MRM

2016 Registration Document

This Registration Document was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers (AMF)*) on 27 April 2017 in accordance with article 212–13 of its General Regulation. It may be used for the purposes of a financial transaction where supplemented by a transaction summary ("note d'opération") that has been approved by the AMF. This document was prepared by the issuer and the signatories are responsible for its contents.

Copies of this Registration Document are available free of charge from M.R.M. at 5 avenue Kléber – 75016 Paris, France and on its website (http://www.mrminvest.com) and the AMF's website (http://www.amf-france.org).

Pursuant to Article 28 of European Regulation (EC) 809/2004, the following information is incorporated by reference in this Registration Document:

- the separate and consolidated financial statements and the Statutory Auditors' reports on the separate and consolidated financial statements for the year ended 31 December 2015, presented on pages 105, 75, 115 and 103, respectively, of the Registration Document approved by the AMF under number D.16-0423 filed on 28 April 2016;
- the separate and consolidated financial statements and the Statutory Auditors' reports on the separate and consolidated financial statements for the year ended 31 December 2014, presented on pages 102, 71, 113 and 100, respectively, of the Registration Document approved by the AMF under number D.15-0421 filed on 28 April 2015.

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1. INFORMATION ON M.R.M.'S ACTIVITIES

1.1 Business overview

M.R.M., a listed real estate company and a SIIC (real estate investment trust) since 1 January 2008, holds a portfolio of retail and office property assets valued at €197.8 million excluding transfer taxes, as of 31 December 2016, comprising 77% retail properties and 23% office properties.

The Company has almost completed its refocus on commercial real estate and implements a dynamic strategy of value-enhancement and asset management combining yield and capital gains.

Since 29 May 2013, M.R.M.'s main shareholder has been SCOR SE which owns 59.9% of the share capital.

M.R.M. is listed in Compartment C of Euronext Paris (France) (ISIN code: FR0000060196 – Bloomberg code: M.R.M.: FP – Reuters code: M.R.M. PA).

1.2 Key figures

1.2.1 The Group's asset profile

Data as of 31 December 2016

M.R.M. asset portfolio	12/31/2016
Portfolio value(1) excluding transfer taxes recognised in the consolidated financial statements	€197.8m
Total area	104,973 sqm
Value breakdown	77% retail properties/23% office properties
Disposals carried out in 2016	€38.4m

(1) Based on appraisals by JLL as of 31 December 2016.
Compared with 31 December 2015, the asset portfolio was down 12.4% in value following the disposal of three office buildings completed in 2016. However, on a like-for-like basis (i.e. excluding the effect of these disposals) the value of the asset portfolio was up 5.7%.
The change in the asset portfolio, as reported in the consolidated financial statements as of 31 December 2016 (see section 3.7 of this Registration Document), was mainly due the property disposals carried out in 2016 which were partially offset by a rise in value of the retail property asset portfolio, reflecting progress of the value-enhancement plans undertaken.

The Group values its property assets twice a year. In order to comply with the SIIC Code of professional conduct, the Group put in place a rotation system for its appraisers in 2013; this rotation ended as of 31 December 2015.

The Group's entire asset portfolio was appraised by JLL as of 31 December 2016. This firm is independent: it has no links and no conflict of interest with the Company. The valuations were carried out using recognised methods which are consistent over time in accordance with French and international valuation standards, namely the *Charte de l'expertise immobilière* (property valuation charter) applied by all French property valuation associations and the RICS ("Appraisal and Valuation Manual" published by the Royal Institution of Chartered Surveyors). Previous appraisals were carried out in June 2016.

The methodology chosen by the appraiser is based on the combined implementation of different valuation techniques. Namely, the capitalisation approach and the discounted future cash flow approach.

Appraiser's details

JLL

Cœur Défense

100-110 Esplanade du Général de Gaulle

92932 Paris-La Défense Cedex, France

Tel.: +33 (0)1 40 55 15 15

Methodology

All appraisal valuations are based on an in-depth visit of the property assets.

In addition, the experts consult the legal, administrative, technical and financial documentation relating to each of the property assets. Consultation of the documentation for the properties is a vital first step to any asset valuation. On a case by case basis, depending on the specific attributes of each property, the valuation phase uses the following methods in accordance with the definitions of the French property valuation charter.

Ownership and occupancy

The appraiser uses information provided by the Company concerning the type of ownership, its scope, the vesting of rights to the property, authorised uses and other information.

The appraiser assumes that this information is accurate, up to date and complete and that the properties comply with applicable laws and regulations.

Town planning and roads

As regards town planning and roads, the information collected verbally from responsible local authorities is assumed to be accurate. No town planning deeds or certificates are requested within the framework of appraisal valuations. The appraiser also checks that there are no town planning or roadway projects planned that could result in a forced sale or directly affect ownership of the properties in question.

Areas

Areas are generally not measured by the appraiser.

The areas stated are those provided by the architects or the managers of the property and are assumed to be accurate.

Equipment and material

Appraisal valuations include equipment and facilities normally considered to form part of the property's fixtures and fittings and which would remain attached to the property if it is sold or let. Equipment and material and their specific foundations and supports, furniture, vehicles, stock and operating tools, as well as tenants' equipment, are excluded from valuations.

Properties under construction or redevelopment

For properties under construction or redevelopment, the appraiser sets out the stage of the development, expenditure already committed as well as future expenditure on the date of the valuation, according to the information supplied by the Company. Contractual commitments of the parties involved in the construction and any figures for estimated expenditure obtained from the consultants working on the project are taken into account.

For recently completed properties, retentions, construction expenses in the process of being settled, fees, or any other expenditure for which a commitment has been made, are not taken into account.

Realisation costs

In their valuations, appraisers do not take account of transaction costs, any taxes that may be payable if the property is sold or any mortgages or other financial commitments relating to the property. Valuations are exclusive of VAT.

Asset valuation methods

The conclusions formed by the appraisers refer to the notion of monetary value and the notion of rental value.

The market rental value corresponds to the financial compensation (yearly or monthly) for properties valued:

- under market conditions on the day of the valuation for use of the property within the framework of a new lease;
- under normal operating conditions corresponding to the current allocation of the property.

The market monetary value of a property is "the estimated amount at which the property would be transferred at the date of valuation from a willing seller to a willing buyer, under normal market conditions, after a reasonable marketing period during which both parties have acted knowledgeably, prudentially and with no constraints"[(1)].

(1) Source: Property valuation charter (Fourth edition, October 2012).

Income capitalisation approach

These methods consist, on the basis of either reported or existing income, or theoretical or potential income (market rent or market rental value), of capitalising this income by applying a yield rate.

Income-based methods are also known as "income capitalisation" or "return" methods. They can be applied in a number of ways depending on the income base in question (effective rent, market rent, net income) to which specific yield rates correspond.

The capitalisation rates correspond to the yield on the seller's side or with a view to a management year. The capitalisation rate expresses, as a percentage, the relationship between the gross or net income of the property and its monetary value. It is called gross or net depending on whether the gross or net income of the property is chosen.

As of 31 December 2016, the average capitalisation rate was 6.1% for retail properties and 4.8% for office properties.

The yield rate corresponds to the yield for the buyer or investor. The yield rate is the ratio, expressed as a percentage, of the gross or net income of the property to the capital committed by the buyer (acquisition price + transfer fees and duties = gross monetary value incl. commission and fees).

Discounted cash flow method

This forward-looking method is based on estimating income and expenses relating to the property, determining a "final" or exit value after the analysis period, and discounting all cash flows.

Over a given period and on a forward-looking basis, it involves anticipating all events (reflected as financial flows) that will have a positive or negative impact on the life of the property (rents, charges, vacancies, works, etc.). By discounting, all future financial flows are stated at today's value in order to determine the present value of the property.

Summary of appraisal valuations by segment of activity

Retail properties	12/31/2016
Appraisers	JLL
Date of the latest visits	60% of assets[1] visited less than 14 months ago 30% of assets[1] visited 14-26 months ago 10% of assets[1] visited more than 26 months ago
Type of ownership	17 assets held in full title 2 assets held in co-ownership 3 assets held in "*lots de volume*"
Appraisal value excluding transfer taxes	€152.8m
Value in the consolidated financial statements	€152.8m
Capitalisation rates	Between 4.3% and 28.9% (i.e. 6.1% on average)
Net yield rate	Between 4.0% and 26.0% (i.e. 5.7% on average)
Occupancy rate[2]	84%

(1) By value as of 31 December 2016.
(2) Ratio of area let to area available for letting as of 1 January 2017.

Office properties	12/31/2016
Appraisers	JLL
Date of the latest visits	100% of assets[1] visited less than 26 months ago
Type of ownership	2 assets held in co-ownership
Appraisal value excluding transfer taxes	€45.9m
Value in the consolidated financial statements	€45.0m
The gap of €0.9 million between the appraisal value and the value reported in the consolidated financial statements results from the two properties reported at their appraisal value net of disposal expenses.	
Capitalisation rates	5.2%
Net yield rate	5.1%
Occupancy rate[2]	69%

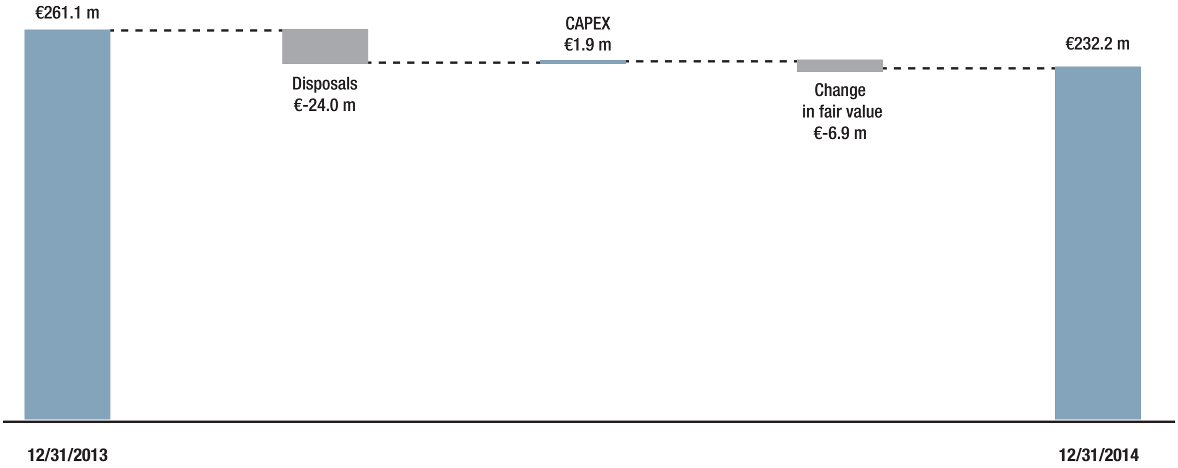
(1) By value as of 31 December 2016.
(2) Ratio of area let to area available for letting in buildings in operation as of 1 January 2017.

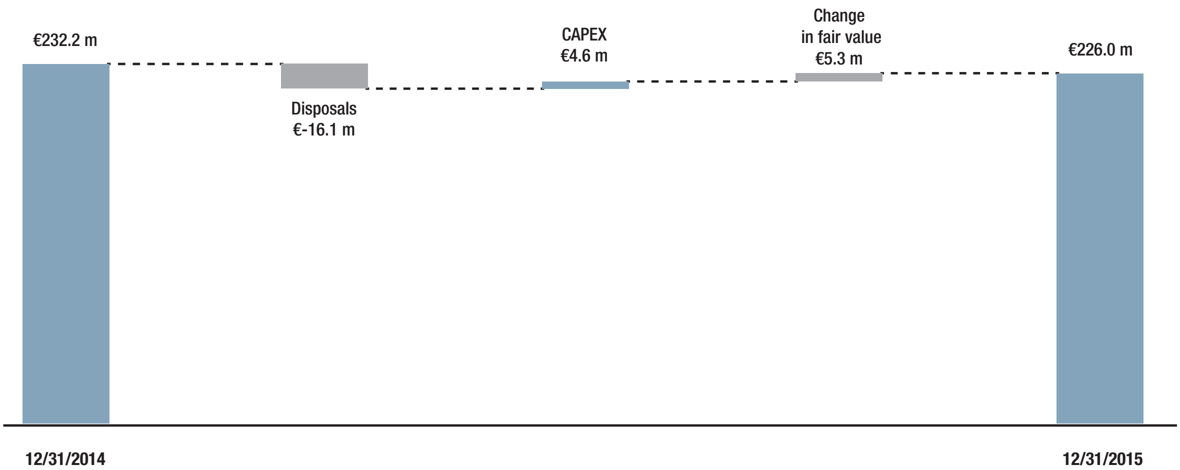
1.2.2 Financial data

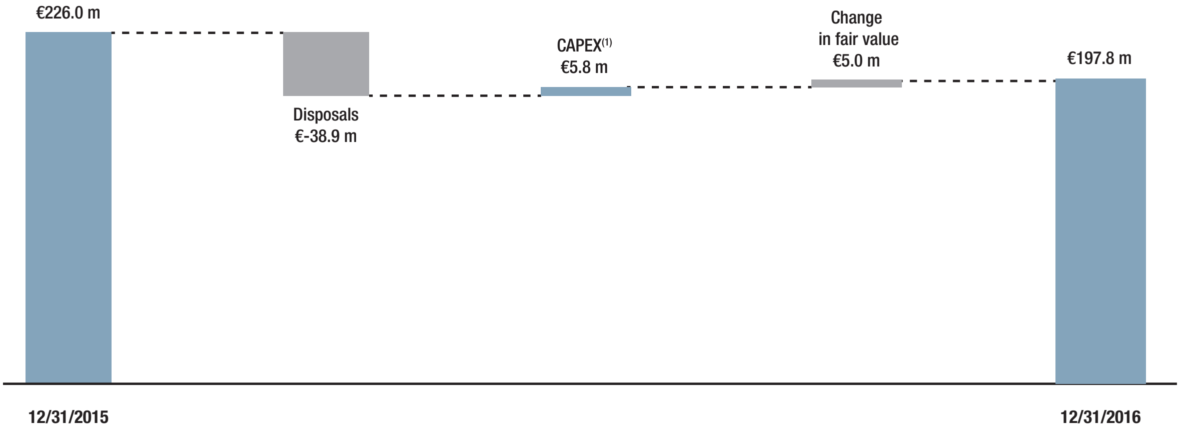
Simplified balance sheet under IFRS

(in millions of euros)	12/31/2016	12/31/2015
Investment properties	152.8	216.3
Assets held for sale	45.0	9.7
Current receivables/assets	8.9	8.4
Cash and cash equivalents	25.0	13.4
TOTAL ASSETS	**231.8**	**247.8**
Equity	127.4	126.6
Financial debt	96.0	111.0
Other debts and liabilities	8.3	10.2
TOTAL LIABILITIES	**231.8**	**247.8**

The value excluding transfer taxes of the Group's asset portfolio changed as follows over the past three years:





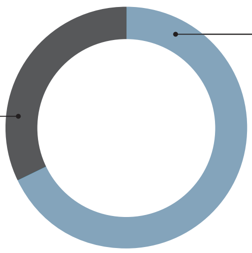


(1) Excluding CAPEX carried out on Cap Cergy, an office building sold in 2016.

Simplified income statement under IFRS

(in millions of euros)	2016	2015
TOTAL GROSS RENTAL REVENUES	13.0	13.6
Property expenses not recovered	(3.5)	(3.9)
NET RENTAL REVENUES	9.5	9.8
Operating expenses	(3.2)	(3.1)
Provisions net of reversals	(0.8)	(0.5)
Other operating income and expenses	0.6	0.0
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE	6.1	6.1
Result on disposals of properties	(2.8)	(0.1)
Change in fair value of investment properties	4.3	4.1
OPERATING INCOME	7.5	10.1
Net borrowing cost	(1.9)	(2.3)
Other operating income and expenses	(0.5)	(0.5)
NET PROFIT (LOSS) BEFORE TAX	5.1	7.3
CONSOLIDATED NET INCOME	**5.1**	**7.3**
NET EARNINGS PER SHARE *(IN EUROS)*	**0.12**	**0.17**

Gross rental revenues for 2016 broke down as follows:



Debt

As of 31 December 2016, the Group's total outstanding debt was €96 million, representing 48.5% of the portfolio value excluding transfer taxes. The average spread on this debt relative to Euribor is 177 basis points (excluding impact of set-up fees). All variable-rate bank loans are hedged with interest rate caps.

During the 2016 financial year, consolidated debt fell by €15 million. This fall was due to consecutive reimbursements related to property disposals in the year, the repayment of the bank loan with HSH Nordbank through the new loan with SCOR SE, and, to a lesser extent, the various redemptions and drawdowns undertaken during the year.

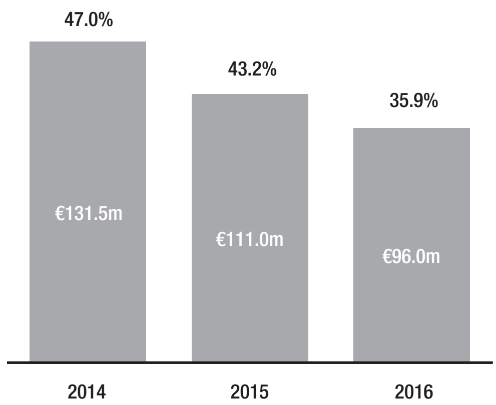
As of 31 December 2016, taking into account cash and cash equivalents available for a total of €25 million, the Group's total net debt was €71 million, representing 35.9% of the portfolio value excluding transfer taxes.

As of 31 December 2016, the Group complied with all of its commitments to its banking partners in terms of LTV covenants, which have maximum thresholds of 55% to 60%, and in terms of ICR/DSCR covenants, which have minimum thresholds of 130% to 400%.

