise*), the AMF's 2016 report on corporate governance and executive compensation and the AMF guide to preparing registration documents, updated on April 13, 2015.

In addition, pursuant to the recommendation of the AFEP-MEDEF Code concerning the consultation of shareholders on individual executive corporate officers' compensation (say on pay), this section also describes the items of compensation owed or awarded to each executive corporate officer in respect of the previous financial year that will be subject to an advisory vote by the shareholders at the General Shareholders' Meeting of April 20, 2017.

Table summarizing the compensation, options and shares granted to each executive corporate officer (table 1 of AMF recommendation– AFEP-MEDEF Code)

In euros

Table summarizing the compensation, options and shares granted to each executive corporate officer (table 1 of AMF recommendation– AFEP-MEDEF Code)		
	12/31/2015	12/31/2016
John Kukral Chairman of the Board of Directors		
Compensation payable for the year (broken down in Table 2 below)	-	-
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	-	-
Richard Wrigley Chairman of the Board of Directors(1)		
Compensation payable for the year (broken down in Table 2 below)	59,000	17,044
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	59,000	17,044
	12/31/2015	12/31/2016
Raphaël Tréguier Chief Executive Officer		
Compensation payable for the year (broken down in Table 2 below)	413,699	627,717
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	101,734
TOTAL	413,699	729,451
Jérôme Anselme Deputy Chief Executive Officer		
Compensation payable for the year (broken down in Table 2 below)	-	-
Value of options granted during the year	-	-
Value of performance shares granted during the year	-	-
TOTAL	-	-

(1) Appointed as Chairman of the Board of Directors on April 12, 2013 and resigned on April 14, 2016

Table summarizing the compensation paid to each executive corporate officer (table 2 of AMF recommendation– AFEP-MEDEF Code)

Table summarizing the compensation paid to each executive corporate officer (table 2 of AMF recommendation– AFEP-MEDEF Code)				
Richard Wrigley (3) Chairman of the Board of Directors	12/31/2016		12/31/2015	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	17,044	17,044	25,000	25,000
Variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	34,000	34,000
Benefits-in-kind	-	-	-	-
TOTAL	17,044	17,044	59,000	59,000

John Kukral (3) Chairman of the Board of Directors	12/31/2016		12/31/2015	
	Amounts payable	Amounts paid	Amounts payable	Amounts paid
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Multi-annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind	-	-	-	-
TOTAL	-	-	-	-

Raphaël Tréguier Chief Executive Officer	12/31/2016 Amounts payable	 Amounts paid	12/31/2015 Amounts payable	 Amounts paid
Fixed compensation	400,000	400,324	188,690	188,690
Variable compensation[1]	200,000	200,000	200,000	80,000
Multi-annual variable compensation	-	-	-	25,000
Exceptional compensation	-	-	-	-
Directors' fees	-	-	-	-
Benefits-in-kind[2]	27,717	27,717	25,009	25,009
TOTAL	627,717	628,041	413,699	318,699

(1) The executive corporate officer's variable compensation payable in respect of year Y-1 is paid in year Y.
(2) Company car and unemployment insurance for company managers.
(3) Richard Wrigley resigned as Chairman of the Board of Directors on April 14, 2016 and was replaced by John Kukral.
This table only concerns the executive corporate officers defined in the introduction to table 1 above who received compensation for the year ended December 31, 2016.

Subscription or purchase options awarded during the fiscal year to each executive corporate officer by the issuer and by any company of the Group (table 4 of AMF recommendation – AFEP-MEDEF Code)

No stock subscription or stock purchase options were awarded to the executive corporate officers in 2016.

Subscription or purchase options exercised during the fiscal year by each executive corporate officer by the issuer and by any company of the Group (table 5 of AMF recommendation – AFEP-MEDEF Code)

No executive corporate officers exercised stock subscription or stock purchase options in 2016.

Performance shares awarded during the fiscal year to each executive corporate officer by the issuer and by any company of the Group (table 6 of AMF recommendation – AFEP-MEDEF Code)

Performance shares awarded during the fiscal year to each executive corporate officer by the issuer and by any company of the Group (table 6 of AMF recommendation – AFEP-MEDEF Code)						
Executive corporate officers	No. and date of the plan	Number of shares awarded during the year	Valuation of the shares according to the method used for the consolidated financial statements[1]	Vesting date	Availability date	Performance conditions
Raphaël Tréguier Chief Executive Officer	AP 16 of July 7, 2016	5,349	€101,734	July 7, 2017	July 7, 2018	Cegereal's Total Shareholder Return ("TSR") compared to the average TS of comparable companies

(1) Estimated fair value of performance shares (IFRS 2), excluding the provision for the employer contribution of €20,347.

No performance shares became available for the executive corporate officers in 2016.

Total amounts set aside as provisions to pay annuities, pensions, or other benefits (table 11 of AMF recommendation – AFEP-MEDEF Code)

The Company's senior executives do not benefit from any pensions, top-up pensions or other benefits of any kind. Therefore, the Company has not set aside any provisions in this respect.

Other information (table 11 of AMF recommendation - AFEP-MEDEF Code)								
Executive corporate officers	Employment contract		Complementary pension scheme		Indemnities or benefits payable or likely to be payable with respect to the termination of or a change of duties		Indemnities pursuant to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
John Kukral [1] Chairman April 14, 2016 AGSM 2017		X		X		X		X
Richard Wrigley [2] Chairman April 12, 2013 AGSM 2017		X		X		X		X
Raphaël Tréguier [3] Chief Executive Officer February 14, 2012 Chief Executive Officer's term of office 2018 AGSM		X		X		X	X	
Jérôme Anselme Deputy Chief Executive Officer May 11, 2015 Term of directorship 2017 AGSM		X		X		X		X

(1) Appointed as Chairman of the Board of Directors on April 14, 2016.
(2) Resigned on April 14, 2016.
(3) The benefits relating to the Chief Executive Officer's non-compete clause are presented in section 6.3.2.2.

6.3.2.4 Items of compensation owed or awarded in respect of 2016

In accordance with the recommendations of the AFEP-MEDEF Code, as amended in November 2016 (Article 24.3), to which the Company refers pursuant to Article L.225-37 of the French Commercial Code, the items of compensation owed or awarded to each corporate officer in respect of 2016 must be subject to an advisory vote by the shareholders.

The General Shareholders' Meeting of April 20, 2017 will therefore be asked to hold an advisory vote on the items of compensation owed or awarded to each executive corporate officer in respect of 2016.

Items of compensation owed or awarded for the 2016 fiscal year to John Kukral, Chairman of the Board of Directors		
Items of compensation	Amount or accounting value in thousands of euros	Presentation
Fixed compensation	N/A	John Kukral does not receive any fixed compensation
Annual variable compensation	N/A	John Kukral does not receive any annual variable compensation
Multi-annual variable compensation	N/A	John Kukral does not receive any multi-annual variable compensation
Exceptional compensation	N/A	John Kukral does not receive any exceptional compensation
Stock option grants	N/A	No stock options were granted in 2016
Performance share grants	N/A	John Kukral does not receive any preferred shares
Directors' fees	N/A	John Kukral does not receive any directors' fees
Benefits-in-kind	N/A	John Kukral does not receive any benefits-in-kind
Severance indemnities	N/A	John Kukral does not receive any severance indemnities
Non-compete benefits	N/A	John Kukral is not entitled to non-compete benefits
Pension scheme	N/A	John Kukral is not a member of a Group complementary pension scheme
Items of compensation owed or awarded for the 2016 fiscal year to Raphaël Tréguier, Chief Executive Officer		
Items of compensation	Amount or accounting value in thousands of euros	Presentation
Fixed compensation	400	-
Annual variable compensation	200	Raphaël Tréguier variable compensation is set at 50% of his fixed compensation. 60% of his target variable compensation depends on the achievement of quantifiable criteria and 40% on qualitative criteria. The qualitative criteria relate to the quality of his management, communication and representation of the Group, particularly with respect to shareholders, internal and external communication with other stakeholders and the success of the Upgreen Your Business program. Achievement of the quantitative performance criteria is measured using the scale described in section 6.3.2.2.
Multi-annual variable compensation	N/A	Raphaël Tréguier does not receive any multi-annual variable compensation
Exceptional compensation	N/A	Raphaël Tréguier does not receive any exceptional compensation
Stock option grants	N/A	No stock options were granted in 2016
Performance share grants	EUR 101,734 (excluding provisions for employer contributions, which amounted to EUR 20,347)	Raphaël Tréguier was awarded 5,349 shares under the 2016 performance share plan set up by the Board of Directors' meeting of July 7, 2016, pursuant to the 13th resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2016. This award represented 0.04% of the share capital at December 31, 2016. The shares are awarded to the Chief Executive Officer subject to him remaining with the Company and the number of shares that vest will depend on the achievement of the following performance targets: Total Shareholder Return: performance criterion for all of the performance shares awarded Total Shareholder Return ("TSR"): of the Company over a 12-month period compared to the average TSR of comparable companies over the same period, i.e., January 1 to December 31, 2016.
Directors' fees	N/A	Raphaël Tréguier does not receive any directors' fees
Benefits-in-kind	27	Company car and unemployment insurance for company managers
Severance indemnities	N/A	Raphaël Tréguier does not receive any severance indemnities
Non-compete agreement	No payments	In his capacity as Chief Executive Officer, Raphael Tréguier will receive non-compete benefits for a period of six months from the date of termination of his duties. The amount of the benefits and the payment method are described in section 6.3.2.2 of this Registration Document. In accordance with Article L.225-42-1 of the French Commercial Code, the granting of non-compete benefits was submitted for approval at the General Shareholders' Meeting of May 26, 2016 in accordance with the procedure applicable to related party agreements.
Pension scheme	N/A	Raphaël Tréguier is not a member of a Group complementary pension scheme