	12/31/2016	12/31/2015
DEBT	€96.0m	€111.0m
Average margin(1)	177 bps	188 bps
CASH AND CASH EQUIVALENTS	€25.0m	€13.4m
LOAN TO VALUE (LTV)(2)	**48.5%**	**49.1%**
TOTAL NET DEBT(3)	**35.9%**	**43.2%**

(1) Excluding the impact of arrangement fees.
(2) Debt on the appraisal value excluding transfer taxes.
(3) Net debt in cash and cash equivalents over asset portfolio appraisal value excluding transfer taxes.

The Group's total debt changed as follows over the past three years:



Maturity and hedging of the bank debt

All variable-rate bank debt is hedged with three-month Euribor caps set at between 2.0% and 3.0%:

Euribor Strike	Amount
2.00%	€15.2m
3.00%	€11.2m

As of 31 December 2016, the loan repayment schedule (apart from any property disposal repayments) was as follows:

Loan maturities	Amount	% of the total debt
2017	€15.5m	16.2%
2018	€23.5m	24.5%
2019	€1.8m	1.9%
2020	€2.2m	2.3%
2021 and beyond	€53.0m	55.2%
TOTAL	**€96.0m**	**100.0%**

Debt maturing within one year consists of a €15.2 million credit line maturing on 8 December 2017. The balance falling due within one year relates to contractual repayments to be made over the next twelve months.

On 15 January 2016, M.R.M. repaid a matured bank debt of €27.2 million. Part of the repayment was made through a new loan of €22.0 million with a maturity of one year, granted by SCOR SE, M.R.M.'s majority shareholder, with the remainder paid out of the Group's own funds. At year-end 2016, the €22.0 million loan, which was due to expire on 15 January 2017, was extended until 15 January 2018.

On 23 December 2016, M.R.M. announced the signing with German bank SaarLB of a loan maturing at the end of 2021, consisting of two credit lines. The first line, for €48.6 million, replaces a credit line of the same amount, secured against part of MRM's retail portfolio and maturing at the end of 2017. The second line for €15.2 million is intended to finance retail value-enhancement programs.

M.R.M. has already contacted its financial partners in anticipation of its bank maturities at end 2017.

Net Asset Value and Balance Sheet

As of 31 December 2016, the EPRA Triple Net Asset Value (NNNAV) (as defined by the European Public Real Estate Association, see below) was €2.92 per share and the replacement Net Asset Value (NAV) was €3.19 per share, compared with €2.90 and €3.21 per share, respectively, as of 31 December 2015.

The NAV is an indicator which measures the realisable value of a real estate company. It represents the difference between the value of the Group's portfolio (as assessed by independent appraisers) and the sum of the debts. The Group's NAV was not restated insofar as investment property and property held for sale were entered at "market value" on the Group's consolidated balance sheet as of 31 December 2016.

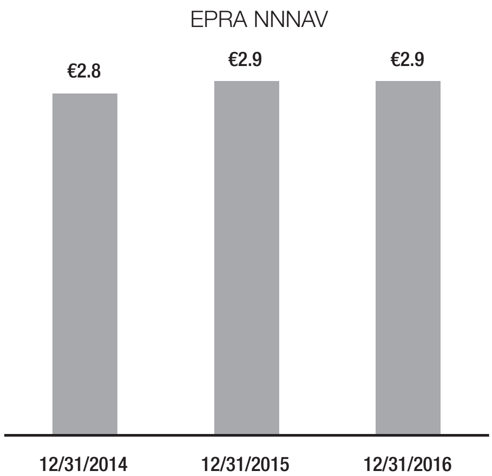
The EPRA NAV consists of the revalued equity of the Group, i.e. based on the fair value of consolidated assets and liabilities. It corresponds to the long-term intrinsic value of the real estate company.

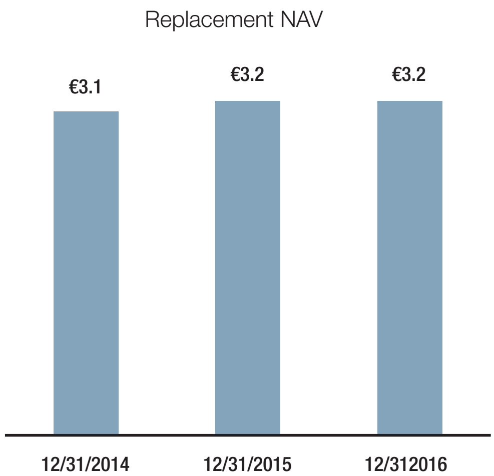
The EPRA NNNAV is composed of the EPRA NAV, incorporating the fair value excluding transfer taxes of investment properties, properties held for sale, as well as financial instruments and debts. It represents the immediate value of the real estate company.

Replacement NAV corresponds to the EPRA NAV after integration of transfer taxes determined according to appraisals made by independent appraisers.

NAV Data	12/31/2016	12/31/2015	12/31/2014
EPRA NNNAV	€127.3m	€126.5m	€123.6m
EPRA NNNAV/share	€2.92	€2.90	€2.83
Replacement NAV/share	€3.19	€3.21	€3.14

The Net Asset Value in euros per share changed as follows over the past three years:





Cash flow statement

The simplified cash flow statement for the past three years is as follows:

(in millions of euros)	12/31/2016	12/31/2015	12/31/2014
CONSOLIDATED NET INCOME	5.1	7.3	(6.9)
CASH FLOW	6.7	6.3	6.0
Change in operating working capital	0.4	(1.0)	(0.1)
Change in cash flows from operating activities	7.1	5.3	5.9
Change in cash flows from investing activities	26.9	13.1	19.9
Change in cash flow from financing activities	(22.4)	(27.4)	(23.3)
NET CHANGE IN CASH AND CASH EQUIVALENTS	11.6	(9.0)	2.5
Initial cash and cash equivalents	13.4	22.4	19.9
Closing cash and cash equivalents	25.0	13.4	22.4

1.3 Company history

M.R.M. was initially a holding company at the head of a group organised around three business lines: manufacturing and sales of velvet products (J.B. Martin), clothing design and retailing in Mexico (Edoardos Martin), and the production and sale of plastic tubes and cables (M.R. Industries). In the early 2000s, M.R.M. began to actively refocus on its two primary business lines and gradually sold off all companies in the M.R. Industries business line, while M.R. Industries was itself sold, together with its only remaining subsidiary, Tecalemit Fluid System, on 29 June 2007 to J.B. Martin Holding for €1.

29 June 2007: Dynamique Bureaux, a property investment company managed by CB Richard Ellis Investors, took control of M.R.M., then listed on the Euronext Paris Eurolist, by acquiring 70.03% of its share capital. Before the acquisition, M.R.M. had sold all of its operational businesses grouped under the subsidiary J.B. Martin Holding.

31 July 2007: Dynamique Bureaux launched a simplified takeover bid for the remainder of M.R.M.'s shares.

30 August 2007: after the simplified takeover bid, Dynamique Bureaux held 96.93% of M.R.M.'s share capital and voting rights.

28 September 2007: M.R.M. began to carry out its first acquisitions of office buildings through property companies.

9 November 2007: after the AMF approved the E. 07-163 document on 8 November 2007, M.R.M. announced its plans to turn itself into a mixed listed real estate investment company. This was undertaken via the takeover of Dynamique Bureaux by M.R.M. and the contribution by Commerces Rendement of its shares (directly and indirectly with the contribution of all of Investors Retail Holding's shares, a company whose sole assets were its holdings in Commerces Rendement).

12 December 2007: the M.R.M. General Meeting of Shareholders approved the following items and transactions:

- contribution of all Commerces Rendement shares not held by Investors Retail Holding;
- contribution of all shares in Investors Retail Holding;
- takeover of Dynamique Bureaux;
- cooption of directors on 29 June 2007;
- transfer of the head office to 65/67 avenue des Champs-Élysées, Paris (8th *arrondissement*);
- drafting of the Company's Articles of Association;
- authorisation to carry out capital increases.

30 January 2008: M.R.M. opted for SIIC (*Société d'investissements immobiliers cotée* - real estate investment trust) status from 1 January 2008.

The tax regime for SIICs, set out in Article 208 C of the French General Tax Code, exempts eligible companies opting for this status from corporate tax on income from letting buildings and from capital gains tax on sales of buildings and shares in real estate companies.

Conditions for eligibility are twofold:

- at least 80% of the Company's business must derive from property holding and management (the "business" condition);
- no single shareholder may hold more than 60% of the share capital and voting rights of the Company, and at least 15% of the share capital and voting rights must be held by a combination of shareholders representing no more than 2% of the share capital and voting rights (the "shareholding" condition).

The Company must opt for the SIIC status before the end of the fourth month from the beginning of the financial period for which the Company requests application of the regime. It takes effect as from the first day of the applicable financial period and is irrevocable. The resulting change in tax status gives rise to the discontinuation of a company's business (taxation of unrealised capital gains, payment of any deferred tax and any unpaid corporate tax on operating income).

Corporate tax on unrealised capital gains, deferred taxes, and corporate tax on untaxed profits, levied at 16.5% (generally referred to as exit tax), must be paid in instalments of 25% on 15 December of the first year of the option and each subsequent year.

SIICs and their subsidiaries having opted for the special tax regime are exempt from corporate tax on the portion of their earnings from:

- letting properties, provided that 95% of such earnings are distributed before the end of the financial period in which they are generated;
- capital gains on disposals of buildings, shares in partnerships as defined by Article 8 of the French General Tax Code with an identical purpose to that of a SIIC, and/or shares in subsidiaries having opted for the special tax regime, provided that 60% of such capital gains are distributed before the closing of the second financial period following their realisation;
- dividends received from subsidiaries having opted for the special tax regime and deriving from tax-exempt income or capital gains, provided that they are entirely redistributed during the financial period following the dividend payout.

25 March 2008: M.R.M. joined the Euronext IEIF SIIC index.

7 March 2013: M.R.M. signed an investment agreement with SCOR SE under which the latter took a majority interest in M.R.M.'s share capital.

13 May 2013: M.R.M.'s General Meeting of Shareholders approved the Company's recapitalisation, provided for in the investment agreement signed on 7 March 2013 with SCOR SE, along with the following items and transactions subject to carrying out the recapitalisation:

- appointment of directors;
- reduction of the Company's share capital by lowering the par value of shares;
- allocating negative retained earnings to additional paid-in capital;
- capital increase without subscription rights in favour of SCOR SE;
- conversion into Company shares of the bonds issued by DB Dynamique Financière;
- issue and award of Company stock options free of charge to Company shareholders whose shares are registered on the day preceding the date on which the capital increase reserved for SCOR SE is carried out.

29 May 2013: the recapitalisation provided for in the investment agreement signed with SCOR SE on 7 March 2013 was carried out. Under the recapitalisation, SCOR SE took a 59.9% majority interest in M.R.M.'s share capital and all bonds issued by DB Dynamique Financière, a wholly-owned subsidiary of M.R.M., were converted into M.R.M. shares for a nominal amount of €54 million. As SCOR SE's interest in M.R.M.'s share capital remained under 60%, M.R.M. continues to benefit from its SIIC status and the accompanying tax regime. M.R.M.'s head office was moved to 5, avenue Kléber, Paris (16th *arrondissement*).

1.4 The Company

The market data presented in this section were taken from reports published by CBRE and Cushman & Wakefield.

Further details on the M.R.M. group are given in the management report in section 3.6 of this Registration Document.

1.4.1 Business overview

The purpose of M.R.M. as a real estate company is the acquisition, holding, value-enhancement, rental and arbitrage of property assets. The Group's portfolio consists of stabilised properties and properties with value-enhancement opportunities.

Growth lies in increasing rental revenues through improving the occupancy rate of properties and reducing property expenses, enhancing property value and in combining internal development with growth via acquisitions.

The Group operates on the retail and office property markets, each with their own characteristics. These businesses require in-depth knowledge of investing and rental activities, of laws and regulations, and the competitive environment.

Retail properties

Retail property is a highly specific market segment subject to a particular economic and regulatory sector. Developments in this market are described in 1.4.2. The development of retail and distribution can be observed in the endurance of suburban retail parks and the refurbishment of existing town-centre facilities. In addition, the size and demography of the French market foster the development of chains by domestic and international retailers. Furthermore, e-commerce is also developing strongly and represents a significant distribution channel in certain consumer sectors (travel ticketing, electronic and cultural goods, etc.). The food trade continues to play an important role in French retailing given the behavioural patterns of French consumers in this sector.

These retailers are now operating in most large cities in France, and are beginning to penetrate deeper into the territory by opening outlets in smaller catchment areas, although continuing to scrutinise entry conditions, given the difficult economic environment.

The balance of power between tenants and lessors is determined by the strength of the retail property and business, which belongs to the tenants and therefore strongly influences their attachment to the premises, and by the regulation of available supply of premises, which is determined by the authorisation required prior to opening any mid-size or mass retail outlet, governed by urban planning laws. These changes are being followed closely by players in this market.

As a consequence, investments made in commercial property are subject to a lesser extent to the vacancy constraints known in other property sectors.

Due to the volatility of the traditional construction cost index (ICC), a new index was set up and made mandatory, namely the retail rents index (ILC) incorporating certain retail activity indicators by volume to weight the ICC.

The competitive environment in which the Company operates includes a certain number of French and international listed real estate companies specialising in retail property, such as Unibail-Rodamco, Klépierre, Mercialys and Altaréa, as well as many other operators such as the property arms of mass retailers and asset managers, small and medium-sized specialised real estate companies, investment funds, and other dedicated vehicles.

Office properties

In the office property segment, demand is concentrated in Paris and the suburbs, and to a lesser extent in large cities in the French provinces. Developments in this market are described in 1.4.2. Upon investing, the key indicators include the volume of property exchanged and variances in capitalisation rates used to value the properties.

Vacancy rate and changing rental values are two key criteria for the rental market. Although the investment and rental markets have differences, they do have some determining factors in common.

With regard to rent regulations, the ICC, which has been very volatile over the last few years, will be gradually replaced by the commercial property rental index (ILAT), a new index that is more closely correlated with changes in GDP. French environmental legislation is being revamped following the Grenelle Environmental Forum, in the guise of the Building Plan designed to improve the energy performance of buildings and help combat global warming, which notably resulted in the implementation of the Thermal Regulations in 2012. In parallel with the particular focus on personal safety (asbestos, construction materials, etc.), regulations are also evolving in relation to the protection of the environment (energy standards, greenhouse gas emissions, the integration of buildings into the environment, natural landscaped surroundings, etc.) as well as accessibility standards for people with reduced mobility.

The competitive environment in which the Company operates is becoming fragmented, in regard to both the type of assets involved and the players, which include a number of listed French real estate companies (the bulk of which operate under the SIIC regime), French and foreign investment funds, and institutional investors (insurance companies, pension funds). No player among them controls a significant share of the different market segments.

Certain property players can be considered as competitors as they operate entirely or in part on the same market segment and tertiary divisions as the Company, in particular a certain number of listed real estate companies, investment funds and dedicated investment vehicles, such as OPCIs and SPCIs.

Policy of enhancing asset value and refocusing on retail properties

The M.R.M. group has properties, both office and retail, in its portfolio with value-added opportunities.

The strategy of the M.R.M. group notably involves increasing the attractiveness of its assets and exploiting their potential for value-enhancement by refurbishing them and upgrading them to the best market standards, by bringing their rental revenues back into line with market rates, but also by undertaking extensions where possible.

In 2013, the Group announced its intention to refocus its business on retail properties and to gradually dispose of its office properties. As regards the latter asset class, M.R.M.'s priority is to continue actively seeking out opportunities to let the premises that are currently vacant as to maximise the financial conditions of their disposal. The office asset disposal programme continued in 2016 with the disposal of three additional assets. As a result, M.R.M.'s office property portfolio was reduced to two assets currently in the process of being sold. M.R.M. aims to complete its withdrawal from the office sector in 2017.

The Group has undertaken a significant investment programme aimed at enhancing the value of its current retail property portfolio. It represents a total projected investment of €32 million, €9 million of which was invested in 2016. The Group is also looking at opportunities to acquire or dispose of retail assets as part of a dynamic approach to portfolio management.

1.4.2 The real estate market in 2016, office and retail segments

The investment market in France

Source: CBRE study Q4 2016 "Market View – France Investment".

A dynamic market looking for alternatives

Investment volume stabilized at a peak

Following a significant slowdown in the first 9 months of the year, notably due to uncertainty arising from Brexit, the European investment market picked up speed in Q4. The year-on-year reduction in investment volume in Europe now stands at approximately 10%. Against this backdrop, France continued to fare well. Once again, the end of the year was particularly active, in all market segments; at the time of writing this report some €8 billion of investment in standard commercial real estate were identified in the fourth quarter. The total volume for 2016 therefore currently stands at €23.6 billion, which is 8% below the total for 2015. It is worth noting, however, that last year at the same date, we announced an estimate of €23.4 billion for the year and the definitive figure was actually closer to €25.9 billion.

Q4 was significantly boosted by the signature of the largest transaction of the year – Vendôme Saint Honoré for €1 billion – as well as a few other large deals. Investment activity was particularly high for portfolios, including some composed of very varied assets, including the Ferdinand (offices), Arc (mixed), and Sofilo (industrial) portfolios. However, for the past 2 years, the market has been balanced in structure; the market core composed of transactions in the €50 to 200 million segment have accounted for more than 40% of investment.

Paris and the inner western suburbs rank first, the Core+ segment gains ground

Despite the success of diversified portfolios, which enable investors to spread risk, investors remained focused on well identified sectors, that is, areas offering deep letting markets and, in some instances, a potential improvement in rental values. Paris and the Inner western suburbs (the Western Crescent and La Défense) accounted for a record share of investments with 68% of the market. This pattern of market segmentation is very different to the one seen during the peak of the last property cycle when geographic diversification was more generalized. The good score for Paris is to some extent misleading because the volume in Paris-Centre West was bloated by a few big transactions on prime core properties at particularly high squaremetre values: Vendôme Saint Honoré, Two&Only, and 65 Champs-Élysées. In the rest of Paris, investment tended to slowdown more following several prosperous years. La Défense saw an excellent year since investors took advantage of the attractive yield spread, especially compared to Paris, as well of consolidated rents, particularly for assets in the core+ bracket. In the Western Crescent, the sector of Peri-Défense continued to attract investment, with new transactions in Courbevoie and, above all, in Rueil-Malmaison.