6.3.3 INFORMATION REGARDING STOCK OPTIONS AND PERFORMANCE SHARES

Past awards of subscription or purchase options – information on the subscription or purchase options (table 8 of AMF recommendation – AFEP-MEDEF Code

Not applicable

Past awards of performance shares
(table 9 of AMF recommendation, table 9 of AFEP-MEDEF Code)

Past awards of performance shares (table 9 of AMF recommendation – AFEP-MEDEF Code)	Plan no. 1
Date of Shareholders' Meeting	May 26, 2016
Date of Board of Directors' meeting	July 7, 2016
Total number of shares awarded, of which the number awarded to: Raphaël Tréguier	5,349
Vesting date of the shares	July 7, 2017
End of lock-up period	July 7, 2018
Performance conditions	Cegereal's Total Shareholder Return ("TSR") compared to the average TS of comparable companies
Number of shares having fully vested at February 16, 2017	-
Cumulative number of share canceled or lapsed	-
Performance shares remaining at the end of the fiscal year (vesting period)	5,349

At its meeting of July 7, 2016, the Board of Directors decided, on the recommendation of the Appointments and compensation Committee, to set up a free share plan under which it would grant 5,349 ordinary shares (i.e., 0.047% of the share capital at May 26, 2016) to the Company's Chief Executive Officer, based on the achievement of performance objectives.

Vesting period:

The shares will vest on expiration of a twelve-month period beginning on the date on which the free shares are granted by the Board of Directors (i.e., July 7, 2017 at the earliest), subject to the beneficiary remaining with the Company and fulfilling the performance conditions set out below. The number of ordinary shares that vest will be determined based on the achievement of performance objectives.

Condition to remain with the Company:

The shares shall only vest if the beneficiary continues to hold the position of executive corporate officer of a Group entity for a continuous period of twelve months following the date on which the shares were granted, except where otherwise provided by the rules and regulations adopted by the Board of Directors on July 7, 2016 (the "**Rules and Regulations**").

Performance condition:

The number of shares that vest will vary based on the achievement of performance objectives.

The performance objectives are based on the Company's total shareholder return ("**TSR**") over a period of twelve months versus the average TSR of comparable companies (the "**Benchmark Property Companies**") over the same period. The Board of Directors has decided that the reference period for calculating the TSR of the Company and the Benchmark Property Companies will be from January 1 to December 31, 2016.

The TSR refers to the ratio between (i) the sum of the EPRA Triple Net Asset Value ("NAV") per share on the last day of the reference period and any dividends, interim dividends or other income arising on the shares and paid in respect of the reference period, and (ii) the Triple NAV EPRA per share on the first day of the reference period.

In addition to these quantitative objectives, the performance of the executive corporate officers is also measured based on quantifiable criteria relating to management quality.

Lock-up period:

Pursuant to the Rules and Regulations, the shares that vest following the aforementioned vesting period must be held by the beneficiary for a period of twelve months (i.e., until July 7, 2018 at the earliest), subject to certain exceptions (invalidity or death of the beneficiary). On expiration of the twelve-month lock-up period, the executive corporate officer shall hold, until expiration of his/her term of office, 50% or more of the vested shares so that the total amount of the shares held represents 100% of his/her fixed gross annual compensation in respect of the prior year, as determined at the end of the lock-up period.

Stock subscription or purchase options granted to the 10 employees that received the largest number of options and options exercised by said employees (table 9 of AMF recommendation – AFEP-MEDEF Code).

None

6.3.4 BOARD OF DIRECTORS' REPORT ON THE PRINCIPLES AND CRITERIA FOR SETTING, ALLOCATING AND AWARDING THE VARIOUS ITEMS OF THE EXECUTIVE CORPORATE OFFICERS' COMPENSATION

The purpose of this report is to present to the shareholders the principles and criteria applied to determine, allocate and attribute the elements of compensation of executive corporate officers in accordance with Article L.225-37-2 of the French Commercial Code.

This report takes into account the decisions taken by the Board of Directors' meeting of February 16, 2017 concerning the compensation of Raphaël Tréguier, Chief Executive Officer, further to the recommendations of the Appointments and Compensation Committee.

1. Principles of executive officer compensation

The principles and criteria relating to the determination of executive corporate officers' compensation are proposed by the Appointments and Compensation Committee and submitted for approval to the Board of Directors.

The first principle laid down by the Board of Directors is not to compensate executive corporate officers for their office when they are an employee, an executive corporate officer or a Board member of a reference shareholder. Consequently, the Chairman of the Board of Directors and the Deputy Chief Executive Officer do not receive any compensation from the Company for their office. Only the Chief Executive Officer receives compensation.

The other principles governing the determination of the compensation of the Company's executive corporate officers are established based on the AFEP-MEDEF Code as amended in November 2016, to which the Company refers, i.e.:

(i) **exhaustiveness**: the determination of a compensation package must be exhaustive. All items of compensation must be taken into account in the overall assessment of the compensation;

(ii) **balance between items of compensation**: each item of compensation must be clearly justified and be in line with the corporate interest of the company;

(iii) **comparability**: the compensation must be assessed in the context of a reference sector or market. If the market is used as a reference, it cannot be the only reference, because an executive corporate officer's compensation depends on the level of responsibility assumed, the results obtained and the work performed. The compensation can also depend on the nature of the assignments entrusted to him or on special situations;

(iv) **consistency**: the executive corporate officer's compensation must be determined consistently with that of the other executives and employees of the company;

(v) **intelligibility of the rules**: the rules must be simple, stable and transparent. The performance criteria used must correspond to the company's objectives, be demanding, explicit and, to the extent possible, long-lasting;

(vi) **measure**: the determination of the items of compensation must strike a fair balance and take into account both the corporate interest of the company, market practices, the executives' performance levels, and the company's other stakeholders.

In this regard, executive corporate officers' compensation is closely tied to the Company's performance, particularly by means of an annual variable compensation. The quantifiable part of the variable compensation is subject to the achievement of precise, simple and measurable objectives that are closely linked to the performance of the Group.

In addition, to give executive corporate officers an incentive to take a long-term approach to their action as well as to enhance their loyalty and help align their interests with the corporate interest of the company and the interest of shareholders, a portion of their compensation consists in the attribution of performance shares.

In this regard, the Appointments and Compensation Committee, by regularly conducting compensation surveys, ensures that no component of the executive corporate officers' compensation is disproportionate and that their compensation is competitive.

2. Items composing the compensation of Raphaël Treguier – Chief Executive Officer

The Board of Directors' meeting of February 16, 2017, acting on the recommendations of the Appointments and Compensation Committee, applied the aforementioned principles in setting the items composing the compensation of Raphaël Tréguier, Chief Executive Officer, for 2017, by relying on a comparison with national and sector-based references. This comparison underscored the importance of the correlation between (i) the performance of the company and (ii) the compensation that should result therefrom for the Chief Executive Officer.

The items of Raphaël Tréguier's compensation include:

– fixed compensation in cash;

– annual variable compensation in cash;

– benefits in kind;

– performance shares.

2.1 Fixed compensation in cash

The Board of Directors' meeting of November 5, 2015 decided to set Raphaël Tréguier's fixed compensation at an annual gross amount of EUR 400,000. This compensation shall be reviewed every three years at the first Board of Directors' meeting of the fiscal year, with the first review taking place in 2018, after consultation of the Appointments and Compensation Committee.

The fixed compensation represents 2/3rds of his annual compensation in cash.

2.2 Variable compensation in cash

The Board of Directors' meeting of November 5, 2015 also decided to grant. Raphaël Tréguier variable compensation of a maximum annual gross amount of EUR 200,000. This compensation is contingent on the attainment of quantifiable and qualitative objectives decided on by the Board of Directors, after consultation of the Appointments and Compensation Committee.

For the year 2017, the Board of Directors' meeting of February 16, 2017 decided that the indicators composing the Chief Executive Officer's variable compensation are defined and weighted as follows:

(i) Quantifiable objectives

For 2017, the variable compensation for the quantifiable objectives is split into two parts as follows:

a) EPRA Earnings

For an amount of EUR 55,000, the quantifiable objective is EPRA Earnings of EUR 30.6 million on a constant scope basis.

This amount of EUR 55,000 will be prorated to the amount of EPRA Earnings obtained by applying the following correlation table:

2017	
Achievement ratio	Quantifiable-related compensation
110% (inclusive) or more	110% of the relevant amount
From 100% up to (but not including) 110%	100% of the relevant amount
From 90% up to (but not including) 100%	80% of the relevant amount
From 80% up to (but not including) 90%	50% of the relevant amount

B) Total Shareholder Return (TSR)

For an amount of EUR 55,000, the quantifiable objective is based on the Company's TSR (as defined below) over a twelve-month period.

The relevant amount of EUR 55,000 should be prorated in accordance with the table below:

2017	
Total Shareholder Return	Quantifiable-related compensation
15% (inclusive) or more	110% of the relevant amount
From 14% up to (but not including) 15%	100% of the relevant amount
From 12% up to (but not including) 14%	75% of the relevant amount
From 10% up to (but not including) 12%	50% of the relevant amount
Less than 10%	0%

Total Shareholder Return (TSR) means the ratio between:

On the one hand, the amount of EPRA NNNAV (or "triple net" asset value) per share as at the last day of fiscal 2017 plus the amount of any distribution to shareholders by the company in the form of a dividend, interim dividend or any other income accruing to the shares that is distributed during 2017 minus the amount of any capital contributed per share by the shareholders during 2017; and

On the other hand, the amount of EPRA NNNAV per share as at 31 December 2016/January 1, 2017.

Example:

Reference period: December 31, 2015 - December 31, 2016

EPRA NNNAV per share as at December 31, 2016 = EUR 110

EPRA NNNAV per share as at December 31, 2015 = EUR 100

Total dividend per share for the financial year ended on December 31, 2016 (including any interim dividend) = EUR 7

Total capital contributed per share for the financial year ending on December 31, 2016 = EUR 2

TSR for 2016 = (110+7-2) / 100 = 115%

In the event of an achievement ratio of 110% of the quantifiable objectives and 100% of the qualitative objectives referred to below, Raphaël Tréguier's variable compensation for his quantifiable objectives will be capped at EUR 120,000. Consequently, Raphaël Tréguier's variable compensation for the quantifiable objectives may exceed EUR 120,000 only if his variable compensation for the qualitative objectives is less than EUR 80,000.

(ii) Qualitative objectives

The qualitative objectives, for a portion representing a maximum amount of EUR 80,000, are as follows:

20%: Continue to improve the recalibration of documentation and reporting to directors, the revision of management procedures and accounting systems, and the exchange of information between the Company (including the Board and Board committees) and the Investment manager.

20%: Acquisitions: Continue the growth momentum of the company through corporate or single asset acquisitions, including the identification and sourcing of opportunities on the basis of the strategy to be presented to and agreed with the Board, and their subsequent implementation.

20%: Propose and implement a specific business plan for the sale of Rives de Bercy adding value to its current (12.16) open market valuation, according to a timetable to be agreed with the Board.

20%: Propose and implement initiatives to accrue and protect shareholder value both through the growth of cash-flows and the underlying asset value and the management of the premium/discount on NAV.

20%: On-going management of the company's press coverage and marketing, presence and representation at trade events, initiating contact with potential shareholders and communication with the market.

The variable compensation represents 1/3rd of the annual compensation in cash.

2.3 Benefits in kind

Raphaël Tréguier also receives benefits-in-kind for a total maximum amount of EUR 37,000 on an annual basis, in the form of a company car and "business manager unemployment" insurance.

2.4 Non-compete, non-solicitation, non-disparagement and confidentiality commitment

On November 5, 2015, the Board also decided to subject Raphael Tréguier to a non-compete, non-solicitation, non-disparagement and confidentiality commitment for a period of 6 months as from the date of termination of his duties. In consideration for the non-compete commitment, it is agreed that Raphael Tréguier would receive, for a period of 6 months, a monthly non-compete indemnity equal to the sum of:

– his last monthly fixed compensation; and

– 1/12 of his annual variable compensation in respect of the previous year in the event his term of office is terminated in 2016 or 2017, or 1/12 of his average annual variable compensation over the previous three years in the event his term of office is terminated in 2018 or beyond.

If the Chief Executive Officer's office is terminated, the Board of Directors may, on the termination date, decide to:

– release him from his non-compete agreement, in which case the corresponding noncompete benefits shall not be due; or,

– reduce the period of the non-compete agreement, in which case the non-compete benefits will only be due for that reduced period.

2.5 Other

Raphaël Tréguier does not receive any attendance fees for any office whatsoever within the Group.

Raphaël Tréguier, Chief Executive Officer, does not have any employment contract with the company or with any of its subsidiaries or sub-subsidiaries. He is not entitled to any severance indemnity or to any commitment regarding a supplementary pension.

2.6 Performance share plan

The Board of Directors' meeting of July 7, 2016 granted Raphaël Tréguier, as Chief Executive Officer, 5,349 performance shares, i.e. 0.04% of the capital as at May 26, 2016, it being recalled that the Company has set up an incentive plan for employees. Said grant represents 14.50% of all the compensation and performance shares attributed to him.

The Board of Directors could, further to a recommendation from the Appointments and Compensation Committee, decide that the Chief Executive Officer be closely associated with the results of the Group by means of long-term incentive plans. The Board of Directors would define demanding vesting conditions relating to the achievement of performance criteria over several years.

The 2016 performance share plan rules, as well as the history of performance share grants to the Chief Executive Officer, are detailed in section 6.3.3 of the 2016 Registration Document.

7. Research and development, patents and licenses

None

8. Information provided by third parties, expert valuation reports

The Company applies the principle of rotating its independent experts once every three years.

General context of the valuation

General framework

We have been appointed by Cegereal, under the terms of a real estate valuation agreement, to estimate the fair value of its real estate assets. This assignment falls within the scope of the Group's six-monthly valuation of its properties.

We carry out our assignments in total independence.

The real estate valuation firms BNP Paribas Real Estate Expertise, Catella Valuation and Cushman & Wakefield Expertise have no ownership links with Cegereal.

The real estate valuation firms BNP Paribas Real Estate Expertise, Catella Valuation and Cushman & Wakefield Expertise confirm that the valuations were performed by and under the responsibility of qualified valuers.

The annual fees billed to Cegereal were agreed before the valuations began and represent less than 10% of the revenue of each firm.

The rotation of its independent valuers is organized by Cegereal.

No conflicts of interest have been identified in relation to this assignment.

The assignment was performed in compliance with the AMF's recommendation dated February 8, 2010 on the presentation of assessment items and real estate assets of listed companies.

Current assignment

Our valuation focused on the fair-value of four real estate assets in France. We were appointed by Cegereal to carry out initial valuations, updates based on document reviews or property visits in the event that initial valuations had been performed during the four previous months, or file-based valuation opinions.

Our assignment focused on the estimation of fair value at December 31, 2016.