Investors with a road map requiring a minimum level of income have to adapt by softening their appraisal of letting risk. Core properties still account for the majority of investment transactions but core+ choices made significant inroads. As for added value operations, these appear to have declined slightly, with one noteworthy change in profile compared to preceding years: there were fewer Parisian buildings to be redeveloped and more speculative off-plan sales, notably in the Inner Rim.

Offices dominate but industrial and logistics premises are back in force

In the retail market, the end of 2016 saw a slight resumption in activity following the very quiet summer months, but the sector did not retrieve the high level seen in the first half of the year. In total almost €3.7 billion of investments were identified in retail, which is similar to the good levels seen in 2012 and 2013 but significantly below the past two years.

The reduction was due to the shopping centre market, which virtually ground to a halt because no quality products were available for sale. By contrast, investment in high street retail, especially in the luxury sector, fared well. And the retail park segment reported an all-time high last year, attracting €800 million of investment, with another large transaction at the end of the year, Heron Park near Lille.

The office market performed well, attracting €17.2 billion of investment, a volume that will probably rise to last year's level when figures for the year are finalized. The off-plan segment, although comparatively low compared to 2015, was still at its 2nd highest level since 2009 (€2.3 billion exchanged). But above all, the share of speculative investment with a degree of letting risk really took off to stand at 61% of the market, a clear sign that investors are anticipating a shortage of quality supply in the future letting market. Not only that, but in the second half there was much greater geographic diversification in these speculative off-plan investments, which benefited the Inner Rim and the Western Crescent. A year ago speculation of this kind was concentrated in the capital.

[…]

The momentum in the market will persist but may start following different paths

With the lure of protectionism rising, tension in financial markets, and a change in US monetary policy suggesting prolonged divergence in the euro zone, the geopolitical and economic landscape is volatile and could be of concern to investors for some time come. The abundance of capital earmarked for international investment, however, is as high as it has ever been due to the over-saving habit that is underway globally, notably driven by Asian capital. In this context, real estate perfectly fulfils its role as a way of diversifying investment and as a safe investment for large money lenders. Above all, the yield/risk consideration is most favourable, in particular in Europe where the compression of yields on real estate has not completely followed that of bonds. The latest exchange rate trends may also amplify the appeal of investment in the euro zone.

In the worldwide real estate market, France, and especially Paris, are positioned by their depth and maturity as a serious alternative to London. For investors seeking a more secure solution, the Paris region is attractive due to the low volatility of its economy and its real estate market, as well as the lesser exchange risk. Paris will remain the preferred port of entry for international capital earmarked for real estate in the euro zone, by its real growth potential in rents in the short and medium-term. Above all the prospect of relocations from London to the Euro zone following Brexit, even if they are relatively limited in number, may reaffirm this trend.

Despite yields and capital values on real estate that are increasingly raising questions, particularly considering the expected volatility of long-term interest rates, many buyers will continue to develop defensive strategies due to a persistent lack of visibility in the future and, given the price paid, with the intention of holding on to properties for a long time. Prime yields will remain under pressure, which will lead to narrower spreads on real estate. But margins are comfortable at the moment. In parallel, investors who do not have the means to bid against competitors on prime assets will be forced to adapt. Diversification will therefore remain prevalent with, in each market, an increasingly segmented vision and much exploration of new paths (new products or new locations). The market will continue to develop, but differently, implying repositioning and readjustments of values with more clearly defined market segmentation.

The retail market

Source: excerpts from the annual study by Cushman & Wakefield "Marketbeat France Commerces – Bilan 2016" - Free translation.

Economy

More optimistic economic prospects were frustrated on various levels by political events (e.g. Brexit, the US elections) whose implications reached beyond national borders. The uncertainty following those events weighed heavily on investor confidence and slowed global growth which is expected to reach 1.6% in 2016 instead of 1.8% as forecast at the beginning of the year. The IMF forecasts growth of 1.7% in the eurozone in 2016 and 1.5% in 2017.

In France, after four years of stagnation and even recession, the modest uptick in growth (0.2% in Q3) and an apparent, albeit slight, drop in unemployment offer some hope of economic recovery. This outlook is accompanied by a reduction in the budget deficit partially driven by increased borrowing and a marginal rise in interest rates.

France is struggling to emerge from the financial crisis despite renewed GDP growth of 1.2% in 2015 sustained by higher government and consumer spending. Forecasts for 2016 were downgraded and growth ultimately reached 1.1%, well below government forecasts of 1.4%. Alongside weak competitiveness and complex tax policies, the combined effect of the spring strikes and successive terror attacks hampered the momentum of economic recovery and took a toll on the country's economic performance.

Following two years of near zero inflation, consumer prices rose slightly in 2016 (0.6% year-on-year in December) as a result of higher energy and food prices.

Unemployment remains a major concern of the French public despite a slight fall at the end of 2016. After rising for several consecutive quarters, unemployment finally began to dip from September. Government measures such as the CICE (tax credit for competitiveness and employment) and the Responsibility Pact have kept unemployment in check. At present the unemployment rate in France is estimated at 9.7%, versus 9.9% at the end of 2015, with a total of 3.5 million category A job-seekers (jobless and seeking work). Across all sectors of the population, young people below 25 years of age have benefited most from the decline in unemployment.

City centres

Paris

According to the latest statistics published, tourism numbers continued the trend observed at the beginning of the year with hotel visits in Paris down by 5.9% overall and by 9.4% on the part of foreigners. By nationality, the steepest declines were on the part of Italians (-28.5%), Japanese (-34.9%) and Russians (-20.8%). As a result, competition for customers with high purchasing power is becoming intense with a particular impact on the high-end retail segment. Department stores have witnessed a spectacular fall in sales in the region of 20-30%. For the time being, high streets retain their appeal and location remains the driving force behind property deals and sustained rental values. While yields are sustained for the time being, nothing can be taken for granted in the months to come.

[…]

Provinces

In the provinces, city centre regeneration continues.

In Lyon, the market is stable overall and rental values are steady. The high streets are much in demand, both rue de la République and more premium areas such as Carré d'Or […]. A significant achievement was the restoration of the former Bank of France head office which, since autumn, has housed Nike and Maxibazar on a surface area of around 4,500 sqm. In addition, the Grand Hôtel-Dieu project will provide 17,000 sqm of retail space at the end of 2017.

Toulouse has several renovation projects ongoing in its city centre, among them the reconfiguration of the rue Bayard which, when completed, will become a natural extension of the rue Alsace-Lorraine. The opening of the Primark store on this high street was planned for 2015 but had to be postponed to 2018 due to difficulties with the building's renovation. Rue Alsace-Lorraine remains the leading high street in view of strong demand from retail brands which sustains rental values in the city centre.

In Lille, the Palais de la Bourse reopened its doors at the end of the year, having reallocated surface area to retail space with the arrival of Belgian clothing company Bellerose. The station retail segment also saw some big changes with the Euralille shopping centre, which saw a Primark store opening in autumn, and the expansion of the retail area at the Lille Flandres station earlier this year […]. Rental levels are overall stable as turnover is low.

In Marseille, the picture is more complex. Various urban regeneration projects aimed at reconfiguring the city centre retail offering are struggling to deliver on their promises.

[…]

Shopping centres

Changes to the retail fleet

Overall, 2016 was a productive year for the retail segment with a very pleasing completion rate: 92% of the total shopping centre area planned for development by 1 January was delivered over the course of the year. Altogether, 408,000 sqm were opened, including 361,000 sqm added to the existing fleet (including extensions), surpassing the annual average since 2010. The average area delivered fell to around 11,700 sqm per site. The provinces accounted for 86% of outlet openings with the Ametzondo shopping centre in Bayonne in lead position (76,000 sqm GLA) expecting six million visitors in its first year, Avenue 83 at La Valette du Var (51,000 sqm), Nice One (27,000 sqm) and La Galerie Espaces Fenouillet (17,500 sqm). The remaining 14% concern openings of Parisian outlets, in particular the new shopping centre of Vill'Up (24,000 sqm GLA) in eastern Paris.

In a context of economic gloom, and with an ageing fleet, owners have focused on renovating and reconfiguring properties which, although well established, no longer compete successfully against new entrants due to their architecture or underlying commercial concept. Consequently, the gap in 2015 between brand new developments and extensions/renovations narrowed significantly to reach a broadly equal distribution with 42% of outlet openings concerning existing sites (extensions, renovations and reconfigurations). In city centres, Centre Bourse in Marseille, Espace du Palais in Rouen and Forum Les Halles in Paris were given a makeover this year. However, new outlets still accounted for the majority of openings, both in the Paris region and in the provinces.

It is anticipated that 483,000 sqm will be completed by the end of 2017, of which 96% will be additional surface area (extensions), representing a significant increase in retail space distributed across around 50 centres. Some projects are however bound to encounter difficulties in their delivery which may result in delayed openings. Even if the total area planned is greater than the deliveries reported in 2016, the distribution should be identical overall, both geographically (around 80% of projects concern the provinces) and in terms of type of project. Once again, extensions and reconfigurations are expected to have the lion's share and represent 47% of area under development and deliverable in 2017.

Rental values

Falling consumer spending and rising unemployment are decisive factors in shopping centre footfall. Broadly in line with consumer spending figures at national level, footfall declined by the end of the first quarter and fell sharply during the summer period. The situation persisted until autumn when a 4% rise signalled renewed growth for the first time since mid-2011.

Some shopping centres depend on the arrival of anchor brands to boost or simply maintain footfall, as was the case with the Euralille centre, which in October inaugurated a Primark store on around 5,000 sqm, and Uniqlo, which recently opened stores in the Cap 3000 centre in Nice, the Blagnac centre in Toulouse and the Rosny2 centre in Rosny-sous-Bois, three shopping centres that were already well established in their respective catchment areas. Renovations and reconfigurations also help to improve footfall. This is particularly so in some major French railway stations which can expect to double their footfall following an extension or overhaul; such works are underway at the Bordeaux and Rennes stations where outlet openings are planned for 2017.

The improved economic performance in autumn was in contrast to a lacklustre start to the year and a downturn in summer; it offers some hope for a troubled retail sector. Revenue rose in October for shopping centres located in both city outskirts (+2.5%) and heavily built-up areas (+3.2%). Nevertheless, the trend over the year was downward. Although the decline seemed restricted in prime retail centres (from -0.5% to -1.5%), it was more acute in secondary centres.

In a still-unstable context vulnerable to economic fluctuations and shifts in the value of assets, rental values in more successful shopping centres tend to hold steady or fall slightly while those in less successful centres, which are struggling to prevent vacancies, are exposed to steeper falls. This situation strengthens the hand of sought-after brands which do not hesitate to impose their terms on troubled landlords in some of the more vulnerable retail centres.

Retail parks

Changes to the retail fleet

An analysis of works delivered in 2016 confirms that the retail fleet grew at a steady pace. More than 410,000 sqm were delivered to market during the year across 45 sites, almost 15% more than in 2015. The volume of openings in 2016 was marginally below the average reported since 2010, indicating that the market is stabilising, with a conversion rate of 62%, in line with the average in previous years. The big players gave way to smaller entrants with the average area of new projects falling back below the threshold of 10,000 sqm. Around 70% of works delivered concerned centres serving provincial conurbations. In regional terms, Aquitaine-Limousin-Poitou-Charentes and Hauts-de-France saw the highest number of outlet openings followed by Auvergne-Rhône-Alpes, Languedoc-Roussillon-Midi-Pyrénées and Île-de-France.

New sales areas (excluding extensions) represented 83% of inaugurations in 2016. The most significant deliveries in terms of area were in the Tours conurbation, with Ma Petite Madelaine occupying 31,500 sqm, and the conurbations of Angoulême (Les Montagnes) and Moulins (Les Portes de l'Allier), both occupying 22,000 sqm. Extensions were fewer and concerned around ten sites, all located in the provinces. The extension of the Blancs Monts commercial area on a total area of 18,500 sqm and the related opening of Time Square expanded the retail offer at Cormontreuil and turned it into the leading retail park in the Reims conurbation.

Developers are taking ever greater care with architectural concepts so as to move away from the suburban retail offering of the past and drive forward a more modern and appealing retail concept.

While new projects continue to account for the majority, representing 78% of all area works planned, including 653,000 sqm with planning permission or work in progress, the portion represented by extensions is expected to increase in 2017 with around 20 sites, an indicator of the market's maturity. Consequently, the retail parks of Avignon Nord or Saint-Paul-lès-Dax should see their range increase with area at the latter expected to double after its extension. With regard to the inauguration of new centres, the most significant ones anticipated are La Sucrerie at Abbeville (46,600 sqm) and Green'Som at Amiens (40,000 sqm) where works are currently underway.

Rental values

The 1.7% rise in retail park sales in October 2016 contrasted with the 1% drop in high street revenue, due mainly to weather conditions, and the increase in sales reported in shopping centres, both in city centres (+3.2%) and city outskirts (+2.5%). The drop in sales relative to the beginning of the year (+3% in January 2016) was no doubt influenced by higher taxes, while city outskirts were spared the repercussions of the terrorist attacks of previous months.

Rental values remained unchanged in prime locations (next-generation retail parks, good locations in older retail parks), encouraging strong demand for these locations. For secondary assets, a downward trend was noticeable, particularly in sites that have become vulnerable due to large retail centres opening close to them and upsetting the existing equilibrium. Many sites saw rentals lowered to attract new players from the discount segment in spaces left vacant by brands that opted to move to a newer location. This was the case with Waves, opened in 2014 in Metz, which prompted dramatic changes in the retail sector landscape.

Retail parks remain an appealing location for operators who are always careful to keep their rentals and their charges at an acceptable level. Regional retail centres and next-generation retail parks are a highly regarded alternative for brands, offering a combination of accessibility, cash flow, profitability and modernity while leaving them a degree of freedom of action.

Certain city outskirts have seen a degree of upscaling with cut-price brands and traditional players giving way to operators seeking to upgrade and diversify their clientele. This explains the arrival of brands such as Cache Cache, Vertbaudet and Jules which originally developed their business in shopping centres or city centre outlets. New operators have seized the opportunities offered by the arbitrage policies implemented by certain groups, freeing up retail space that is sometimes well positioned, such as those of La Halle and Go Sport. Other brands have taken advantage of this to reshape their fleet by adapting their formats to the size of the catchment area in question.

Investing market

Volume

The year 2016 ended on a high note in the retail investment market with more than €2 billion invested in the fourth quarter. This good performance enabled annual acquisitions of over €4.4 billion, down by 21% relative to 2015 but up by 32% relative to the average for the decade. Market activity continued to slow down as the trend observed in 2015 persisted. The appetite of both French and foreign investors for the retail segment has not waned, although it is constrained by the narrowness of the French market where assets are rare.

This downward trend in the retail segment is part of a general downturn (-5%) in the total volume of investments in standard property which fell slightly from €26.5 billion in 2015 to €25.4 billion in 2016.

The proportion of the retail segment in that volume fell below the 20% threshold. This should not be taken as a sign that investors are distancing themselves from this type of asset; rather, it illustrates the chronic shortage of investment opportunities.

Players and yields

In terms of the regional distribution of retail investments in 2016, Île-de-France (Paris region) led the pack with 53% of total investment, i.e. €2.4 billion. Unsurprisingly, the bulk of that amount was invested in the acquisition of city centre assets (€1.7 billion), three of which were acquired for over €100 million: the Marquis Building, bought by QIA, the Interstellar portfolio, sold by the Richemont Group to a joint venture between ERAFP & ACM Vie, and the Marché Saint-Germain building, bought by the German pension fund BVK. The share of Île-de-France was however smaller in terms of investments in retail parks (32%) and, above all, shopping centres, which accounted for only 25% of the total amount.

Lastly, the iconic 9 place Vendôme, a mixed office/retail asset, was sold by Sloane Capital to NBIM for €1 billion.

In the provinces (€1.8 billion for the whole of 2016), investment in retail parks (€775 million) overtook that in shopping centres (€618 million). At the start of the year two Mac Arthur Glen outlets in Troyes and Roubaix were sold to Ares Management, an asset manager, and at the end of the year BNP REIM bought Héron Parc in Villeneuve-d'Ascq.

The reconfiguration of the retail investment landscape continued in 2016 with growth of city centre retail transactions (€2.2 billion invested in the year) and, conversely, a sharp decline in the disposal of shopping centres (scarcely €800 million this year compared with €1.8 billion in 2015 and a record €4.5 billion in 2014). The lack of opportunities in this market segment partially explains the lower volume invested, although investor appetite remained intact.

The other significant event of the year was the strong growth of retail parks: for the first time ever they attracted investment in excess of €1 billion (€1.3 billion, a 51% increase relative to 2015). Although city centre retail property and its occasionally stratospheric values still dominates, retail parks have proven to be direct competitors to shopping centres.

Investment funds remained the main players in the retail market with market share of 55% in 2016, although their volume of acquisitions (€2.4 billion) was down 17% year-on-year. Conversely, insurance firms stepped up their investments with acquisitions up from €450 million in 2015 to €615 million in 2016, i.e. a market share of 16%. As for real estate companies, after two years of vigorous acquisition activity with more than €1 billion invested, they ended 2016 with a total of €420 million.

The share of foreign investors has gradually increased since 2013 to reach 40% of investment volumes in 2016. European funds have dominated the retail investment market followed by US funds. By type of assets, while European funds were still present in city centre retail property, they were far surpassed by American funds with regard to retail parks and by Asian investors with regard to shopping centres. Middle-Eastern investors focused their investments entirely on city centre retail property, particularly in Paris and Lyon.