In accordance with IFRS 13, the real estate assets were measured at their "highest and best use value".

The properties valued are all offices or car parks located in France. They are investment assets wholly or jointly-owned or held under leases by Cegereal.

The different real estate assets are leased to a variety of lessees under commercial leases, some of which with fixed three, six, nine or twelve-year terms, or short-term leases.

It should be noted that when the principal is the lessee under the terms of a leasing agreement, the valuer only assesses the assets underlying the agreement and not the leasing agreement itself. Similarly, where a real estate asset is owned by a special purpose vehicle, the real estate asset's value is measured based on the estimated price of the underlying asset rather than that of the vehicle.

Valuation process

Scope

The assignment was performed on the basis of the documents and information provided to us. These were assumed to be accurate and to correspond to all of the documents and information in the possession of the principal or of which the principal was aware, that were likely to have an impact on the real estate portfolio's fair value. Therefore, we do not refer to title deeds or building permits.

References

The valuations and estimates were performed in accordance with:

– the recommendations set out in the Barthès de Ruyter report on the valuation of the real estate assets of listed companies, published in February 2000;

– the French Real Estate Valuation Charter; and

– the principles set out in the SIIC code of ethics.

Methods used

As the assets comprising the different portfolios are investment properties, the valuations were mainly performed by applying the return on investment method or the discounted cash flow method.

Total fair value

The total fair value corresponds to the sum of the fair values of each real estate asset and is calculated (i) net of taxes (after deducting expenses and transfer duties), and (ii) with all taxes included (market value before deducting expenses and transfer duties).

Real estate valuer	Number of assets valued	Asset type	Fair value (net of taxes) at Dec. 31, 2016 (in millions of euros)	Fair value (taxes included) at Dec. 31, 2016 (in millions of euros)
BNP Paribas Real Estate Expertise	2	Offices	556.8	598.6
Catella Valuation	1	Offices	415.3	446.4
Cushman & Wakefield Expertise	1	Offices	152.0	163.4
TOTAL	4		1,124.1	1,208.4

General comments

These estimates are based on the assumptions of market stability and absence of significant modifications to the buildings between the valuation date and the value date.

This condensed report is inseparable from all the work performed by each of the real estate valuers as part of their valuation assignment.

Each valuer confirms the values of the properties for which it has performed a valuation or updated an existing valuation, without assuming responsibility for valuations performed by other valuers.

BNP Paribas Real Estate Expertise

Jean-Claude Dubois
Chairman

BNP PARIBAS REAL ESTATE

Catella Valuation

Jean-François Drouet
Chairman

CATELLA

Cushman & Wakefield Expertise

Philippe Guillerm
Chief Executive Officer

CUSHMAN & WAKEFIELD

V. ADDITIONAL INFORMATION

1. Documents on display

Copies of this Registration Document are available free of charge from Cegereal, 42 rue Bassano, 75008 Paris, France, as well as on the Cegereal (http://www.cegereal.com) and AMF (http://www.amf-france.org) websites.

The regulatory information provided for in Article 221-3 of the AMF's General Regulations is available on the Cegereal website (http://www.cegereal.com).

In accordance with the applicable legislation, the following documents can be consulted at the Company's registered office:

– the articles of incorporation, bylaws, minutes of General Shareholders' Meetings, reports and other Company documents;

– historical financial information and any valuation or declaration by an expert at the request of the Company that should be made available to the public and of which any part is included or referred to in this Registration Document;

– historical financial information related to the Company and its subsidiary for each of the two fiscal years preceding the publication of this Registration Document.

Person responsible for the information: Raphaël Tréguier

2. Person responsible

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Raphaël Tréguier, Chief Executive Officer of the Company

STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

I hereby certify, having taken all reasonable measures to this end, that the information contained in this Registration Document, to my knowledge, corresponds to reality and does not contain any omissions that are liable to alter the purport thereof.

I certify that to my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all companies included in the consolidation scope, and that the information relating to the Management Report, with a concordance table on page 174, gives a true and fair view of the business, results and financial position of the Company and all companies included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained an engagement completion letter from the Statutory Auditors stating that they have reviewed the information concerning the financial position and the financial statements provided in this document and that they have reviewed the entire Registration Document.

Paris, 24 March 2017

Raphaël Tréguier

Chief Executive Officer

3. Historical financial information

The IFRS consolidated financial statements for the year ended December 31, 2016 and the related Statutory Auditors' report presented on pages 84 to 102 and page 103, respectively, of the 2016 Registration Document. Annual financial statements prepared in accordance with French GAAP for the year ended December 31, 2016 and the related Statutory Auditors' report presented on pages 106 to 114 and page 115 respectively, of the 2016 Registration Document.

The IFRS consolidated financial statements for the year ended December 31, 2015 and the related Statutory Auditors' report presented on pages 66 to 81 and page 82, respectively, of the 2015 Registration Document filed with the AMF on April 27, 2016 under no. D. 16-0478, are incorporated by reference into this document.

The IFRS consolidated financial statements for the year ended December 31, 2014 and the related Statutory Auditors' report presented on pages 88 to 102 and page 103, respectively, of the 2014 Registration Document filed with the AMF on March 6, 2015 under no. D. 15-0108, are incorporated by reference into this document.

Verified historical annual information

The Company declares that the historical financial information was verified and described in the Statutory Auditors' general and special reports.

Other information verified by the Statutory Auditors

None

Financial information not taken from the Company's financial statements

None

Dates of the financial information

The Company's most recent, audited financial statements are those that were prepared in accordance with French GAAP for the year ended December 31, 2016. Its most recent consolidated financial statements are those prepared in accordance with IFRS for the year ended December 31, 2016.

4. Statutory Auditors

PRINCIPAL STATUTORY AUDITORS

KPMG Audit FS I, member of the Versailles Institute of Auditors, Tour Eqho, 2 avenue Gambetta, 92066 Paris-La Défense Cedex

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2016.

DENJEAN & ASSOCIÉS, member of the Paris Institute of Auditors, 35 avenue Victor Hugo, 75016 Paris

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2016.

DEPUTY STATUTORY AUDITORS

KPMG Audit FS I, member of the Versailles Institute of Auditors, Tour Eqho, 2 avenue Gambetta, 92066 Paris-La Défense Cedex

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of June 29, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2016.

Clarence Vergote, member of the Paris Institute of Auditors, 35 avenue Victor Hugo, 75116 Paris

Appointed by decision of the Ordinary and Extraordinary Shareholders' Meeting of December 22, 2011 for six years, until the Ordinary Shareholders' Meeting convened to vote on the financial statements for the year ended December 31, 2016.

A resolution will be proposed at the General Shareholders' Meeting to be held on April 20, 2017 to reappoint the Statutory Auditors.

Since their appointment, the Statutory Auditors and their deputies have not been removed from office and have not resigned.

5. Registration Document concordance table

The following table by theme makes it possible to identify the main sections required by European Commission Regulation no. 809/2004.

Items of Annex 1 of the European Regulation no. 809/2004	Location in the Registration Document Section	 Page
1. Persons responsible		
1.1 Persons responsible for the Registration Document	V.2	171
1.2 Attestation by the persons responsible for the Registration Document	V.2	171
2. Statutory Auditors	III.2.5 note 5.29, III.3.5 note 5.20 and V.4	102, 114 and 172
3. Selected financial information	I.4.3, III.1, III.3.1 and V.3	34, 76, 104 and 171
4. Risk factors	III.1.6 and III.2.5.4	79 and 92
4.1 Legal risks	III.1.6 and III.2.5.4 note 4.4	79 and 93
4.2 Industrial and environmental risks	III.1.6	79
4.3 Credit and/or counterparty risk	III.2.5.4 note 4.5	93
4.3 Liquidity risk	III.1.6 and III.2.5.4 note 4.6	79 and 93
4.4 Interest rate risk	III.1.6 and III.2.5.4 note 4.7	79 and 93
4.5 Foreign exchange risk	III.1.6	79
4.6 Risk on equities	III.1.6	79
4.7 Credit derivatives	III.1.6	79
4.8 Insurance	III.1.7	83
5. Information relating to the issuer		
5.1 History and development of the issuer	III.1 and IV.2	76 and 141
5.2 Investments		
5.2.1 Period covered by historical information	I.1.2 and III.1	5 and 76
5.2.2 In progress	N/A	N/A
5.2.3 Future	III.1.3	78
6. Business overview		
6.1 Principal activities	I.1.2 and I.1.3	5 and 6
6.2 Principal markets	I.3 and II.2.5 notes 5.18 and 5.19	19 and 98
6.3 Exceptional factors	I.1.1 to I.1.3 and III.3.5.1 note 1.4	4, 5, 6 and 109
6.4 Patents, licenses	IV.7	169
6.5 Competitive position	I.3	19
7. Organizational structure		
7.1 Brief description of the Group	III.1	76
7.2 List of significant subsidiaries	III.1 and III.3.5 note 5.16	76 and 113
8. Real estate property, plant and equipment		
8.1 Real estate property, plant and equipment	I.2	13 to 18
8.2 Environmental impact of the issuer's utilization of the property, plant and equipment	II	39 to 72
9. Operating and financial review		
9.1 Financial position	III.1 and III.3.1	76 and 104
9.2 Operating results		
9.2.1 Significant events	I.1.1 to I.1.3, III.1 and III.2.5.1 note 1.1	4, 5, 6, 76 and 87
9.2.2 Changes	III.3.5.1 note 1.4	109
9.2.3 External factors	N/A	N/A