With regard to the profile of sellers, more than half of investment volumes were sold by foreign investors, a proportion that has risen continually since 2012 (26%).

The retail segment did not escape the general trend towards narrower yields which fell below 3% for city centre retail property in Paris, to 3.5% for prime city centre properties in the provinces, to 3.5% for ultra-prime shopping centres, and to 4.5% for retail parks.

These historically low rates could narrow even further in the first half of 2017 with fierce competition among investors for "best-in-class" prime assets.

Regulatory news

Raising of base rate for the calculation of rental values

From January 2017, local tax calculations will use new rental values reviewed according to Article 34 of the Amended Budget Law of 29 December 2010. This reform, which took some time to be implemented, reviews the method for calculating the rental value of business premises which had not changed in 45 years.

Although the exact increase for each *département* and thus the scale of the effects of the reform are not yet known, it is of concern to landlords and especially to small businesses. Rental values are used as the basis for several local taxes, namely the land tax, the regional economic contribution and the waste removal tax.

Flagship and anchor brands with strong negotiating power will be able to mitigate the effects of the measure by forcing landlords to take on all or part of the increase levied. This will not be the case for small businesses and independent retailers who will have no option but to pay the additional charge which will undoubtedly take a toll on their future margins.

From 2017, rental values will be updated annually by *département* committees responsible for rental values for professional premises.

Retail permit: lowering of the threshold for Parisian retail properties (AEC)

The draft law relating to the status of Paris and urban land use, reviewed last 20 December by the National Assembly, was adopted at a fresh reading at the beginning of 2017. Of the measures considered, the Assembly voted to lower the threshold above which a permit for commercial use (AEC) is required for Parisian sales areas only.

While the threshold is fixed at 1,000 sqm of sales area for France as a whole, it was lowered to 400 sqm in Paris due to the high density of public infrastructure in the capital city.

Extension of the valid period of permits for commercial use

Since the implementation of Decree No. 2015-165 of 12 February 2015 on commercial development pursuant to the Pinel Law, building permits and trading licenses constitute a single legal title. Article R.752-20 of the French Commercial Code states that an authorised commercial project for areas exceeding 2,500 sqm of sales space must be opened to the public within three years following delivery of the permit and within six years for projects exceeding 6,000 sqm.

Decree No. 2016-1728 of 15 December 2016 standardises these periods and sets definite extensions for projects involving large areas. The basic valid period remains three years for projects that do not require planning permission. It is extended by two years for projects involving an area over 2,500 sqm up to 6,000 sqm (a total of five years) and by four years for projects involving an area over 6,000 sqm (a total of seven years).

These periods seem more appropriate for the completion of large-scale projects requiring significant financing.

The office market in Île-de-France

Source: CBRE study Q4 2016 "Market View – Paris Region Office".

2016: confirmation of market resilience

A good level of take-up

Q4 2016 confirmed the strength of the leasing market in Île-de-France where take-up stood at 669,400 sqm. The result was 11% below take-up in Q4 2015, but was 9% above the Q4 average for the period 2006 to 2015. Total take-up volume for the year was 2.4 million sqm, a year-on-year rise of 7% and +4% above the 10-year average.

2016 was marked by the resumption of activity in the segment above 5,000 sqm, which increased by 23% in a year to stand at 65 transactions for 891,100 sqm. The level is almost a return to the long-term average, albeit with a very variable momentum from one market to the next.

Paris-Centre West again performed extremely well despite the steadily falling supply of space, especially in the most central areas, which may have caused some companies to shift their sights to districts around the Arc de Triomphe.

Southern Paris and La Défense posted record take-up figures thanks to the vitality of the market above 5,000 sqm. The sectors saw respectively 14 and 11 transactions including the relocation of Altice Média in Qu4drans (Paris 15), and 3 transactions above 20,000 sqm in La Défesne (by Saint-Gobain, RTE and Deloitte).

The Western Crescent had a mixed year, with satisfactory levels of transactions in the 0-5,000-sqm bracket in which volumes were 5% above the 10-year average, but disappointing in the large unit segment above 5,000 sqm (2nd lowest volume in 10 years). Activity in the inner rim perked up but take-up volume was still 25% below the long-term average. The inner southern rim was the only one to post a satisfying level of activity thanks to 4 transactions above 5,000 sqm on new properties.

Vacancy rate at the lowest since 2009

The active leasing market and low levels of completions during the year led to a progressive decline in immediate supply, which posted a year-on-year drop of -10% to stand at approximately 3.5 million sqm at the end of the year. The vacancy rate in Île-de-France fell to 6.2%. The share of new and redeveloped space now only accounts for 15% of supply.

The situation of under supply intensified within the city of Paris and has gradually spread to markets in the inner rim. In the city of Paris, where the vacancy rate is 3.1%, the supply of good quality large offices is almost as low as it can get: just one building above 5,000 sqm is available.

In the west of the Paris region, the vacancy rate is 9.6% in La Défense, having risen in the last quarter due to a few companies acating large buildings. In the Western Crescent, vacancy 10.8%, the scarcity of new space affects very well established market such as Neuilly-Levallois and Boulogne-Issy-les-Moulineaux, but there is still a substantial supply of second-hand and renovated assets. A similar situation could be seen in the Northern Inner Rim, vacancy 9.4%, meanwhile in the Eastern inner rim the market is under pressure with a vacancy of 3.5%.

More speculative development launched

As of 1 January 2017, pipeline was slightly higher than the same period last year with 1.8 million sqm expected (including 1.2 million sqm in units above 5,000 sqm). More speculative schemes were launched in 2016 than in 2015, with works starting on 34 developments above 5,000 sqm, compared to 27 in 2015 and 14 in 2014. Central locations were clearly preferred by developers: 19 developments were launched in the city of Paris, 3 in La Défense and 5 in the Western crescent. However, considering the current level of immediately available quality supply, the renewal of quality supply is relatively contained.

Probable future supply increased

There is a considerable volume of probable future supply above 5,000 sqm (with sliding completion dates): more than 3.3 million sqm of potential development is identified, including 2.6 million to be built or redeveloped in 98 projects. As current market conditions seem to have improved, investors and developers are more inclined to launch speculative schemes.

Rise in headline rental values in central locations

In 2016, the steady fall in the vacancy rate in central markets put an upward pressure on rental values after several years of decline. In Paris- Centre West, pressure on supply and the vitality of the leasing market have enabled landlords to increase their headline rents. However, commercial incentives have not fallen simultaneously, and on average they accounted for 17% of the headline rent for space > 1,000 sqm in Q3 2016. In Île-de-France as a whole, this gap has risen to a peak of 22.2%. A slight downturn has been observed in the city of Paris as well as in the west of the region. Outside the central locations, headline rents were stable.

In 2017 will the limited renewal of quality space curb take-up?

As the economic environment will remain complicated net job creation will be limited. Nevertheless, whatever the economic context, businesses still need somewhere to work. If controlling cost management continues to dictate many relocations, modern facilities and good locations are also essential to recruit and keep talent. Landlords will have to remain vigilant as to the rental value expected as the vast majority of companies are not at all inclined to accept a rise in headline values while simultaneously accepting a drop in rent-free periods.

The shortage of quality supply and limited renewal in the short and medium-term will restrict the range of solutions for large business users. Moves to peripheral zones and/or to second-hand assets will not always be accepted; keeping the *status quo* and reorganizing internally will remain a serious option in the absence of other opportunities.

In this context, the volume of take up in the market > 5,000 sqm is not expected to rise in 2017. The 0-5,000 sqm segment should follow the buoyant pattern seen over the past 2 years, resulting in take-up of 2.3 to 2.4 million sqm in 2017.

1.4.3 The Group's analysis of market trends

The continuing lacklustre economic environment in 2016 was reflected in the retail sector by great caution on the part of brands in their choice of new establishments and rationalisation of their networks, leading to store closures. The downward trend of rental values continued with the exception of the most prestigious locations. Fiscal pressure and unemployment continued to weigh on consumer spending and consequently on brand sales with, for example, the footwear and clothing sectors declining by 4% and 1.8%, respectively. However, lower energy prices produced a slight recovery in consumer spending in 2016 with, for example, an upturn of 0.8% in revenues in the fast-moving consumer goods sector.

Rental demand in the office property segment was steadier and rose by 7% to 2.4 million sqm in Île-de-France in 2016. Rising interest rates and plentiful capital for investment contributed to a continued lowering of capitalisation rates for properties with secure rental revenues.

At M.R.M., the value of retail properties and certain properties in the office portfolio was increased through marketing. Overall, in 2016, the increase in the portfolio value, adjusted for disposals during the year, was €10.8 million (5.7%).

Interest rates remained at historic lows throughout 2016, creating a favourable environment for M.R.M.

1.4.4 Stock market environment

The upturn in the property market in 2014, confirmed in 2015, continued into 2016 with the Euronext IEIF SIIC France index up 10.9% overall against 8.9% for the CAC 40 index over the same period. In 2015, these indices were up 12.9% and 11.9%, respectively.

The gross dividend yield for French listed SIICs was 4.8% in 2016 compared with 4.6% in 2015.

At end-2016, French SIICs offered an average discount of 4.0% on the liquidation Net Asset Value compared with an average discount of 0.2% at end-2015.

At end-2016, the number of French SIICs was unchanged at 33, representing a market capitalisation of €70.3 billion compared with €68 billion the previous year.

1.4.5 M.R.M.'s asset portfolio as of 31 December 2016

As of 31 December 2016, M.R.M. had a mixed portfolio combining office and retail properties valued at €197.8 million excluding transfer taxes compared with €226 million as of 31 December 2015.

This decrease is due to the disposal of office properties carried out by the Group in 2016 for a total of €38.9 million, excluding transfer taxes, which was partially offset by the appreciation of the retail property portfolio, reflecting progress with the value-enhancement plans for retail properties during the year.

At end-2016, the asset portfolio comprised 86,344 sqm of retail space and 18,629 sqm of office space.

After the takeover of M.R.M. by Dynamique Bureaux and its conversion into a listed real estate investment company in the second half of 2007, the Group's asset portfolio was built up in three phases:

1. Portfolio composition:

- Dynamique Bureaux/M.R.M. merger

  A merger contribution by Dynamique Bureaux appraised at €162 million excluding transfer taxes as of 31 August 2007.

  The portfolio then contained nine office property assets representing a total area of 53,650 sqm. The transaction was approved by M.R.M.'s Combined General Meeting of 12 December 2007, retroactive to 1 September 2007;

- Contribution of Commerces Rendement to M.R.M.

  A contribution by Commerces Rendement appraised at €143 million excluding transfer taxes as of 31 August 2007.

  There were 19 retail property assets in the portfolio for a total area of 75,582 sqm. The transaction was approved by M.R.M.'s Combined General Meeting of 12 December 2007;

- Acquisitions carried out by M.R.M.

  Acquisitions from 1 September to 31 December 2007: office buildings in September and October for €65.5 million, retail properties in September for €3.8 million and mixed office and retail space in November and December for €80.4 million (all excluding transfer taxes).

  Acquisitions in 2008: an office building in April for €6 million and retail properties (two garden centres and five restaurants) in May and July for €11.3 million (all excluding transfer taxes).

  Acquisitions in 2010: a 1,000 sqm retail unit.

  No acquisitions have been made since 2010.

2. Disposals as part of an adjustment plan:

   Over the 2009-2012 period, as part of an adjustment plan including a major asset disposal programme, M.R.M. made the following disposals:

   In 2009, three retail properties were sold for a total of €22.7 million excluding transfer taxes.

   In 2010, the premises of four Pizza Hut restaurants in the Paris region, two retail assets (one in Brétigny-sur-Orge and the other in Angoulême), three office properties (located in Nanterre, Clichy-la-Garenne and Levallois-Perret) and the Marques Avenue A6 outlet centre in Corbeil-Essonnes were sold for a total of €151 million excluding transfer taxes.

   In 2011, five retail assets (in Barjouville, Moulin-les-Metz, Vineuil and two in Chambray-les-Tours) and three office properties (in Boulogne-Billancourt, Rueil-Malmaison and Puteaux) were sold for a total of €55.3 million excluding transfer taxes.

In 2012, five retail properties (in Claye-Souilly, Coignières, Créteil, Montigny-lès-Cormeilles and Pierrelaye), an office property (on rue Niepce in Paris in the 14th *arrondissement*) and a residential space (in a retail property in Tours) were sold for a total of €22.5 million excluding transfer taxes.

3. Refocus on retail property

As part of its strategy of refocusing on retail property, begun in mid-2013 following the taking of control by SCOR SE, M.R.M. has since sold the following office properties:

In 2013, an office property on rue de la Bourse, Paris (2nd *arrondissement*) was sold for €10.4 million excluding transfer taxes.

In 2014, two office buildings on rue Cadet in Paris (9th *arrondissement*) and Rungis were sold for €22.5 million excluding transfer taxes.

In 2015, an office property on rue de la Brèche-aux-Loups, Paris (12th *arrondissement*) was sold for €16.8 million excluding transfer taxes.

In 2016, three office properties located in Rueil-Malmaison, in Les Ulis and in Cergy-Pontoise, were sold for a total of €38.4 million excluding transfer taxes.

Of the nine office properties that M.R.M. held in its portfolio in June 2013, two remain to be sold. M.R.M. aims to withdraw from the office sector during 2017.

A mixed portfolio that is being refocused

	12/31/2016	12/31/2015
Value excl. transfer taxes	**€197.8m**	**€226.0m**
	-12.4% vs 12/31/2015	-2.7% vs 12/31/2014
	+5.7% excl. effect of disposals	+4.6% excl. effect of disposals
Total area	**104,973 sqm**	**131,589 sqm**
Value breakdown	77% retail/23% office properties	64% retail/36% office properties

Retail portfolio

The Group's retail properties are located in the Paris region and in large cities in the provinces. The type of assets in this category is highly diversified. It consists of shopping centres and malls, highstreet retail units, independent suburban retail premises and premises in retail parks. The vast majority of the 133 tenants in the retail units are national and international brands. Together, these retailers account for 78% of gross annualised rent.

As of 1 January 2017, the retail property portfolio represented an area of 86,344 sqm and was valued at €152.8 million excluding transfer taxes. Its area occupancy rate stood at 84%. In 2016, investments totalling €5.8 million mainly concerned the reconfiguration of the upper level of the ground floor at the Les Halles shopping centre in Amiens as well as the Sud Canal shopping centre in Saint-Quentin-en-Yvelines.

During 2016, 26 leases(1) were signed for an annual rent of €2.2 million, 62% of which were renewals including the GammVert portfolio. The retail portfolio represented a net annualised rent(2) of €7.9 million as of 1 January 2017, up 0.7% relative to 1 January 2016. This change was due to the arrival of new tenants partially offset by departures of tenants and rent reductions that M.R.M. sometimes consent when renewing leases.

No assets were disposed of from this portfolio, on which M.R.M. wants to refocus.

(1) New leases or renewals.
(2) Buildings in operation as of 1 January 2017 excluding taxes, rent-free periods and support measures for lessees.

► BREAKDOWN OF RETAIL PORTFOLIO (LOCATION, AREA)

Retail properties	Type	Location	Area *(in sqm)*
Sud Canal, Saint-Quentin-en-Yvelines (78) – 41, boulevard Vauban, Montigny-le-Bretonneux	Shopping center	Île-de-France	11,401
Carré Vélizy, Vélizy-Villacoublay (78) – 16-18, avenue Morane Saulnier	Mixed complex	Île-de-France	11,338
Allonnes (72) – ZAC du Vivier – Route de la Bérardière	Retail park	Le Mans	9,019
Les Halles, Amiens (80) – Place Maurice Vast	Shopping centre	Amiens	7,423
Galerie du Palais, Tours (37) – 19, place Jean Jaurès	Shopping mall	Tours	6,887
Passage de la Réunion, Mulhouse (68) – 25, place de la Réunion	Shopping center	Mulhouse	5,953
École-Valentin, Besançon (25) – 6, rue Chatillon	Shopping mall	Besançon	4,018
Reims (51) – 2-10, rue de l'Étape	High Street	Reims	2,470
Mer (41) – Gamm Vert – Portes de Chambord	ISRP	Centre	9,713
Romorantin (41) – Gamm Vert – ZAC de Plaisance	ISRP	Centre	2,562
Salbris (41) – Gamm Vert – Avenue de la Résistance	ISRP	Centre	2,440
Nozay (91) – Gamm Vert – ZA de la Butte	ISRP	Île-de-France	2,424
Lamotte-Beuvron (41) – Gamm Vert – 9-11, avenue de l'Hôtel de Ville	ISRP	Centre	2,205
Montoire-sur-le-Loir (41) – Gamm Vert – 23, rue de la Paix	ISRP	Centre	1,201
Brie-Comte-Robert (77) – Gamm Vert – ZI de La Haye Passart	ISRP	Île-de-France	1,192
Vierzon (18) – Gamm Vert – rue Étienne Dolet	ISRP	Centre	1,083
Cour Cheverny (41) – Gamm Vert – 24, boulevard Carnot	ISRP	Centre	1,074
Onzain (41) – Gamm Vert – 10, rue Lecoq	ISRP	Centre	1,010
Saint-Aignan (41) – Gamm Vert – 2, rue des Vignes	ISRP	Centre	836
Mer (41) – Gamm Vert – 21, route d'Orléans	ISRP	Centre	835
Selles-sur-Cher (41) – Gamm Vert – 2, place Charles de Gaulle	ISRP	Centre	766
Montrichard (41) – Gamm Vert – Quai Jean Bart	ISRP	Centre	494
TOTAL			**86,344**

ISRP: suburban standalone retail property.

Retail properties	12/31/2016	12/31/2015
Portfolio value[(a)]	€152.8m	€144.0m
Total area	86,344 sqm[(b)]	84,781 sqm
	60% in the provinces	61% in the provinces
Location[(c)]	40% in the Paris region	39% in the Paris region
Occupancy rate[(d)]	84%	82%
Net annualised rent[(e)]	€7.9m	€7.8m
Overview of tenants:		
• number of tenants	133	132
• proportion of national and international brands	78% of rents received (e.g. Gamm Vert, Office Depot, Habitat, Go Sport, Carrefour Market, Fitness Park, Simply Market, Tati, Joué Club, Action)	71% of rents received (e.g. Gamm Vert, Office Depot, Habitat, Go Sport, Carrefour Market, La Grande Récré, Simply Market, Tati, Dia)

(a) Excluding transfer taxes.
(b) Increase between 2016 and 2015 primarily related to the new area measurement of the GammVert portfolio, carried out by a surveyor.
(c) Based on values excluding transfer taxes.
(d) Occupancy rate as of 1 January N+1 based on areas.
(e) Buildings in use as of 1 January N+1 excluding taxes, rent-free periods and support measures for lessees.

► LEASE MATURITIES OF RETAIL PROPERTIES MAIN TENANTS

Tenants	% of retail rents	Type of lease Maturity
Tenant No. 1	5.1%	6/9/12-year lease Jan. 2021
Tenant No. 2	4.7%	6/9/12-year lease Jul. 2021
Tenant No. 3	4.7%	3/6/9/10-year lease Dec. 2021
Tenant No. 4	3.2%	3/6/9-year lease Dec. 2025
Tenant No. 5	2.6%	3/6/9-year lease Oct. 2023
Tenant No. 6	2.2%	6/9/12-year lease Sep. 2020
Tenant No. 7	2.2%	3/6/9/10-year lease Aug. 2026
Tenant No. 8	2.0%	3/6/9-year lease Dec. 2025
Tenant No. 9	2.0%	3/6/9-year lease Mar. 2023
Tenant No. 10	1.7%	3/6/9/12-year lease Mar. 2018
TOTAL RENT FROM 10 MAIN TENANTS	**30.5%**	

Office portfolio

Office property assets are located in business and industrial areas in the Paris region. The Group's aim is to finalise the disposal of the last two properties in its office portfolio in 2017 and thereby complete its refocus on its retail property business.

As of 31 December 2016, the office portfolio covered a total area of 18,629 sqm and was valued at €45.0 million excluding transfer taxes.

Of this portfolio, two leases or renewed leases representing total annual rent of €0.5 million were signed in 2016 on buildings sold during the year. As of 1 January 2017, the office portfolio comprised a vacant property to be sold as is and an occupied property generating net annualised rent of €1.7 million, stable relative to 1 January 2016, following adjustment for disposals in 2016. The occupancy rate of offices in operation fell from 72% as of 1 January 2016 to 69% as of 1 January 2017 on a like-for-like basis. However, a lease signed in January 2017 will raise this occupancy rate to 74% once it becomes effective.

As indicated previously, in 2016 M.R.M. sold three office buildings: Cytéo, Solis and Cap Cergy located in Rueil-Malmaison, Les Ulis and Cergy-Pontoise, respectively, for a total of €38.4 million excluding transfer taxes.

In addition the Group invested €1.5 million in 2016, mainly to renovate the Cap Cergy building at Cergy-Pontoise before the arrival of new tenants.

► BREAKDOWN OF OFFICE PORTFOLIO (LOCATION, AREA)

Office properties	Location	Area *(in sqm)*
Nova, La Garenne-Colombes (92) – 71, boulevard National	Île-de-France	10,659
Urban, Montreuil (93) – 14-20, boulevard de Chanzy	Île-de-France	7,970
TOTAL OFFICES		**18,629**

Office properties	12/31/2016	12/31/2015
Portfolio value[a]	€45.0m	€82.0m
Total area	18,629 sqm	46,808 sqm
Occupancy rate[b]	69%	74%
Net annualised rent[c]	€1.7m	€4.3m

(a) Excluding transfer taxes.
(b) Occupancy rate as of 1 January N+1 based on area of buildings in operation.
(c) Buildings in operation as of 1 January N+1 excluding taxes, rent-free periods and support measures for lessees.

► LEASE MATURITIES OF OFFICE PROPERTIES MAIN TENANTS

In the past, the Group provided information on the ten office property main tenants. In view of the Group's refocus on its retail property business, and given that as of 31 December 2016 the Group had only two office properties, of which only one was in operation, this information is no longer considered relevant.

► PORTFOLIO OVERVIEW AS OF 12/31/2016

	Retail properties	Office properties	Total
Area	86,344 sqm	18,629 sqm	104,973 sqm
Value[a]	€152.8m	€45.0m	€197.8m
Occupancy rate[b]	84%	69%	82%
Net annualised rent[c]	€7.9m	€1.7m	€9.5m

(a) Excluding transfer taxes.
(b) Occupancy rate as of 1 January 2017 based on area of buildings in operation.
(c) Buildings in operation as of 1 January 2017 excluding taxes, rent-free periods and support measures for lessees.

1.4.6 Subsequent events and ongoing projects

Redevelopment works on the office area at Carré Vélizy, a mixed retail/office development of 11,300 sqm located in Vélizy-Villacoublay opposite the Vélizy 2 shopping centre, began in early 2017 with a view to delivery in the second quarter 2017. These works aims to strengthen the site's retail component. They consist of creating two new medium-sized retail spaces of 640 sqm and 410 sqm intended to house Gautier, a French maker of contemporary design furniture, and Indiana Café, a restaurant chain, respectively. The works also involve renovating office space with a view to reletting it.

The first stage of the reconfiguration works at Le Passage de la Réunion, a 6,000 sqm shopping centre in Mulhouse city centre, also began in the first quarter 2017. They consist of reconfiguring space inside the shopping centre with a view to accommodating a 1,000 sqm Freeness fitness center at the G+1 level.

1.4.7 Main investments carried out by the Company in the last three financial years

	2016	2015	2014
Retail properties			
Acquisitions	-	-	-
Investments/Capex	€5.8m	€0.8m	€0.8m
Office properties			
Acquisitions	-	-	-
Investments/Capex	€1.5m	€3.8m	€1.1m
TOTAL	**€7.3m**	**€4.6m**	**€1.9m**

No acquisitions were carried out in the last three financial years. In 2016, M.R.M. invested €7.3 million mainly to redevelop the upper level of the ground floor at Les Halles shopping centre in Amiens, to restructure the Sud Canal shopping centre in Saint-Quentin-en-Yvelines, and to renovate the Cap Cergy office building in Cergy-Pontoise before the arrival of new tenants; this building was sold at the end of 2016.

1.4.8 Strategy and outlook

Since the Company's recapitalisation on 29 May 2013, which enabled it to strengthen its financial position, reduce its debt and reschedule its bank maturities, M.R.M.'s strategy has been to refocus its activities on retail properties and to gradually sell off its office properties.

With the disposal of three new office properties in 2016, the strategy to refocus M.R.M.'s business on retail property picked up speed. To date, seven of the nine office properties that M.R.M. held in June 2013 have been sold. The M.R.M. office portfolio now contains only two assets whose disposal is already underway: Nova in La Garenne-Colombes, a fully redevelopped building of 10,700 sqm awarded HQE and BREEAM In-Use certification (Good) with 74% occupancy, and Urban in Montreuil, a vacant building of 8,000 sqm to be sold as is.

M.R.M. aims to complete its withdrawal from the office segment in 2017.

With a solid financial structure, M.R.M. also committed to an investment programme designed to make the most of the potential value of its retail properties. This programme represents a total projected investment of €32 million, €9 million of which was invested in 2016. In 2016, the Group finished restructuring and reletting a 5,000 sqm area in the Sud Canal shopping centre in Saint-Quentin-en-Yvelines which has brought renewed commercial momentum to the entire site. Redevelopment and repositioning works at the Les Halles shopping centre in Amiens were completed.

In 2017, M.R.M. plans to deliver two more projects: Carré Vélizy in Vélizy-Villacoublay and the first stage of a value-enhancement program at Passage de la Réunion in Mulhouse. M.R.M. also plans to undertake three new projects in 2017-2018: a shopping mall in École-Valentin, the Allonnes retail park, and Galerie du Palais in Tours. Altogether, €8 million is expected to be invested in 2017.

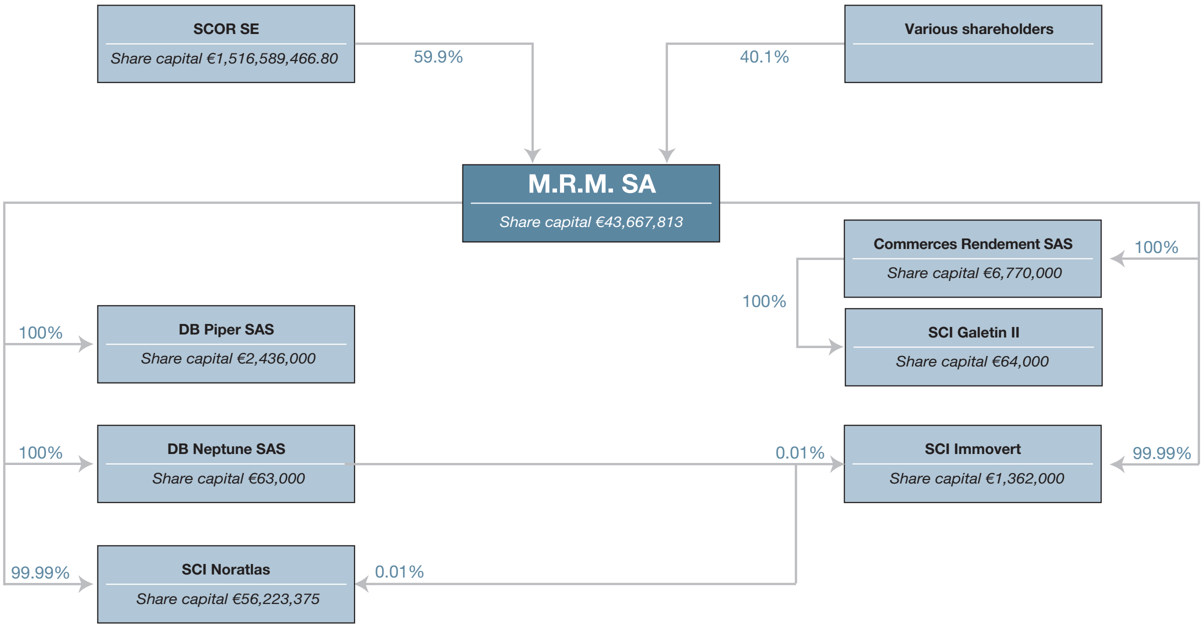
Thus, all value-enhancement programs identified for retail assets should, barring unforeseen events, be launched in 2017-2018.

As M.R.M. is on track to complete its withdrawal from the office segment, it will be able to concentrate all of its means and resources on its retail property portfolio. This will mainly occur by implementing the value-enhancement programs described above but also by taking the opportunity to acquire or dispose of retail assets as part of a dynamic approach to portfolio management.

1.5 Group ownership structure

The list of consolidated entities as of 31 December 2016 appears in section 3.7 "Consolidated financial statements for the year ended 31 December 2016" of note 3.1 "List of consolidated entities" to the consolidated financial statements in this Registration Document.

At the date of this report, the Group ownership structure is as follows:



In 2016, DB Fouga, DB Tucano, DB Cougar and Boulevard des Iles (simplified limited companies or SAS), and Boulogne Escudier, 3 rue Escudier and 10 bis rue Escudier (property holding companies or SCIs), being nontrading entities whose property assets had all been sold, were dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M. As a result, the number of entities controlled by M.R.M. went from thirteen to six.

All Group entities are directly or indirectly wholly owned by M.R.M. which has itself been 59.9% owned by SCOR SE since 29 May 2013.

The head office address of all Group entities can be found in section 3.1 of the consolidated financial statements for the year ended 31 December 2016 (see section 3.7 of this Registration Document).

M.R.M.'s role vis-à-vis its subsidiaries is described in section 1.3 of the management report for the year ended 31 December 2016 (see section 3.6 of this Registration Document).

The structure of M.R.M.'s balance sheet is presented in the annual financial statements for the year ended 31 December 2016 (see section 3.9 of this Registration Document).

Details of each entity's activities can be found in sections 1.3.1 and 1.3.2 of the management report for the year ended 31 December 2016 (see section 3.6 of this Registration Document).

The main financial flows between M.R.M. and its subsidiaries, namely credit facilities, fees for chairpersons and service fees, can be found in the note "List of subsidiaries and affiliates" and in the note "Breakdown of net revenue" to the annual financial statements for the year ended 31 December 2016 (see section 3.9 of this Registration Document).

1.6 Group organisation

Since M.R.M.'s recapitalisation on 29 May 2013, SCOR SE has held 59.9% of its share capital.

The SCOR group is the fourth largest reinsurer in the world with over 4,000 clients. It issued more than €13.8 billion in gross premiums in 2016 and employs 2,653 people worldwide with 58 nationalities represented in 29 countries.

The SCOR Group runs two business lines in reinsurance and an asset management business:

- SCOR Global P&C (property & casualty) has reinsurance operations in Property and Casualty, Specialty, Business Solutions (discretionary), Joint-Ventures, and Partnerships;
- SCOR Global Life (life reinsurance) has life reinsurance operations;
- SCOR Investment Partners SE is an asset management company wholly owned by SCOR SE. It has been fully operational since 2009 and is regulated by the AMF.

The SCOR group is organised around four major hubs located in Paris/London and Zurich/Cologne for Europe, Singapore for Asia and New York/Charlotte/Kansas City for the Americas Hub.

As M.R.M.'s majority shareholder and by virtue of sitting on its Board of directors and Strategic Committee (see section 4.2.1 of this Registration Document), SCOR SE intends to support the Company's new strategy of refocusing on its retail portfolio.

In addition to the dividends M.R.M. may pay out to SCOR SE in its capacity as a shareholder, the financial flows between the two parties are restricted to (i) rents and service charges paid to SCOR SE under the lease for office premises at avenue Kléber in Paris for €54 thousand annually including expenses but excluding tax, and (ii) amounts paid to SCOR SE under the loan granted to an M.R.M. subsidiary (see section 1.3 "Significant events of the period" of the consolidated financial statements for the year ended 31 December 2016 included in section 3.7 of this Registration Document). For more information on SCOR SE, see www.scor.com.

M.R.M.'s management team (Executive Management and Financial Management) has been in-house since 1 August 2013. In 2015, in order to strengthen control of its operations and costs, and to optimally assess its retail portfolio on which the Group wishes to focus, M.R.M. implemented a new way to organise the asset management of its shopping centres by managing said assets in-house. To this end, M.R.M. recruited a Head of Asset Management in August 2015. In respect of its office portfolio (from which it intends to withdraw in 2017) and its independent store retail assets, M.R.M. employs the services of CBRE Global Investors in its capacity as an asset management consultant. On 29 May 2013, when SCOR SE took control of M.R.M., CBRE Global Investors ceased to be the Group's majority shareholder and has since seen its interest fall from 17% to 2.4%. The contractual links between CBRE Global Investors and M.R.M. are outlined in section 5 of this Registration Document.

For the rental management (collection and recovery of rental payments) and technical management of its properties, the Group uses experienced property management companies with skills acknowledged on the market.

1.7 Human resources

Following the recapitalisation of M.R.M. in 2013, the Company brought Executive Management and Financial Management back in-house as of 1 August 2013. Prior to this, the Company had no employees.

In 2015, the asset management of its property assets was reorganised and the Company appointed an in-house Head of Asset Management for its shopping centres.

The Company currently has four employees who are all based at the head office at 5 avenue Kléber, Paris (16th *arrondissement*). The Company's Chief Executive Officer is a remunerated corporate officer (see section 4 of this Registration Document).

Currently no employees of the Company or its subsidiaries are in receipt of stock options or bonus shares. Nor is there currently any agreement providing for an employee shareholding scheme.

1.8 Research and development

Due to the nature of its business as a real estate investment company, M.R.M. has no research and development policy. It has registered the domain name "www.mrminvest.com".

The Company does not consider that its business or profit capacity is in any way dependent on any particular brand, patent or licence.

1.9 Environmental policy

The Company's environmental policy is set out in full in paragraph 4 "Information on corporate social responsibility" of the management report of the Board of directors included in section 3.6 of this Registration Document.

1.10 Significant changes in the financial or commercial situation

The year 2016 was M.R.M.'s ninth full financial year as a listed real estate investment company.

Having strengthened and enhanced its financial position since the recapitalisation operation in 2013, and in line with the direction taken after SCOR Group became a majority shareholder, M.R.M.'s strategy is to continue to refocus its activities on the holding and management of retail properties, continuing to gradually dispose of its office properties. Since the second half of 2013, M.R.M. has thus focused on letting its vacant office and retail premises and implementing its plan to dispose of its office properties.

2.

RISKS FACTORS

The Company has assessed the risks which could have a significant negative effect on its activity, its financial situation or its results (or on its capacity to achieve its objectives) and it believes that there are no significant risks other than those presented. Investors should be aware that the list of risks that follows is not exhaustive, and that other risks either unknown or not considered material at the date of this Registration Document, and which could have an adverse impact on the Company, its activity, financial position, earnings or share price, could still exist.

The procedures put in place to manage these risks are mentioned in the report of the Chairman of the Board of directors on the workings of the Board and internal control procedures contained in section 4.5 of this Registration Document.