6. Concordance table of the Board of Directors' Report

The following table by theme makes it possible to identify and situate, in this Registration Document, the mandatory information to be contained in the Board of Directors' report to the General Shareholders' Meeting of April 20, 2017.

Information required in the board's report to the General Shareholders' Meeting	Location in the Registration Document Section	Page
1. Cegereal and Group activity in 2016		
Situation for the year under review (Group and Company)		
Group information	III.1 and III.2	76 and 84
Company information	III.3	104
Foreseeable developments/Future prospects (Group and Company)		
Group information	I.1.3, I.4.1 and III.1.3	6, 28 and 78
Company information	I.1.3, I.4.1 and III.1.3	6, 28 and 78
Results of the Company and the subsidiaries		
Group information	III.1 and III.2	76 and 84
Company information	III.3	104
Objective and exhaustive analysis of the business developments, results, financial position of the Company and all the consolidated companies, in particular its indebtedness situation with respect to business volume and complexity including, where applicable, the key performance indicators, whether financial or not, relating to the Company's and the consolidated companies' specific activities, notably in relation to environmental and personnel issues		
Group information	I.4.3, III.1 and III.2	34, 76 and 84
Company information	I.1.2, I.4.3 and III.3	5, 34 and 104
Environmental and employment information - Social commitments to sustainable development		
Group information	II and IV.4	39 and 147
Company information	II and IV.4	39 and 147
Research and development activities		
Group information	IV.7	169
Company information	IV.7	169
Progress made/Difficulties encountered		
Group information	I.1.2, I.1.3 and III.1	5, 6 and 76
Company information	I.1.2, I.1.3 and III.1	5, 6 and 76
Main risks and uncertainties		
Group information	III.1.6 and III.2.5.4	79 and 92
Company information	III.1.6 and III.2.5.4	79 and 92
Significant events subsequent to year-end		
Group information	III.1.4 and III.2.5.5 note 5.30	79 and 102
Company information	III.1.4 and III.3.5.5 note 5.21	79 and 114
Activity per line of business		
Group information	III.1 and III.3	76 and 104
Purchases of 5%, 10%, 20%, 33.33%, 50%, 66.66% of share capital or voting rights, or takeovers		
Company information	III.1	76
Changes in the presentation of the annual financial statements and the valuation methods used		
Company information	III.3.1 and III.3.5.4	104 and 110
Dividends distributed in the previous three years		
Company information	III.3.2	105
Non tax-deductible expenses		
Company information	III.3.2	105
Information on supplier payment terms		
Company information	III.3.2	105
Where applicable, injunctions or financial sanctions imposed by the French competition council (*Conseil de la concurrence*) for antitrust practices		
Company information	N/A	N/A
2. Information relating to the Company's share capital		
Identity of parties directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of share capital or voting rights. Changes in this list during the year	I.1.3 and IV.5.1	9 and 148
Statement of employee share ownership	IV.4	147
Shareholders' agreements relating to the Company's share capital (indications of any Dutreil Act retention undertakings)	IV.5.3	152
Controlled companies holding company shares and portion of the capital held	N/A	N/A
Notice of holding more than 10% of another joint-stock company's shares. Transfer of cross-shareholdings	IV.5.6	153
Items that could have an impact in the event of a public offer	IV.5.4	152

Information required in the board's report to the General Shareholders' Meeting	Location in the Registration Document Section	Page
Number of shares purchased and sold during the year within the framework of Art. L.225-209 of the French Commercial Code (*Code de commerce*) indicating the average quotations of such purchases and sales, the amounts of trading charges, the number of shares registered in the Company's name at year-end, their nominal value and the reasons for the purchases and the portion of capital that they represent	IV.5.2	151
Information on the calculation and impact of the adjustment of the exercise basis of securities granting access to share capital in the event of a transaction with pre-emptive subscription rights, a free share grant, the distribution of reserves or premiums or a change in the allocation of profits or redemption of capital	N/A	N/A
Information on the calculation and impact of the adjustment of the exercise basis of stock subscription and purchase options in the event that the Company purchases its own shares at a rate higher than the market rate	N/A	N/A
Information on the calculation and impact of the adjustment of the exercise basis of securities granting access to share capital in the event that the Company purchases its own shares at a rate higher than the market rate	N/A	N/A
3. Cegereal's corporate officers		
Compensation	IV.6.3	161
List of offices	IV.6.1 and IV.6.2	157 and 159
Senior executive share transactions	IV.5.5	153
Choice made between the two types of corporate governance in the event of a change	IV.1.4	132
Board of Directors' choice relating to the terms and conditions applicable to corporate officers for holding shares either granted free of charge and/or resulting from the exercise of stock options	IV.5.7	155
Attached documents		
Chairman's report relating to corporate governance and internal control	IV.1.4	132
Five-year financial summary	IV.1.6	141
Summary table of currently valid authorities to increase share capital and the use made of such authorities during the year by Cegereal	IV.5.1.6	150
Special report on free share awards	IV.5.7.2	156
Special report on awards of stock subscription options and stock purchase options	IV.5.7.1	155
Report of the Board of Directors on the principles and rules for determining, allocating and awarding components of corporate officers' compensation	IV.6.3.4	167

7. Concordance table of the annual financial report

The following table by theme makes it possible to identify the main sections required by the General Regulations of the AMF.

Concordance table of the annual financial report	Location in the Registration Document Section	Page
1. Annual financial statements	III.3	104
2. Consolidated financial statements	III.2	84
3. "Management report" in accordance with Article 222-3-3 of the General Regulations of the AMF		
3.1 Objective and exhaustive analysis of the Company's business, results and financial position, as well as those of the entities included in the consolidation, including a description of the main risks and uncertainties to which it is exposed.	I.1.2, I.1.3, I.4, III.1, III.2 and III.3	5, 6, 27, 76, 84 and 104
3.2 Table of the delegations of authority to increase share capital	IV.5.1.6	150
3.3 Information that could have an impact in the event of a public offer	IV.5.4	152
3.4 Information regarding the share buy-back program during the fiscal year	IV.5.2	151
4. Declaration by the persons responsible for the annual financial report	V.2	171
5. Statutory Auditors' reports on the annual and consolidated financial statements	III.2.6 and III.3.6	102 and 115

Other documents presented or submitted to the General Shareholders' Meeting	Location in the Registration Document Section	Page
1. Financial statements for the year ended December 31, 2016	III.3	104
2. Statutory Auditors' report on the annual financial statements	III.3.6	115
3. Consolidated financial statements for the year ended December 31, 2016	III.2	84
4. Statutory Auditors' report on the consolidated financial statements	III.2.6	102
5. Statutory Auditors' special report on related-party agreements and commitments	III.3.7	116
6. Five-year financial summary	IV.1.6	141
7. Statutory Auditors' report on the extraordinary resolutions	IV.1.3	130
8. Statutory Auditors' report on the Chairman's report on internal control and corporate governance	IV.1.5	140
9. Report by an independent third party on the CSR disclosures	II	71
10. Report of the Board of Directors on the principles and rules for determining, allocating and awarding components of corporate officers' compensation	IV.6.3.4	167

8. CSR Concordance table

The following table by theme makes it possible to identify the main sections required by Articles R.225-104 and R.225-105 of the French Commercial Code (*Code de commerce*), it being specified that, in light of the Group's position, the majority of said sections are not applicable due to the limited number of employees.