2.1 Legal risks

Risks related to unfavourable developments in commercial lease regulations

French legislation on commercial leases is relatively constrictive for the lessor. Provisions on term of leases, renewal, and rent revisions while the lease is running and for renewed leases are part of public policy, tending to limit any leeway owners might have to increase rents to market levels. Any changes in rules applying to commercial leases, especially with regard to duration, revision and capping of rents, calculating eviction compensation due to tenants in case of non-renewal, could have negative consequences on the value of the Company's assets, earnings, business or financial position. The Company's business may in particular be influenced by the new retail rents index (ILC), which is set to replace the construction cost index (ICC), and by the Pinel Law, which modifies the list of service charges, work, taxes, duties and fees which may be charged to tenants on leases concluded or renewed from 3 November 2014.

See "Economic risk" in section 2.2 of this Registration Document for more information on the ILC.

Risk related to the SIIC tax regime

Since 1 January 2008, the Company has benefited from the SIIC status governed by Article 208-C of the French General Tax Code under which it is exempt from corporate income tax, subject to distribution conditions, on the part of its profit derived from the rental of its properties, capital gains on the sale of properties or of certain stakes in real estate companies, and certain dividends.

In order to maintain the advantages of the SIIC regime, the Company must distribute a significant part of its profits, which can affect its financial position and cash flow. In addition, failure to meet this distribution obligation during the financial period would mean that the exemptions would not apply to that year.

Moreover, the Company would lose the benefit of the SIIC regime if one or more of its shareholders acting in concert (other than listed companies benefiting from the SIIC regime) were to hold 60% or more of its shares or voting rights. The Company currently does not envisage one of its shareholders directly or indirectly holding 60% or more of its shares. Nonetheless, since 29 May 2013, the majority shareholder SCOR SE has held 59.9% of M.R.M.'s share capital.

As a result, M.R.M. and SCOR Group teams have been mobilised to cover this risk by active oversight of shareholdings and by specifically registering M.R.M. shareholders in bearer form on the SCOR SE nominative account, so as to prevent acquisition of double voting rights that would lead to SCOR SE crossing the threshold outlined above. However, the Company cannot guarantee that trading in its shares or shareholders acting in concert will not cause this 60% share capital threshold to be crossed. Finally, the Company is exposed to the risk of future modifications in the SIIC regime or the interpretation of its provisions by the tax and accounting authorities, which could affect the activity, results and financial position of the Company.

Risks related to unfavourable developments in property regulations

Apart from the specific constraints mentioned above, in conducting its business the Company must comply with several restrictive regulations governing construction, town planning, operating retail space, the environment, public health and human safety.

Any modification making these regulations substantially more restrictive would entail significant costs for the Company particularly in terms of bringing property into regulatory compliance, which could have a significant impact on the revenue, results and financial position of the Company.

Litigation and exceptional circumstances

The Company is involved in a certain number of disputes generally related to its ongoing business. As of the date of this Registration Document, there is no other governmental, legal, or arbitrage procedure, including any procedure the Company knows of, that is pending or with which it is threatened, likely to have, or having had over the last twelve months, significant impact on the financial position or profitability of the Company and/or the Group.

However, M.R.M. cannot guarantee that it will remain uninvolved by any disputes in the future that are likely to have a material impact on the financial position or profitability of the Company and/or the Group.

As indicated in note 7 to the consolidated financial statements presented in section 3.7 of this Registration Document, a provision of €372 thousand for a tax dispute was recognised as of 31 December 2016.

2.2 Risks related to the business environment

These are the main risks to which the Company may be exposed as a real estate investment company, a business in which it has been active since its takeover on 29 June 2007 by Dynamique Bureaux. The economic crisis that hit in the fourth quarter of 2008, followed in 2011 by the sovereign debt and euro crises, brought to light a certain number of risks whose impacts as of 31 December 2016, largely due to a relative stagnation in the market in the past year, are presented below.

Risk related to the property asset valuation

The Company's property portfolio is appraised on 30 June and 31 December of each year. The contact details of the Group's appraiser and the methodology used in its appraisals are set out in section 1.2.1 "The Group's asset profile" of this Registration Document.

The appraisals carried out on 31 December take the form of a detailed report while those carried out on 30 June are an update. M.R.M. uses the fair value accounting method for its property assets in line with the option offered by IAS 40 which consists of recording investment property at its fair value and registering changes in value in the income statement. Positive or negative changes in the valuation of assets held by the various Group companies have a direct impact on Group income. In this respect, as of 31 December 2016, the change in the fair value of properties increased Group income by €4,291 thousand.

Assessing the value of the property portfolio depends on a number of factors, mainly involving the balance between market supply and demand, interest rates, the global economic climate and applicable regulations, which can vary significantly, with a direct impact on the valuation of the Company's property assets and, as an indirect consequence, on the various Loan to Value (LTV) ratios used as indicators of the Group's debt and liquidity risk. The appraised value of the Group's properties and their final value on disposal may not be identical. In addition, such valuations are based on a number of assumptions which may not prove to be correct. Because M.R.M.'s property assets are booked at market value by outside appraisers, the value thereof can be affected by variations in the bases used in the valuation methods (property market trends, mainly in terms of received rents, changing interest rates especially with regard to discount and capitalisation rates employed).

In addition, the valuation of the Company's property assets, when published, corresponds to an appraisal carried out by the property appraisers at a precise moment in time. Given the gap between the moment when the appraisal valuations are carried out and the moment when this information is made public, the valuation of the Company's property assets could have changed by the time that the information is published.

As of 31 December 2016, on a like-for-like basis, i.e. after restatement of asset disposals in 2016, the continuing difficulties in the property market had the following impacts on the Company in terms of asset valuation on the basis of the appraisal excluding transfer taxes prepared by the independent appraiser, JLL:

Portfolio value excluding transfer taxes *(in millions of euros)*	12/31/2016	12/31/2015 restated(1)	Change	Change *(as a %)*
Retail properties	152.8	144.0	+8.8	+6.1%
Office properties	45.0	43.1	+1.9	+4.5%
M.R.M. ASSET PORTFOLIO	**197.8**	**187.1**	**+10.8**	**+5.7%**

(1) Restated for disposals made in 2016.

In 2016, the following was noted:

- growth in the value of retail assets, reflecting the progress of asset valuation plans based on their stage of development;
- an increase in the value of office properties, characterised by lettings of vacant areas.

A sensitivity study simulating a change in capitalisation rates as of 31 December 2016 showed that a 50 basis-point increase in these rates would reduce the asset portfolio value by €15,160 thousand (-8%), whereas a 50 basis-point reduction would increase it by €17,770 thousand (9%).

Economic risk

Since the Group's real estate portfolio is made up of retail assets and office properties located in France, changes in the main French macroeconomic indicators are likely to affect M.R.M.'s business, its rental revenues, the value of its property portfolio, as well as its policy relating to investment in and development of new properties, and consequently its growth prospects.

Consequently, changes in the economic environment in which the Company operates, such as economic growth rates, interest rates and the INSEE construction cost index (ICC) could significantly affect its business and development, and thus its growth prospects.

- An economic slowdown at the national or international level and/or of the property market could continue to entail:

(i) weaker demand for renting the Group's property assets leading to increased risk of vacancy if a tenant leaves as well as a longer time required to let its properties that are currently partly or wholly vacant, which would have an adverse impact on a) the value of the Company's property portfolio and b) its operating income (no rental revenues and property expenses not recovered for those properties);

(ii) lower capacity of tenants to fulfil their obligations to the Group, notably to pay their rent;

(iii) a fall in the rental value of property assets affecting the Company's ability to negotiate new rental contracts, renew leases and increase or even maintain rents.

- A decline or a slowdown in the growth of the indices on which the rents paid by tenants of the Group's property assets are indexed could also weigh on its rental revenues (invoiced rents and key money received). Since 2009, in addition to the construction cost index (ICC) published by INSEE, a new index, also published by INSEE, has appeared: the retail rent index (ILC) consisting 25% of the ICC, 25% of the retail revenue index (ICAV) and 50% of the consumer price index (IPC). The ICC stood at 1,645 in the fourth quarter of 2016, up from 1,643 the previous quarter. Over one year, the ICC was up slightly by 0.1% (up by 0.2% in 2015). The ILC stood at 108.91 in the fourth quarter of 2016 versus 108.56 the previous quarter. Over one year, it was up slightly by 0.5% (down by 0.1% in 2015).
- A substantial increase in interest rates could entail:

(i) higher costs for debt-financed investments (acquiring or renovating property assets);

(ii) a decline in the value of the Group's property portfolio insofar as the valuation of a property depends mostly on how much the owner can sell it for which in turn depends on purchasers' financing capacity and ability to leverage.

In addition, the current economic environment, combined with a drying-up of finance from the banks, could have a significant impact on the Company's business and consequently slow down its development needs. It could also have an effect on the occupancy rate of the property assets and on tenants' capacity to pay their rent.

The capacity of Group companies to maintain or increase rents when leases are renewed is also affected by changes in both supply and demand, which are influenced by the general economic environment.

The value of the Group's property portfolio also depends on a number of factors including the level of market supply and demand, factors which themselves develop depending on the general economic environment. The level of the Group's rental revenues and its results, the value of its asset base and its financial position, as well as its development prospects could therefore be negatively influenced by these factors.

Competition risk

In its property dealings, the Company is faced with stiff competition from other sector players. This competition occurs on seeking acquisition targets as well as on letting out properties and/or renewing expired leases. The Company can encounter competitors in the acquisition of property assets, who may have greater competitive advantages, mainly financial means at their disposal. In addition, seeking to acquire property assets could become difficult due to scarcity of supply and the highly competitive property market. This could hinder the Company's ability to pursue a growth strategy, which could adversely affect its future growth prospects and earnings.

In the rental business, when leases expire, other players could offer tenants better terms, or properties which better meet their requirements at conditions more attractive than those proposed by the Company.

Risk of non-renewal of leases and vacation of properties

The Company's business consists of letting its property assets to third parties and allowing them to set up commercial activities and/or offices therein.

The tenant is entitled to vacate the premises as provided by law and regulations, or if applicable, according to the contract; in all cases, prior notice is mandatory. Upon expiry of the lease, the tenant may request its renewal or vacate the premises.

In certain cases, if the lessor refuses to renew, the lessee is entitled to an eviction indemnity, which can be a substantial amount. Whatever the reason for a tenant's leaving the premises, the Company cannot guarantee that it can re-let the premises in question rapidly under terms which are as favourable as those of the present lease. The lack of income from vacated premises and the corresponding fixed costs must then be borne by the Company and this is liable to affect the Company's revenue, operating income and profitability. In addition, at the end of a lease period there is always the possibility that the Company might have to deal with different market conditions, unfavourable for lessors.

In fact, the current economic climate could result in leases not being renewed or premises being vacated early due to tenants getting into difficulties, in addition to problems associated with re-letting certain premises.

Dependence on main tenants – counterparty risk

All of the Group's revenue is generated by letting out property assets to third parties. It follows from this that any default on rent payments can affect the Company's earnings.

Certain tenants account for a significant proportion of the Company's annual invoiced rents. The contractually legitimate termination of one or several leases could have an impact on the level of rents received by the Company, and on its profitability.

However, the main tenants are bound by firm leases that can run for three to twelve years with expiration dates stated in section 1.4.5 of this Registration Document. Clauses in such leases can provide for termination indemnities.

The top ten tenants in the retail property portfolio

As of 1 January 2017, the top tenant in the retail property portfolio accounted for 5.1% of rents in the retail property portfolio. The five top tenants accounted for 20.3% of rents in the retail property portfolio. The top ten tenants accounted for 30.5% of rents in the retail property portfolio (compared with 30.7% as of 1 January 2016).

Up till now the Group released information on the top ten office portfolio tenants. Given the Group's refocusing on retail property and the fact that the office portfolio as of 31 December 2016 contained only two assets, only one of which is in operation, this information is no longer considered relevant.

Risks related to the Company's disposal of certain property assets

The Company, as part of the dynamic management of its property assets, and more specifically as part of its plan to gradually sell off its office buildings, may end up selling certain assets, mainly in order to release new funds with which to carry out other projects.

In view of the continued economic downturn, or of financial and operational risks, particularly through potential problems linked to respect of planned asset disposal schedules, the Company may not be able to sell part of its property assets under satisfactory terms.

Risks related to late completion or noncompletion of planned investments

In its strategy of enhancing the value of its property portfolio, and in making its properties more attractive and valuable, the Company must make the necessary investments for refurbishing and restructuring existing sites.

In view of the sluggish nature of the current economic climate, the Company is focusing on its existing assets and is continuing its selective investment policy. Delays or non-completion of certain planned investments, or completion at higher costs than planned – due not only to the expense of conducting prior studies, but also to administrative, technical or marketing hurdles – may slow down the pace of the Company's development strategy, delay the letting out of the property and have a negative impact on its business and earnings.

Environmental risks related to public health

The Company's activities are subject to laws and regulations relating to the environment and public health. These laws and regulations concern in particular the ownership or use of facilities that may be a source of pollution or have an impact on public health (especially epidemics in shopping centres), the presence or use of toxic substances or materials in construction, their storage and manipulation. If the thresholds set by these regulations were to become stricter, the Company could be exposed to additional costs.

Some Company properties are exposed to problems related to public health and safety, especially asbestos and legionnaires' disease. Although the monitoring of such problems may primarily involve suppliers and subcontractors, the Company may nevertheless be held liable if it fails to meet its obligation to monitor and control the facilities it owns. Such problems could have a negative impact on the financial position, the results and the reputation of the Company, and also on its capacity to sell, let or refurbish an asset or to use it as collateral on a loan.

The Company's retail assets are subject to specific regulations covering the safety of people (ERP public safety regulations). Although the managers of these assets are responsible for taking the necessary measures in relation to these regulations, any breaches of these obligations could have a negative effect on the Company's reputation and the traffic in its shopping centres.

Climate or health risks could also have consequences in terms of the number of visitors to its shopping centres, a reduction in revenue for the traders and lost rent for the Company on the site concerned, and also in terms of the Company's image.

In addition, if the sites for planned shopping centres are on a flood plain, they may be refused planning permission. Plans to extend shopping centres are also affected by the progressive introduction of PPR (Risk Prevention Plans) by local authorities. These PPRs can prevent the extension of a given shopping centre and represent a significant loss in earnings for the Company.

Energy consumption, details of the policy covering the environmental impact of the Group's business activities, and company certification initiatives are presented in the CSR Report contained in section 4 of the management report appearing in section 3.6 of this Registration Document.

Dependence on third parties

The terms of the property asset management consultancy agreement between M.R.M. and its subsidiaries and CBRE Global Investors are described in section 5 of this Registration Document and were negotiated in the interest of the Company and its subsidiaries. These agreements may be terminated under the conditions mentioned in said section. The success of property transactions by the Group depends notably on CBRE Global Investors performing the services incumbent on it under the terms of this agreement.

However, following the partial move in-house of asset management for retail assets – the segment on which M.R.M. is currently refocusing – the Group's dependency vis-à-vis CBRE Global Investors was significantly reduced.

2.3 Market risks – Financial risks

Foreign exchange risk

At the date of this Registration Document, M.R.M. engages in no business which could expose it to any foreign exchange risks.

Interest rates risk

51% of the bank loans taken out by the M.R.M. Group are at a variable rate. The Group systematically hedges its contracted variable-rate debt by subscribing caps. The main characteristics of the financial instruments held are described in note 5 to the consolidated financial statements for the year ended 31 December 2016 presented in section 3.7 of this Registration Document.

Thus, as of 31 December 2016, all variable-rate debt taken out with credit institutions was hedged through interest rate caps based on the three-month Euribor at a strike rate of between 2.00% and 3.00%.

A 1% rise or fall in interest rates would impact the Group's financial expenses by €362 thousand. Since current interest rates are quite low, the caps subscribed by the Group are not in the money.

Liquidity risk

The Company performed a special study of its liquidity risk and it considers that it can meet its current obligations. In fact, following the Company's recapitalisation in May 2013, which was conditional on restructuring the Group's bank and bond liabilities, its financial position is sound, its level of debt is considerably lower and its cash flow is healthy again.

As a result of the aforementioned capital and financial restructuring, the Company is now in a position to meet all of its short-term and medium-term financial deadlines.

The Company's level of leverage could affect its capacity to take out further loans. The Group's liquidity policy is to ensure that the total amount of rents is at all times higher than its working capital requirements to cover operating expenses, interest and repayment of its entire existing financial debt and the leverage it seeks to implement its investment programme.

Certain loan agreements entered into or that may be entered into by the Group or its subsidiaries contain or may in the future contain standard early repayment clauses and covenants.

These covenants define the thresholds to be respected for a number of ratios, in particular the LTV ratio (loan to value ratio), defined as the ratio of the amount of the loan to the market value of the property financed, the ICR ratio (interest coverage rate, representing the coverage rate of interest expenses by rents) and the DSCR (debt service coverage ratio, representing the coverage rate of debt repayments and interest expenses by rents). Covenants relating to LTV ratios set maximum thresholds of between 55% and 60%. Covenants relating to ICR and DSCR ratios set minimum thresholds of between 130% and 400%. It is at the level of Group subsidiaries, which own the property assets financed, that the covenants are tested. The frequency of reporting on covenants to M.R.M.'s financial partners differs for the various credit lines, and can be half-year or annual.

As of 31 December 2016, the Group complied with all commitments in respect of LTV, ICR and DSCR covenants agreed with its banking partners.

All of the Group's financial liabilities, by nature and expiry date, are set out in note 8 to the consolidated financial statements for the year ended 31 December 2016 presented in section 3.7 of this Registration Document.

Pledges and mortgages in favour of banks

Relevant information is provided in note 22 to the consolidated financial statements for the year ended 31 December 2016 presented in section 3.7 of this Registration Document.

The property assets acquired by the Group or its subsidiaries with bank loans are mortgaged to the lending banks, and the shares of its subsidiaries are pledged to such banks.

Information on the portion of the issuer's share capital that has been pledged

To the Company's knowledge, no portion of M.R.M.'s share capital has been pledged.

2.4 Insurance

The Group's property assets are insured under multi-risk policies covering property damage, rental loss and the property owner's third party liability.

The risks covered by the various policies in force are generally theft, water damage, broken glass, machinery breakdown, storms/hail/falling aircraft, terrorist attacks/vandalism/riots, public liability, and special risks.

Furthermore, when the Company carries out work on its property assets it takes out Contractors' All Risks (TRC) insurance covering material damage to a property during works, the consequences of natural disasters as defined by Ministerial decrees published in the *Journal Officiel* (French government gazette), and the owner's third-party liability during works.

M.R.M. has taken out an insurance policy, on its own behalf and on behalf of its subsidiaries, to cover the liability of managers of M.R.M. and its subsidiaries.

GENERAL INFORMATION ON THE ISSUER AND ITS SHARE CAPITAL

3.

3.1 General information

3.1.1 Company name

The name of the Company is M.R.M. (Article 2 of the Articles of Association).

3.1.2 Company registration place and number

The Company is registered with the Trade and Companies Register of Paris under number 544 502 206.

3.1.3 Registered office, legal status and laws governing the Company's business

The Company's registered office is at 5, avenue Kléber, Paris 75016, France.

The Company's telephone number is +33 (0)1 58 44 70 00. The Company is a French public limited company *(société anonyme)* with a Board of directors governed by the laws and regulations in force in France, in particular book II of the French Commercial Code, and by its Articles of Association.

3.1.4 Consultation of legal documents

Legal documents are available for consultation at the Company's head office and on its website at www.mrminvest.com.

3.1.5 Lifetime of the Company

Unless the Company is dissolved early or its lifespan is extended by resolution of the Extraordinary General Meeting of Shareholders, the Company shall expire on 20 April 2038 (Article 5 of the Articles of Association). The Company was founded in its present form on 21 January 1992.

3.1.6 Financial period of the Company

The financial period is 12 months from 1 January to 31 December of each year (Article 18 of the Articles of Association).

3.1.7 Purpose

The purpose of the Company worldwide is:

- primarily, to acquire, build, divide into lots, manage, maintain and outfit any and all property assets with a view to letting them, or to hold directly or indirectly equity interests in corporate entities having the same purpose, subject to tax laws governing partnerships or to corporate income tax;
- secondarily, to provide technical, accounting, administrative, financial, marketing or management support services to its subsidiaries.

The Company may carry out any transactions compatible with, relating to and helping to fulfil this purpose (Article 3 of the Articles of Association).

3.1.8 Appropriation of earnings according to the Articles of Association

"Following any appropriation of losses carried forward, five per cent shall be deducted from earnings and appropriated to the legal reserve fund. This deduction is no longer mandatory once the reserve fund is equivalent to the legal minimum.

Out of the available balance, upon the proposal of the Board of directors or the Management Board (depending on the chosen mode of administration), the General Meeting can appropriate the amounts it deems adequate, either to carry forward to the next period or to allot to one or several general or special reserve funds.

The balance, if any, shall be distributed among the shareholders as a bonus dividend.

Any shareholders other than natural persons:

(i) holding directly or indirectly, at the time any dividend is paid, at least 10% of dividend rights in the Company; and

(ii) whose situation or that of their partners holding directly or indirectly, for the payment of any dividend, at least 10% of their dividend rights, renders the Company liable for the payment of the 20% levy referred to in Article 208 C IId of the French General Tax Code (the "Tax Levy") (such shareholders are hereafter referred to as "tax-paying shareholders"),

shall be liable to the Company upon payment of any dividend for an amount equivalent to the Tax Levy due by the Company in relation to such payment." (Article 18 of the Articles of Association)

3.1.9 Management and administration

The provisions of the Articles of Association relating to members of the Board of directors can be found in Articles 10 to 14 of the Articles of Association, the terms of which can be found in section 4.5 of this Registration Document "Report of the Chairman of the Board of directors on the operation of the Board and on internal control". The Board's organisation and operation are set out in the internal regulations approved by the Board at its meeting of 23 February 2017 and published on the Company's website (www.mrminvest.com).

3.1.10 General Meetings

"General Meetings of Shareholders are called and held under the terms and conditions established by law.

The notice of General Meetings in which dividends are decided upon shall reiterate shareholders' obligations under Article 8 of the Articles of Association. Any shareholders other than natural persons holding directly or indirectly at least 10% of dividend rights in the Company must confirm whether or not they belong to the class of "tax-paying shareholders" in accordance with Article 8 of the Articles of Association no later than three days before the date of the General Meeting.

Meetings are held either at the head office or in another venue in Paris or its neighbouring *départements* or in any other place indicated in the notice of meeting.

Any shareholder may take part in the meetings, personally or by proxy, provided that their shares are registered in their name or the name of the agent registered on their behalf, in accordance with Article L.228-1 par. 7 of the French Commercial Code, at midnight on the second business day prior to the meeting, or in the registered share accounts held by the Company, or in bearer share accounts held by an authorised intermediary.

For the purposes of determining a quorum and a majority, shareholders attending General Meetings by video conference or by telecommunications media permitting their identification and complying with applicable regulations, when the Board of directors decides on such methods of participation, before sending notice of General Meetings, shall be counted." (Article 16 of the Articles of Association)

3.1.11 Shareholders' rights

"Voting rights attached to equity shares or bonus shares are equal to the portion of the capital they represent, and each share carries at least one voting right. Double voting rights are granted to all fully paid-up shares which have been registered for at least two years, in the name of the same shareholder, under the terms and conditions provided for by law.

In the case where share ownership rights are split, the usufructuary has the voting rights in Ordinary General Meetings and the bare owner has the voting rights in Extraordinary General Meetings.

Any natural or legal person crossing, either up or down, a share ownership or voting rights threshold of 2.5% or a multiple thereof (5%, 7.5% and so on) must notify the Company within 15 days after the threshold is crossed of the number of shares they hold. This obligation ceases to apply above a threshold of 32.5% of the share capital or voting rights, as the case may be." (Article 8 of the Articles of Association)

Shareholders' rights can be modified as provided by law.

3.2 Information about the share capital

3.2.1 Share capital

The share capital amounts to €43,667,813. It is made up of 43,667,813 fully paid-up shares of identical class with a par value of €1 each. Fully paid-up shares are either registered or bearer, at the discretion of the shareholder, subject to applicable mandatory provisions. (Articles 6 and 7 of the Articles of Association)

The share capital can be changed as provided by law.

3.2.2 Unissued authorised share capital

As of 31 December 2016, no authorisation was in force empowering the Board of directors to carry out capital increases by issuing shares or securities giving immediate or future access to the Company's share capital.

3.2.3 Convertible securities

None.

3.2.4 Non-equity securities

At the date of this Registration Document, there are no securities existing which do not represent the Company's share capital.

3.2.5 Securities giving access to capital

None. No securities have been issued that would give access to the capital, and whose exercise would be likely to have a dilutive effect on the Company's shareholders.

3.2.6 Summary of current authorisations

None.

3.2.7 Treasury shares

As of 31 December 2016, the Company held 23,361 treasury shares representing 0.05% of the share capital and 0.00% of voting rights in the Company.

3.2.8 Complex securities

None.

3.2.9 Options or agreements involving the Company's share capital

None.

3.2.10 Pledged shares

To the Company's knowledge, no portion of M.R.M.'s share capital has been pledged.

3.2.11 Changes in the share capital

The share capital underwent no changes in 2016.

Changes in the share capital since 2007

Date	Nature of transaction	Capital increase/ decrease	Issue or contribution or merger premium	Number of shares issued	Par value	Aggregate number of shares	Post transaction share capital
12/31/2007					€8	3,501,977	€28,015,816
05/29/2013	Capital decrease by reducing the par value of the shares	€(24,513,839)			€1	3,501,977	€3,501,977
05/29/2013	SCOR SE capital increase	€26,155,664	€27,135,917	26,155,664	€1	29,657,641	€29,657,641
05/29/2013	Conversion of DB Dynamique Financière bonds	€14,007,888	€40,768,894	14,007,888	€1	43,665,529	€43,665,529
12/31/2013	Exercise of stock warrants	€2,284	€2,370	2,284	€1	43,667,813	€43,667,813

Operations affecting the breakdown of the share capital

In 2013, M.R.M. was recapitalised (see section 1.2 of the 2013 Registration Document) whereby SCOR SE completed a cash capital increase, all bonds issued by DB Dynamique Financière, formerly a wholly-owned M.R.M. subsidiary, were converted into M.R.M. shares, and stock warrants were exercised.

3.2.12 Shareholding

Changes in the shareholder structure

The table below sets out the changes in the shareholder structure (shareholders with over 2.5% of share capital and/or voting rights) in terms of share capital and voting rights over the past three years:

	At date of filing of this Registration Document		End-2016		End-2015		End-2014	
Shareholders	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
SCOR SE	59.9%	47.4%	59.9%	47.3%	59.9%	47.3%	59.9%	56.7%
CBRE Global Investors Group(1)	2.4%	3.8%	2.4%	3.8%	2.4%	3.8%	2.4%	3.6%
PREFF(2)	2.9%	4.7%	2.9%	4.6%	2.9%	4.6%	2.9%	3.0%
Specials Fund(3)	2.9%	4.7%	2.9%	4.6%	2.9%	4.6%	2.9%	3.0%
Treasury shares	0.0%	-	0.1%	-	0.1%	-	0.1%	-
Public	31.9%	39.9%	31.8%	39.7%	31.8%	39.7%	31.8%	33.7%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) Concert of entities belonging to US group CBRE, the world's leading commercial real estate advisory, namely CB Richard Ellis European Warehousing sàrl, CB Richard Ellis Europe Investors Holding BV, and CB Richard Ellis Europe Investors DB Co-Invest LLC.
(2) Fund of foreign funds acting in concert with the CBRE Global Investors group.
(3) Foreign fund of funds.

To the best of the Company's knowledge, no other shareholder holds more than 2.5% of the share capital or voting rights.

In view of Article L.621-18-2 of the French Monetary and Financial Code, the following Company share transactions were carried out in the year ended 31 December 2016 by the individuals mentioned in said article (managers, senior executives and individuals to whom they are closely tied): acquisition of M.R.M. shares by Brigitte Gauthier-Darcet and Valérie Ohannessian, Directors, under the terms described in the management report in section 3.6 of this Registration Document. The AMF was not notified of these transactions, which amounted during the calendar year to less than €20,000 for each Director concerned, pursuant to Article 223-23 of the General Regulation.

On 7 January 2014, M.R.M. signed a liquidity agreement with Invest Securities to improve the liquidity and trading regularity of its shares. At the start of the 2016 financial year, the Company held 55,111 treasury shares representing 0.13% of the share capital. In 2016, the Company acquired 22,614 treasury shares for €34,852.42 and disposed of 54,364 shares for €84,941.63 under said liquidity agreement. At the end of the 2016 financial year, the Company thus held 23,361 treasury shares representing 0.05% of the share capital. These securities are entered as Company assets in its company financial statements, and deducted from equity in the consolidated financial statements.

Threshold crossing disclosure in 2016 (article L.233-7 of the French Commercial Code)

None.

Shareholder identification

The Company may request at any time, in line with applicable laws and regulations, the central depository system which keeps track of the stock issued by the Company for the names, or, where it concerns a corporate body, the names, nationalities and addresses, of the holders of shares that confer, immediately or in the future, voting rights in its General Meetings of Shareholders, as well as the number of shares held by each one and, if applicable, any restrictions on those shares (Article 7 of the Articles of Association).

3.3 Share price

The table below sets out the data concerning the price of the Company's shares, on a monthly basis, over the past three years:

Month	Highest	Lowest	Average closing price	Trading volume
January 2014	2.03	1.87	1.97	6,760
February 2014	2.13	1.99	2.01	6,560
March 2014	2.12	1.93	2.01	28,252
April 2014	1.95	1.89	1.92	46,778
May 2014	1.97	1.88	1.91	15,271
June 2014	1.96	1.82	1.93	39,674
July 2014	1.90	1.74	1.81	22,278
August 2014	1.75	1.70	1.72	28,856
September 2014	1.71	1.62	1.68	24,639
October 2014	1.68	1.58	1.64	40,456
November 2014	1.58	1.50	1.55	94,594
December 2014	1.50	1.32	1.38	234,728
January 2015	1.56	1.42	1.47	17,746
February 2015	1.53	1.49	1.51	40,702
March 2015	1.63	1.50	1.55	275,250
April 2015	1.75	1.53	1.67	89,255
May 2015	1.73	1.63	1.66	69,029
June 2015	1.63	1.53	1.60	16,350
July 2015	1.56	1.38	1.44	154,059
August 2015	1.43	1.37	1.40	98,182
September 2015	1.42	1.34	1.37	169,985
October 2015	1.34	1.29	1.32	582,343
November 2015	1.40	1.29	1.35	397,377
December 2015	1.38	1.37	1.38	94,461
January 2016	1.40	1.36	1.38	101,603
February 2016	1.46	1.38	1.42	27,317
March 2016	1.63	1.47	1.58	99,077
April 2016	1.69	1.62	1.67	95,956
May 2016	1.67	1.62	1.65	131,345
June 2016	1.64	1.55	1.61	84,939
July 2016	1.60	1.47	1.54	62,947
August 2016	1.55	1.52	1.53	32,099
September 2016	1.58	1.53	1.57	72,057
October 2016	1.62	1.55	1.58	75,403
November 2016	1.71	1.62	1.68	185,587
December 2016	1.70	1.67	1.68	48,761
January 2017	1.76	1.67	1.72	87,563
February 2017	1.82	1.73	1.75	91,170
March 2017	1.83	1.80	1.81	31,235

M.R.M.'s stock market capitalisation as of 31 December 2016, based on the final closing price in 2016, namely €1.68, was €73,361,925.84.

3.4 Employee profit-sharing plan

None.

3.5 Dividend payout policy

The dividend payout policy will comply with SIIC rules. In particular, 95% of earnings from building lettings will be paid out before the end of the financial year following the one during which such earnings are realised, and 60% of capital gains from the sale of buildings, shares in tax-transparent property companies or shares of subsidiaries liable for corporate income tax having opted for SIIC status will be paid out in dividends before the end of the second financial year following the one in which they are realised; and dividends received from subsidiaries having opted for SIIC status will be redistributed in full during the financial year following their collection.

The resolutions to be presented to the Annual General Meeting to be held in the first half of 2017 to approve the financial statements for 2016 provide for the payment of a dividend and premiums of €0.11 per share for 2016 as indicated in section 2.3 of the management report in section 3.6 of this Registration Document.

Dividend payments for the past three years are presented in section 2.4 of the management report in section 3.6 of this Registration Document.

The dividend limitation period is five years. Dividends for which payment has not been requested are paid back to the French Treasury department.

3.6 Management report for the year ended 31 December 2016

Ladies, Gentlemen,

This Combined General Meeting was called in accordance with the Articles of Association and the French Commercial Code to report on the Company's business activities during the financial year ended 31 December 2016, the resultant earnings and the Company's outlook, and to seek approval for the annual and consolidated financial statements for said financial year. Those financial statements are attached.

You were duly notified and called to the meeting, as prescribed by law, and all mandatory documents under rules and regulations in force were put at your disposal within the legal time frame.

1. Company position and activities

1.1 Company position and activities in the past year

1.1.1 Business overview

A listed real estate company, M.R.M. holds a portfolio of retail and office properties comprising stabilised properties and properties with value-enhancement opportunities. Its asset portfolio has been progressively expanded since 2007 following asset transfers from Dynamique Bureaux and Commerces Rendement, two investment companies founded by CBRE Global Investors, and the acquisitions made by its subsidiaries in their own right.

M.R.M. is listed on Euronext in Compartment C.

ISIN code: FR0000060196 – Bloomberg code: M.R.M.: FP – Reuters code: M.R.M. PA.

M.R.M. and its subsidiaries implement a dynamic value-enhancement and asset management strategy combining yield and capital gains.

The year 2013 was marked by a major recapitalisation of the Group via the acquisition of a majority stake of 59.9% in M.R.M.'s capital by SCOR SE and the conversion into M.R.M. shares of the €54 million in bonds issued by an M.R.M. subsidiary.

Alongside the restructuring of M.R.M.'s bank and bond debt to which it was subject, this recapitalisation established a healthy financial structure for M.R.M. characterised by a strengthening of its equity base, significant debt reduction and rescheduling, and the restoration of its cash position. Company governance was amended to reflect the new shareholder base of M.R.M.

Since then, M.R.M.'s strategy has been to refocus its business on holding and managing retail properties with plans to gradually dispose of its office properties.

In 2016, M.R.M. therefore focused on letting available areas and on value-enhancement plans for its retail properties and continued its plan to dispose of its office buildings.

1.1.2 Company history

Prior to its restructuring and listing as a real estate company in 2007, M.R.M. was originally a holding company, the head of a group built around three business activities: manufacturing and sales of velvet products (JB Martin Holding), clothing design and retailing in Mexico (Edoardos Martin), and the production and sale of plastic cables and tubes (M.R. Industries).

1.1.3 Key dates in the past year

26 February 2016: M.R.M. published its 2015 annual results.

20 April 2016: M.R.M. announced the disposal of Cytéo, a multi-tenant office building with an area of 4,000 sqm located in downtown Rueil-Malmaison, for €6.3 million excluding transfer taxes.

29 April 2016: M.R.M. announced the publication and availability of its 2015 Registration Document.

12 May 2016: M.R.M. published financial information for the first quarter of 2016.

2 June 2016: M.R.M.'s Combined General Meeting approved all proposed resolutions except for the fourth resolution on approving the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and the Special Report of the Statutory Auditors for which a quorum was not reached because SCOR SE was unable to vote. The General Meeting approved the payment of dividends and premiums up to €0.10 per share and the appointment of Valérie Ohannessian as an independent director.

5 July 2016: M.R.M.'s Ordinary General Meeting met a second time and approved the fourth resolution on approving the agreements referred to in Articles L.225-38 et seq. of the French Commercial Code and the Statutory Auditors special report.