Categories	Subcategory	Indicators	Pages
Corporate information	Workforce	Total headcount and breakdown by gender and location	127
		Recruitments and redundancies	127
		Pay and changes in pay	127
	Working schedules	Working hours	127
		Lost time	127
	Labor relations	The coordination of labor relations: specifically, procedures for sharing information with the workforce, and consulting and negotiating with staff	42; 127
		Summary of collective agreements	42; 127
	Health and safety	Health and safety in the workplace	42; 127
		Summary of health and safety agreements signed with trade unions or staff representatives	127
		Work accidents – frequency and severity, and occupational diseases	127
	Training	Training policies	127
		Total number of training hours	127
	Equal treatment	Measures taken to promote gender equality	127
		Measures taken to promote the employment and integration of people with a disability	42-43
		Anti-discrimination policy	42-43
	ILO	Respect for freedom of association and the right to collective bargaining	42-43
		Elimination of discrimination in respect of employment and occupation	42-43
		Elimination of forced or compulsory labor	42-43
		Effective abolition of child labor	42-43
Environmental information	General environmental policy	Incorporating environmental issues into the organization of the business; environmental evaluation programs and certifications	38-39; 50; 51
		Environmental training programs and information campaigns	43
		Resources dedicated to the prevention of environmental risk and pollution	51
		Provisions and guarantees for environmental risks	51
	Pollution and waste management	Measures taken to prevent, reduce and combat discharge into the air, water and soil that has a serious environmental impact	51
		Measures taken to prevent, recycle and eliminate waste	38-39; 51
		Noise pollution and other forms of pollution specific to a particular activity	51
	Sustainable use of resources	Water consumption and supply, within the constraints of the local environment	48
		Use of raw materials and measures taken to use them more efficiently	48; 51
		Use of energy, measures taken to improve energy efficiency and use of renewable energy sources	50
		Land use	49
	Climate change	Greenhouse gas emissions	48; 50
		Adapting to the consequences of climate change	38-39; 48; 50
	Protecting biodiversity	Measures taken to preserve and cultivate biodiversity	49
Societal information	Territorial, economic and social impact of the business	In terms of jobs and regional development	45-47
		On neighboring and local communities	45-47
	Relations with stakeholders	Organization of discussions with stakeholders	35; 44-46
		Sponsorship and patronage	44
	Subcontracting and suppliers	Integrating social and environmental issues into purchasing policy	45
		The extent of subcontracting and the integration of suppliers' and subcontractors' social and environmental responsibility into supplier relations	45; 51
	Fair trade practices	Action taken to prevent corruption	43
	Human rights	Measures taken to promote public health and safety	51
		Action taken	43

9. GRI G4 Concordance table

N°	Indicators	Page	Comments
General Standard Disclosures			
Strategy and Analysis			
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, Chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Website	WB "Sustainable Development" page - Environmental policy
G4-2	Provide a description of key impacts, risks, and opportunities	AR p.38-39, 41	CSR Strategy "Upgreen your business" § Materiality matrix
Organizational Profile			
G4-3	Report the name of organization	-	Cegereal
G4-4	Report the primary brands, products, and services	Website	WB "Company" page
G4-5	Report the location of the organization's headquarters	-	42 rue de Bassano, 75008 Paris, France
G4-6	Report the number of countries where the organization operates, and names of countries where the organization has significant operations	-	France
G4-7	Report the nature of ownership and legal form	Website	WB "Company – Governance" page
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Website	WB "Company" and "Assets" pages
G4-9	Report the scale of the organization (total number of employees, total number of operations, net sales, capitalization, debt and equity, products and services provided)	AR p.127 – Website	AR § "Employees" WB "Company" and "Assets" pages
G4-10	Report the total number of employees (permanent or otherwise) by employment contract, region, and gender (and any significant variations in employment numbers)	AR p.127 – Website	AR § "Employees"
G4-11	Report the percentage of total employees covered by collective bargaining agreements	AR Appendices	AR Art.225 concordance table
G4-12	Describe the organization's supply chain	AR p.40	AR § "Integrated CSR governance"
G4-13	Report any significant changes regarding the organization's size, structure, ownership, or its supply chain	Website	WB "Company" and "Assets" pages
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	AR p.51; 62	AR § "Environmental risk management" and "Risk Management"
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	AR p.45	AR § "Managing the societal footprint"
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	AR p.45	AR § "Partnerships and corporate sponsorships"
Identified Material Aspects and Boundaries			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	AR p.70	AR § "Financial information"
G4-18	Explain the process for defining the report content and the Aspect Boundaries (=sub-aspects)	AR p.41 Website	AR § "Materiality matrix" WB "Sustainable Development" page – Reporting Methodology
G4-19	List all the material Aspects identified in the process for defining report content	AR p.41 Website	AR § "Materiality matrix" WB "Sustainable Development" page – Reporting Methodology
G4-20	Report whether each Aspect is material within the organization and the Aspect Boundary within the organization (as described in in G4-17)	AR p.41 Website	AR § "Materiality matrix" WB "Sustainable Development" page – Reporting Methodology
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	AR p.62	AR § "Risk Management"
G4-22	Report the effect of, and reasons for, any restatements of information provided in previous reports	AR p.52-53 Website	AR § Appendix 1: Reporting Methodology WB "Sustainable Development" page – Reporting Methodology
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	Website AR p.62, 51, 52-53	AR § "Risk Management", § "Environmental Risk Management", § "Preventing Pollution" and § Appendix 1: Reporting Methodology
Stakeholder Engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization	AR p.40	AR § "Integrated CSR governance"
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	AR p.40-41	AR § "Integrated CSR governance" and "Materiality matrix"
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	AR p.40-41	AR § "Integrated CSR governance" and "Materiality matrix"
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	AR p.41 Website	AR § "Materiality matrix" WB "Regulated information" page

N°	Indicators	Page	Comments
Report Profile			
G4-28	Reporting period	AR p.52-53 Website	AR § Appendix 1: Reporting Methodology WB "Environmental Information" page - Reporting Methodology
G4-29	Date of most recent previous report	AR p.52-53 Website	AR § Appendix 1: Reporting Methodology WB "Environmental Information" page - Reporting Methodology
G4-30	Reporting cycle (such as annual, biennial)	AR p.52-53 Website	AR § Appendix 1: Reporting Methodology WB "Environmental Information" page - Reporting Methodology
G4-31	Provide the contact point for questions regarding the report or its contents	AR p.52-53 Website	AR § Appendix 1: Reporting Methodology WB "Environmental Information" page - Reporting Methodology
G4-32	Report the 'in accordance' option the organization has chosen (Core or Comprehensive) and report the reference to the External Assurance Report	-	"Core"
G4-33	Report policy and current practice with regard to seeking external assurance for the report	AR p.54-55	AR Report by the independent third party (appendix)
Governance			
G4-34	Report the governance structure of the organization, including committees of the highest governance body	AR p.108	AR § "Corporate Governance"
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	AR p.40	AR § "Integrated CSR governance"
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	AR p.40	AR § "Integrated CSR governance"
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	AR p.40-41	AR § "Integrated CSR governance" and "Materiality matrix"
G4-38	Report the composition of the highest governance body	AR p.108	AR § "Corporate Governance"
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management)	AR p.108	AR § "Corporate Governance"
G4-40	Report the nomination and selection processes for the highest governance body and its committees, the criteria used, etc.	AR p.108	AR § "Corporate Governance"
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed	AR p.110	AR § "Internal Rules and Regulations"
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	AR p.40	AR § "Integrated CSR governance"
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	AR p.40	AR § "Integrated CSR governance"
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	AR p.40	AR § "Integrated CSR governance"
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	AR p.40	AR § "Integrated CSR governance"
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	AR p.40	AR § "Integrated CSR governance"
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	AR p.40	AR § "Integrated CSR governance"
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	AR p.40	AR § "Integrated CSR governance"
G4-49	Report the process for communicating critical concerns to the highest governance body	AR p.40	AR § "Integrated CSR governance"
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	AR p.40	AR § "Integrated CSR governance"
G4-51	Report the remuneration policies for the highest governance body and senior executives for fixed and variable pay, performance-based pay, equity-based pay, bonuses, etc.	AR p.108 and 121	AR § "Corporate governance" and § "Transactions with Key Management Personnel"
G4-52	Report the process for determining remuneration	AR p.108 and 121	AR § "Corporate governance" and § "Transactions with Key Management Personnel"
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	AR p.108 and 121	AR § "Corporate governance" and § "Transactions with Key Management Personnel"

N°	Indicators	Page	Comments
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	-	N/A
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	-	N/A
Ethics and Integrity			
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	AR p.42	AR § "Compliance with the Fundamental Conventions of the International Labor Organization" – Internal Code of Ethics
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	AR p.42	AR § "Compliance with the Fundamental Conventions of the International Labor Organization" – Internal Code of Ethics
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity (...)	AR p.42	AR § "Compliance with the Fundamental Conventions of the International Labor Organization" – Internal Code of Ethics
Specific Standard Disclosures			
Management Approach and Material Aspects			
G4-DMA	Report why the Aspect is material and the impacts that make it material	AR p.62, 41, 38-39	AR § "2015-2018 CSR Strategy", § "Materiality and CSR Issues" and § "Risk Management"
Economic performance			
G4-EC1	Report the direct economic value generated and distributed (EVG&D) on an accruals basis	AR p.47 and p.113	AR § "Governance" and "Societal footprint"
G4-EC2	Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure	AR p.62	AR § "Risk Management"
G4-EC3	Coverage of the organization's defined benefit plan obligations	-	N/A
G4-EC4	Financial assistance received from government	-	N/A
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	-	N/A
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	-	100%
G4-EC7	Development and impact of infrastructure investments and services supported	AR p.44	AR § "Managing the societal footprint"
G4-EC8	Significant indirect economic impacts, including the extent of impacts	-	The Company's business activity does not generate any "significant" indirect impact
G4-EC9	Procurement practices: proportion of spending on local suppliers at significant locations of operation	-	100%
Environmental			
G4-EN1	Report the total weight or volume of materials that are used to produce and package the organization's primary products and services (by material)	AR p.50	AR § "Low carbon strategy"
G4-EN2	Report the percentage of recycled input materials used to manufacture the organization's primary products and services	AR p.50	AR § "Low carbon strategy"
G4-EN3	Report total fuel consumption from non-renewable sources in joules or multiples	AR p.50	AR § "Low carbon strategy"
G4-EN4	Report energy consumed outside of the organization (standards, methodologies, assumptions, and source of the conversion factors used)	AR p.35-39, 48	AR § "Appendix 1: Indicators and Reporting Methodology" and "Environmental performance"
G4-EN5	Report the energy intensity ratio	AR p.35-39, 48	AR § "Appendix 1: Indicators and Reporting Methodology" and "Environmental performance"
G4-EN6	Report the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives (in joules)	AR p.35-39	AR § "Appendix 1: Indicators and Reporting Methodology" and "Environmental performance"
G4-EN7	Report the reductions in the energy requirements of sold products and services achieved during the reporting period	AR p.35-39	AR § "Appendix 1: Indicators and Reporting Methodology" and "2015-2018 CSR Strategy"
G4-EN8	Report the total volume of water withdrawn	AR p.48	AR § "Stable water use" and "Water and waste indicators"
G4-EN9	Report the total number of water sources	AR p.48	AR § "Stable water use" and "Water and waste indicators"
G4-EN10	Report the total volume of water recycled and reused by the organization	-	N/A
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas (...)	AR p.49	AR § "Biodiversity and soil utilization"
G4-EN12	Report the nature of significant direct and indirect impacts on biodiversity	AR p.49	AR § "Biodiversity and soil utilization"
G4-EN13	Report the size and location of all habitat protected areas or restored areas, and whether the success of the restoration measure was or is approved by independent external professionals	-	0%
G4-EN14	Total number of IUCN red list species	-	None
G4-EN15	Report gross direct (Scope 1) GHG emissions in metric tons of CO_2 equivalent	AR p.50	AR § "Appendix 1: Indicators and Reporting Methodology"
G4-EN16	Report gross energy indirect (Scope 2) GHG emissions in metric tons of CO_2 equivalent	AR p.50	AR § "Appendix 1: Indicators and Reporting Methodology"
G4-EN17	Report gross other indirect (Scope 3) GHG emissions	AR p.50,48	AR § "Appendix 1: Indicators and Reporting Methodology"
G4-EN18	Report the GHG emissions intensity ratio		AR § "Appendix 1: Indicators and Reporting Methodology"
G4-EN19	Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions	AR p.48	AR § "Low carbon strategy"

N°	Indicators	Page	Comments
G4-EN20	Report production, imports, and exports of ODS in metric tons of CFC-11 equivalent	AR p.35-39	AR § "Stable water use" and "Water and waste indicators"
G4-EN21	Report the amount of significant air emissions, in kilograms, for NOX, SOX, POP, VOC, HAP, particulate matter, etc.	-	None
G4-EN22	Report the total volume of planned and unplanned water discharges	AR p.48	AR § "Stable water use" and "Water and waste indicators"
G4-EN23	Report the total weight of hazardous and non-hazardous waste	AR p.48	AR § "Appendix 1: Indicators and Reporting Methodology"
G4-EN24	Report the total number and total volume of recorded significant spills	-	The Company's operations do not generate any direct hazardous waste.
G4-EN25	Report the total weight of hazardous waste	-	None
G4-EN26	Report water bodies and related habitats that are significantly affected by the organization's water discharges	-	None
G4-EN27	Report quantitatively the extent to which environmental impacts of products and services have been mitigated	-	None
G4-EN28	Report the percentage of reclaimed products and their packaging materials for each product category	AR p.35-39 and 51	AR § "2015-2018 CSR Strategy" and § "Environmental risk management"
G4-EN29	Report significant fines and non-monetary sanctions	-	Not applicable to the Company's operations
G4-EN30	Report the significant environmental impacts of transporting products and other goods and materials for the organization's operations (...)	-	None
G4-EN31	Report total environmental protection expenditures	AR p.50	AR § "Environmental risk management"
G4-EN32	Report the percentage of new suppliers that were screened using environmental criteria	-	N/A
G4-EN33	Report the number of suppliers subject to environmental impact assessments	AR p.45	AR § "Responsible purchasing charter"
G4-EN34	Report the total number of grievances about environmental impacts filed through formal grievance mechanisms	AR p.45	AR § "Responsible purchasing charter"
Labor Practices			
G4-LA1	Report the total number and rate of new employee hires during the reporting period	AR p.127	AR § "Employees"
G4-LA2	Report the benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees	-	N/A
G4-LA3	Report the return to work and retention rates of employees who took parental leave, by gender	-	The Company guarantees the return to work and retention of employees who take parental leave.
G4-LA4	Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them	-	N/A
G4-LA5	Report the percentage of the total workforce represented in formal joint management-worker health and safety committees	-	There is no health and safety committee within the organization as there is no legal requirement for the Company to have one.
G4-LA6	Report types of injury, injury rate, occupational diseases rate, lost day rate, absentee rate and work-related fatalities, for the total workforce	AR p.127	AR § "Employees"
G4-LA7	Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases	-	None
G4-LA8	Report whether formal agreements (either local or global) with trade unions cover health and safety	-	The Internal Rules and Regulations describe and assess the risks to the health and safety of employees.
G4-LA9	Report the average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category	AR p.127	AR § "Employees"
G4-LA10	Report on the type and scope of programs implemented and assistance provided to upgrade employee skills	-	N/A
G4-LA11	Report the percentage of total employees by gender and by employee category who received a regular performance and career development review.	AR p.127	AR § "Employees"
G4-LA12	Report the percentage of individuals within the organization's governance bodies (by gender and minority group)	AR p.108	AR § "Corporate Governance"
G4-LA13	Report the ratio of the basic salary and remuneration of women to men for each employee category	-	N/A
G4-LA14	Report the percentage of new suppliers that were screened using labor practices criteria	AR p.45	AR § "Responsible purchasing charter"
G4-LA15	Report the number of suppliers subject to impact assessments for labor practices	AR p.45	AR § "Responsible purchasing charter"
G4-LA16	Report the total number of grievances about labor practices filed through formal grievance mechanisms	-	None
Human rights			
G4-HR1	Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	Cegereal is governed by the laws of France, which entails compliance with fundamental human rights. It is also a member of Global Compact France and has undertaken to comply with the ten Global Compact principles.
G4-HR2	Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	-	None
G4-HR3	Report the total number of incidents of discrimination during the reporting period	-	None
G4-HR4	Report operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated	-	None
G4-HR5	Report operations and suppliers considered to have significant risk for incidents of child labor or young workers exposed to hazardous work	-	None
G4-HR6	Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labor	-	None

N°	Indicators	Page	Comments
G4-HR7	Report the percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security	-	0%
G4-HR8	Report the total number of identified incidents of violations involving the rights of indigenous peoples	-	None
G4-HR9	Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country	-	None
G4-HR10	Report the percentage of new suppliers that were screened using human rights criteria		0%
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	-	None
G4-HR12	Report the total number of grievances about human rights impacts filed through formal grievance mechanisms	-	None
Society – Local Communities			
G4-SO1	Report the percentage of operations with implemented local community engagement, impact assessments, and development programs	AR p.44	AR § "Managing the societal footprint"
G4-SO2	Report operations with significant actual and potential negative impacts on local communities	-	None
G4-SO3	Report the total number and percentage of operations assessed for risks related to corruption	-	Not applicable to the Company's operations
G4-SO4	Communication and training on anti-corruption policies and procedures	AR p.54-55	Registration Document: *Autorité des Marchés Financiers* (AMF) attestation
G4-SO5	Report the total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	-	None
G4-SO6	Report the total monetary value of financial and in-kind political contributions	-	The Company does not finance political parties
G4-SO7	Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behavior	-	None
G4-SO8	Report significant fines and non-monetary sanctions	-	None
G4-SO9	Report the percentage of new suppliers that were screened using criteria for impacts on society	-	0%
G4-SO10	Significant actual and potential negative human rights impacts in the supply chain and actions taken	-	None
G4-SO11	Report the total number of grievances about impacts on society filed through formal grievance mechanisms	-	0%
Product and Service Responsibility			
G4-PR1	Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement	-	N/A
G4-PR2	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period	-	None
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling	AR p.54-55	Registration document: information required for Autorité des Marchés Financiers attestation regarding full disclosure to shareholders
G4-PR4	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	-	None
G4-PR5	Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes)	-	N/A
G4-PR6	Sale of banned or disputed products	-	None
G4-PR7	Report the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications and advertising	-	None
G4-PR8	Report the total number of substantiated complaints received concerning breaches of customer privacy	-	None
G4-PR9	Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-	None

G4-8	Required General Standard Disclosure for both Core and Comprehensive options
G4-37	Required General Standard Disclosure for Comprehensive option
G4-EN11	"In accordance" – Core: at least one indicator related to each identified material Aspect
G4-EN11	"In accordance" – Comprehensive: all indicators related to each identified material Aspect
G4-DMA	For material Aspects only

10. Glossary

BREEAM IN-USE
Breeam In-Use is a British certification scheme based on three independent certificates that each address a different aspect of the building (Asset Performance, Building Management and Occupier Management). It covers nine categories and offers a snapshot of the environmental performance of a site.

CAPITALIZATION RATE
The capitalization rate is the market rate used to calculate the fair value of an asset based on the asset's market rent (prior to the impact of the rental situation).

EPRA "TOPPED-UP" (NIY)
EPRA "topped-up" NIY corresponds to the EPRA NIY adjusted for rent-free periods or other incentives due to expire.

EPRA NET INITIAL YIELD (NIY)
EPRA NIY (unlike rental income recognized under IFRS), is the annual rental income calculated on the basis of the net monthly rent applicable at the end of the reporting period, less non-recoverable property operating expenses, divided by the gross estimated value of the property.

EPRA NAV
Net asset value: this is calculated on the basis of consolidated equity, which notably includes unrealized gains and losses on real estate assets.
The Group's real estate portfolio was measured at market value at December 31, 2016 by external real estate valuer DTZ Valuation France.
Treasury shares held at December 31, 2016 were not taken into account in calculating NAV per share.

EPRA NNNAV
EPRA Triple Net Asset Value incorporates the market value of the fixed-rate bank loan debt.
Treasury shares held at December 31, 2016 were not taken into account in calculating EPRA NNNAV per share.

EPRA VACANCY RATE
The EPRA vacancy rate corresponds to the market rent of vacant premises relative to the market rent of the entire real estate portfolio at December 31, 2016.

GREEN RATING
Designed by and for real-estate professionals, Green Rating is a tool for the evaluation and comparative analysis of the intrinsic and real environmental performance of existing buildings. It is based on six environmental criteria – energy, carbon, water, transport, waste and wellbeing – and four levels of performance, and offers tangible results that allow performance to be tracked and improved over time.

HQE EXPLOITATION
HQE en Exploitation (*Haute Qualité Environnementale en Exploitation* or High Environmental Quality in use) is a building certification that establishes the environmental performance of a site based on four metrics – energy, environment, health and convenience. Its main objective is to ensure control of the building's energy and environmental quality by drawing on the resources installed during its construction or renovation.

ICR
"Interest Coverage Ratio": Interest coverage ratio: this ratio corresponds to projected annual net rental income/annual interest expense and charges. It is used to define the financial covenants in debt agreements.

IFRS
International Financial Reporting Standards: since January 1, 2005, all listed EU companies have been required to prepare their consolidated financial statements in accordance with accounting standards known as IFRS. These accounting standards make it easier for investors to make comparisons between companies.

IFRS RENTAL INCOME
See note 2.11 to the consolidated financial statements page 91.

ILAT
Officialized in 2011, the ILAT is frequently used as the reference system for reviewing rents of tertiary premises. The ILAT is the weighted sum of three indexes: the consumer price index (50%), the cost of construction index (25%) and the level of gross domestic product (25%).

LTV
Loan-to-value ratio: this ratio corresponds to outstanding bank borrowings/market value of real estate assets net of taxes.

MARKET RENTAL VALUE
The market rental value corresponds to the amount for which an asset could be reasonably leased at the time of the valuation.
This is analyzed as the annual financial consideration for the use of a real estate asset under a lease agreement.

MINIMUM FUTURE LEASE PAYMENTS
Minimum future lease payments correspond to the rental income due to the Group through to the earliest possible termination dates of the different operating leases (excluding VAT and rebilling of taxes and expenses).

OCCUPANCY RATE
The physical occupancy rate corresponds to the percentage of premises for which the Company receives rent within the framework of a lease agreement at December 31, 2016.
The financial occupancy rate corresponds to the percentage of premises for which the Company receives rent or lease termination indemnities at December 31, 2016.

POTENTIAL RETURN
An asset's potential return corresponds to the sum of the market rental values divided by the estimated value of the property.

REIT
Real Estate Investment Trusts (REIT) are companies which are exempt from corporate taxation on profits from property rental income and capital gains on the sale of investment properties.

SIIC
Listed real estate investment companies (*Sociétés d'Investissement Immobilières Cotées*): this is the tax status created by Article 11 of French Finance Act no. 2002-1575 of December 30, 2002.

THEORETIC EFFECTIVE RATE OF RETURN
An asset's theoretic effective rate of return corresponds to the sum of the rental income from leased premises and the market rate of vacant premises divided by the estimated value of the property.

CEGEREAL

Shareholders and Investor Relation
42, rue de Bassano - 75008 Paris
France
Tel.: +33 (0)1 42 25 76 36
info@cegereal.com

www.cegereal.com

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

The French version of this Registration Document was filed with the French financial markets authority (Autorité des Marchés Financiers – AMF) on March 24, 2017. This document may only be used in support of a financial transaction if it is supplemented by an offering circular approved by the AMF. This Registration Document was prepared by the issue under the responsability of its signatories.

Consulting, design, creation, content & production: TERRE DE SIENNE Paris | www.terredesienne.com
Photo credits: Emile Luider / LaCompany, Thierry Borredon, Mgp-Michel Gantner, Photos Laurent Descloux, Getty Images, Illusio.fr

IMPRIM'VERT®

In a responsible development rationale, Cegereal made the choice to print this document on paper manufactured in a FSC certified plant, made with wood fibres from forests planted and exploited according to the same rationale. This paper is manufactured in a plant also ISO 14001 certified (environmental performance norm) and inked on Imprim'vert certified equipment.