13 July 2016: M.R.M. announced the disposal of Solis, an office building fully occupied by a single tenant with an area of 10,400 sqm located in Les Ulis, for €11 million excluding transfer taxes.

29 July 2016: M.R.M. published its interim results for 2016 and announced the publication and availability of the half-year Financial Report for 2016.

10 November 2016: M.R.M. published financial information for the third quarter of 2016.

21 December 2016: M.R.M. announced the disposal of Cap Cergy, a completely renovated office building almost fully occupied under firm six- or nine-year leases with an area of 12,500 sqm located in Cergy-Pontoise, for €21.1 million excluding transfer taxes.

23 December 2016: M.R.M. announced the definitive signing of a bank loan maturing in 2021 consisting of two credit lines. The first line, for €48.6 million, replaces the credit line for the same amount, backed by a portion of M.R.M.'s retail portfolio, maturing at the end of 2017. The second credit line for €15.2 million is intended to finance retail value-enhancement programs.

1.1.4 Equity stakes and controlling interests taken in entities with head offices in France

No acquisition of shares or control occurred during the year ended 31 December 2016.

In 2016, DB Fouga, DB Tucano, DB Cougar and Boulevard des Iles (simplified limited companies or SAS), and Boulogne Escudier, 3 rue Escudier and 10 bis rue Escudier (property holding companies or SCIs) were dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M.

As of 31 December 2016, as a result of these dissolutions, M.R.M. controlled six companies compared with thirteen as of 31 December 2015. The list of equity interests is provided in Appendix 3 of this report.

1.1.5 Company branches

In accordance with Article L.232-1 of the French Commercial Code, we inform you that the Company had no branches as of the date of this report.

1.2 Research & Development

In accordance with Article L.232-1 of the French Commercial Code, we inform you that the Company conducted no research and development during the past financial year.

1.3 Situation and activity of entities controlled by M.R.M. and their property portfolios

It should be recalled that M.R.M. is a dedicated holding company, all property assets being held by its subsidiaries. The list of subsidiaries and affiliates can be found in Appendix 3 of this report.

1.3.1 Retail property portfolio

The retail property portfolio is directly or indirectly held by the following subsidiaries: SAS DB Neptune, SAS Commerces Rendement, SAS DB Piper, SCI Immovert, and SCI Galetin II. The Group's legal structure can be found in section 1 of the 2016 Registration Document.

In 2016, 26 new leases or lease renewals were signed in the retail property portfolio, representing an annual rental income of €2.2 million. As of 1 January 2017, the net annualised rent for retail properties was €7.9 million, up 0.7% from 1 January 2016. This change was due to the arrival of new tenants partially offset by departures or altered conditions that M.R.M. must sometimes consent to when renewing leases. As of 31 December 2016, the physical occupancy rate for retail properties stood at 84%, up by 2% from 31 December 2015, thanks to the lettings occurring during the year. However, it should be noted that all leases signed in 2016 had not yet taken effect as of 31 December 2016. As such, the leases signed will take effect on a staggered basis until mid-2017 and will allow an additional potential 2% increase of the occupancy rate for the retail portfolio.

A total of €5.8 million was invested in the retail property portfolio in 2016. This mainly covered restructuring works on the upper ground floor of the Les Halles shopping centre in Amiens and the Sud Canal shopping centre in Saint-Quentin-en-Yvelines.

1.3.2 Office portfolio

The office portfolio is directly or indirectly held by the subsidiaries SAS DB Neptune and SCI Noratlas. The Group's legal structure can be found in section 1 of the 2016 Registration Document.

In 2016 M.R.M. sold three office buildings: Cytéo, Solis and Cap Cergy located in Rueil-Malmaison, Les Ulis and Cergy-Pontoise, respectively, for a total of €38.4 million excluding transfer taxes.

As of 1 January 2017, the office portfolio comprised one vacant property intended for sale with vacant possession and one occupied property generating net annualised rent of €1.7 million, stable relative to 1 January 2016, following adjustment for disposals in 2016. Of this portfolio, two leases or renewed leases representing total annual rent of €0.5 million were signed in 2016 on buildings sold during the year. The occupancy rate of offices in use fell from 72% as of 1 January 2016 to 69% as of 1 January 2017 on a like-for-like basis. However, a lease signed in January 2017 will raise this occupancy rate to 74% once it becomes effective.

In 2016, €1.5 million was invested in office buildings. Most of this was devoted to completing renovation before installing new tenants in the Cap Cergy building sold in 2016.

1.3.3 Change in the portfolio

As of 31 December 2016, M.R.M.'s asset portfolio stood at €197.8 million excluding transfer taxes compared with €226 million excluding transfer taxes as of 31 December 2015, up 5.7% on a like-for-like basis, i.e. compared with its value as of 31 December 2015 restated for the buildings sold in 2016.

M.R.M. invested €7.3 million in its portfolio in 2016 of which €1.5 million on property sold during the year.

As of 31 December 2016, the change in the fair value of M.R.M.'s asset portfolio was a positive €5 million.

This upward trend mainly reflects the stage of development of asset valuation plans for retail properties during the year.

As of 31 December 2016, the nine retail complexes in Île-de-France and the provinces accounted for 77% of the value of M.R.M.'s asset portfolio while the two office complexes in Île-de-France accounted for the remaining 23%. This asset allocation reflects the progress made by M.R.M. in refocusing on retail property.

As of 31 December 2016, M.R.M.'s asset portfolio comprised a total area of 104,973 sqm of which 86,344 sqm in retail properties and 18,629 sqm in office properties.

Portfolio value (excluding transfer taxes) *(in millions of euros)*	12/31/2016	12/31/2015
Retail properties	152.8	144.0
Office properties	45.0	82.0
TOTAL	**197.8**	**226.0**

1.3.4 Net Asset Value

As of 31 December 2016, the EPRA NNNAV was €2.92 per share and the replacement Net Asset Value was €3.19 per share compared with €2.90 per share and €3.21 per share respectively as of 31 December 2015.

Replacement NAV is EPRA NNNAV plus transfer taxes. It corresponds to the capital needed to replace the Group's portfolio.

	12/31/2016		12/31/2015	
Calculation of NAV	€million	€/share	€million	€/share
Group equity under IFRS	127.4		126.6	
Dilutive effects	0.0		0.0	
NAV	**127.4**	**2.92**	**126.6**	**2.90**
- Cancellation of treasury shares	(0.1)		(0.2)	
- Fair value of financial instruments	(0.0)		(0.0)	
- Fair value of liabilities	1.1		0.4	
EPRA NAV	**128.4**	**2.94**	**126.8**	**2.91**
+ Fair value of financial instruments	0.0		0.0	
+ Fair value of liabilities	(1.1)		(0.4)	
EPRA NNNAV	**127.3**	**2.92**	**126.5**	**2.90**
Transfer taxes	11.7		13.4	
Replacement NAV	**139.1**	**3.19**	**140.0**	**3.21**

1.3.5 Net operating cash flow

Gross operating income came to €6.9 million in 2016. The change relative to the €6.7 million achieved in 2015 reflects an increase in other net non-recurring operating income partly offset by reduced net rent as a result of asset sales. With the continuation of bank deleveraging, combined with all-time low interest rates, net operating cash flow [1] was a positive €4.9 million in 2016.

Net operating cash flow *(in millions of euros)*	2016	2015	Change 2016-2015
Net rental revenues	9.5	9.8	-2.9%
Other operating income	0.7	0.3	+154.8%
Operating expenses	(3.2)	(3.1)	+2.1%
Other operating expenses	(0.1)	(0.2)	-59.4%
EBITDA	**6.9**	**6.7**	**+2.9%**
Net cost of debt	(1.9)	(2.3)	-16.2%
Other financial expenses	0.0	0.0	
NET OPERATING CASH FLOW	**4.9**	**4.4**	**12.9%**

(1) Net operating cash flow is net income before tax adjusted for non-cash items.

1.3.6 Debt

On 15 January 2016, M.R.M. repaid a matured bank debt of €27.2 million to German lender HSH Nordbank. Part of the repayment was financed through a new loan of €22.0 million granted by SCOR SE, M.R.M.'s majority shareholder, with the balance paid out of the Group's own funds. At year-end 2016, the €22.0 million loan, which was due to expire on 15 January 2017, was extended until 15 January 2018.

On 23 December 2016, M.R.M. announced the signing with German lender SaarLB of a bank loan maturing at the end of 2021 consisting of two credit lines. The first line, for €48.6 million, replaces a credit line of the same amount, secured against part of M.R.M.'s retail portfolio and maturing at the end of 2017. The second line, for €15.2 million, is intended to finance retail value-enhancement programs.

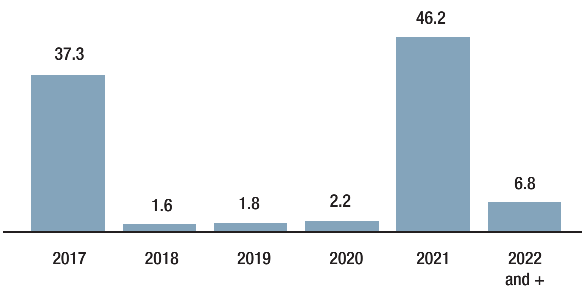
On 31 December 2016, Group financing consisted of mortgage bank debt of €74.1 million and an intra-group loan of €21.9 million granted by SCOR SE, M.R.M.'s majority shareholder. The Group's total outstanding borrowings amounted to €96 million compared with €111 million at the end of 2015. This €15 million fall was due to consecutive reimbursements related to property disposals in the year, the repayment of bank loans with HSH Nordbank through the new intra-group loan with SCOR SE, and, to a lesser extent, the various redemptions and drawdowns undertaken during the year. The average margin on this debt is 177 basis points (excluding the impact of set-up costs). All variable-rate bank loans are hedged with interest rate caps.

M.R.M.'s borrowings had the following maturity as of 31 December 2016:

- maturing in less than one year: €37.3 million;
- maturing in more than one year: €58.7 million.

Debt maturing within a year consists mainly of (i) a €15.2 million credit line maturing in December 2017, (ii) the €22.0 million loan taken out with SCOR SE backed by a building classified under "Assets held for sale", and (iii) the contractual repayments to be made over the next 12 months.

► BANK DEBT SCHEDULE AS OF 31 DECEMBER 2016 *(IN MILLIONS OF EUROS)*



The Group's consolidated LTV (Loan To Value) ratio stood at 48.5% as of 31 December 2016 compared with 49.1% as of 31 December 2015.

In view of the cash position, the total net debt ratio eased from 43.2% as of 31 December 2015 to 35.9% as of 31 December 2016.

As of 31 December 2016, the Group complied with all commitments in respect of LTV, ICR and DSCR covenants agreed with its financial partners.

1.4 Foreseeable changes and outlook

The refocusing strategy of M.R.M.'s activities on retail property accelerated in 2016. Following three disposals in 2016 the office portfolio, which comprised nine office buildings in June 2013, was reduced to two assets currently in the process of being sold. M.R.M. aims to complete its withdrawal from the office sector in 2017.

With a solid financial structure, M.R.M. also committed to a substantial investment programme designed to enhance the value of its retail properties. It represents a total projected investment of €32 million, €9 million of which was invested in 2016.

In 2016, the Group finished restructuring and reletting an area of 5,000 sqm in the Sud Canal shopping centre in Saint-Quentin-en-Yvelines which has brought renewed commercial momentum to the entire site. Redevelopment and repositioning works at the Les Halles shopping centre in Amiens were completed.

In 2017, M.R.M. plans to deliver two more projects: Carré Vélizy in Vélizy-Villacoublay and the first stage of a value-enhancement programme at Passage de la Réunion in Mulhouse. M.R.M. also plans to undertake three new projects in 2017-2018: a shopping mall in École-Valentin, the Allonnes retail park, and Galerie du Palais in Tours. Altogether, €8 million is expected to be invested in 2017.

Thus, all value-enhancement programs identified for retail assets should, barring unforeseen events, be launched in 2017-2018.

As M.R.M. is on track to complete its withdrawal from the office segment, it will be able to concentrate all of its means and resources on its retail property portfolio. This will mainly occur by implementing the value-enhancement programs described above but also by taking the opportunity to acquire or dispose of retail assets as part of a dynamic approach to portfolio management.

1.5 Major subsequent events

None.

1.6 Main risks and uncertainties facing the Company

The risks and uncertainties facing the Company are, on the date of this report, those which could have a material adverse impact on the Company, its business, its position, its earnings or share price, and which are important with regard to investment decisions.

The Company has assessed the risks that could have a material adverse impact on its business, financial position or earnings (or ability to achieve its goals) and believes that there are no significant risks other than those presented in section 2 of the 2016 Registration Document and, with regard to financial risks, in the notes to the consolidated financial statements for the year ended 31 December 2016.

2. Presentation of the financial statements – Earnings for the past year

2.1 Annual financial statements

The annual financial statements for the year ended 31 December 2016, which we submit to you for approval (provided in Appendix 6 of this report), were drawn up according to the format and using the valuation methods prescribed by the rules and regulations in force. Presentation and valuation rules used were the same as for the previous financial year.

M.R.M.'s business over the period was that of a holding company. Its 2016 earnings reflect:

- revenue of €206 thousand (compared with €264 thousand in 2015);
- no reversals of provisions on current accounts (compared with €384 thousand of reversals of provisions on current accounts in 2015);
- other purchases and external expenses of €(696) thousand (compared with €(662) thousand in 2015);
- taxes of €(88) thousand (stable compared with 2015);
- payroll expenses of €(861) thousand (compared with €(755) thousand in 2015);
- provisions on current accounts of €(4,619) thousand, granted to the subsidiaries Noratlas and DB Neptune;
- other expenses of €(40) thousand;
- financial income of €8,388 thousand, of which €5,362 thousand in financial income from equity investments (revenue on current accounts and dividends received) and €3,012 thousand in surplus following the mergers in 2016 as part of the simplification of the Group's legal structure;
- financial expense of €(2,403) thousand, of which €(2,285) thousand in deficit following the mergers in 2016 as part of the simplification of the Group's legal structure and €(103) thousand in interest and similar expenses.

Net financial income totalled €5,985 thousand compared with €2,618 thousand as of 31 December 2015.

After a reversal of accelerated depreciation for €524 thousand, net financial income totalled €415 thousand compared with €1,375 thousand as of 31 December 2015.

At year-end total assets stood at €110,032 thousand mostly made up of equity securities from directly or indirectly wholly-owned subsidiaries, of current accounts between the Company and its subsidiaries, and of the Company's cash assets.

A table showing the Company's results for the last five years is appended to this report in Appendix 1 in accordance with Article R.225-102 of the French Commercial Code.

2.2 Consolidated financial statements

Pursuant to Regulation (EC) 1606/2002 of 19 July 2002, M.R.M. Group's consolidated financial statements as of 31 December 2016 were prepared in accordance with the standards and interpretations applicable on that date published by the International Accounting Standards Board (IASB), adopted by the European Union and in force at the date of issue of the financial statements by the Board of directors.

The new standards and amendments to existing standards and interpretations mandatory as of 1 January 2016 are as follows:

- Amendments to IAS 1 "Disclosure Initiative";
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation";
- Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations";
- Annual Improvements to IFRS 2010-2012;
- Annual Improvements 2012-2014;
- Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exemption" applicable as of 1 January 2016;
- Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions".

These amendments did not have a material impact on the Group's results and financial position.

2.2.1 Changes in scope

In 2016, DB Fouga, DB Tucano, DB Cougar and Boulevard des Iles (simplified limited companies or SAS), and Boulogne Escudier, 3 rue Escudier and 10 bis rue Escudier (property holding companies or SCIs) were dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M. which led to a change in its scope of consolidation.

The merger is part of streamlining the Group's legal structure which began in 2013 and continued in 2016.

2.2.2 Consolidated income statement

Consolidated gross rental revenues from properties totalled €12,992 thousand, reflecting rents and other rental income in the Group's portfolio, a fall of 4.8% compared to 2015. On a comparable basis, gross rental revenues actually rose by 3.2% compared with 2015.

Unrecovered external property expenses were down 9.6% compared with 2015 and amounted to €(3,497) thousand, resulting in net rental revenues of €9,495 thousand.

Net recurring operating expenses, amounting to €(3,425) thousand in 2016, were down 6.2% compared with 2015 and comprised operating expenses of €(3,211) thousand (vs €(3,144) thousand in 2015, an increase of 2.1%), net allowances to provisions of €(791) thousand (vs €(542) thousand in 2015) and other net operating income of €577 thousand (vs €36 thousand in 2015).

Current operating income before disposals and changes in fair value of properties amounted to €6,070 thousand compared with €6,125 thousand at end 2015.

Net of losses on the disposal of assets of €(2,839) thousand and change in fair value of property assets (net of the reclassification of a stock of rent-free periods to be staggered of €696 thousand) of €4,291 thousand, operating income was €7,521 thousand. In 2015 it was €10,103 thousand.

Financial loss improved by 13.2% compared with 2015; as of 31 December 2016 it stood at €(2,431) thousand and consisted of:

- net cost of debt of €(1,914) thousand comprising interest and related expense of €(1,916) thousand and interest income of €2 thousand;
- change in value of the financial instruments and Sicav funds of €(2) thousand;
- discounting of payables and receivables of €(516) thousand.

In light of the above and the absence of tax expenses, net income after tax amounted to a profit of €5,089 thousand as of 31 December 2016 compared with €7,291 thousand as of 31 December 2015.

2.2.3 Consolidated balance sheet

As of 31 December 2016, non-current assets stood at €152,803 thousand compared with €216,265 thousand as of 31 December 2015.

The change in these items over the year was due to the reclassification of three office properties as "Assets held for sale" partly offset by the appreciation in value of retail buildings. As of 31 December 2016, investment properties totalled €152,800 thousand.

As of 31 December 2016, current assets stood at €78,950 thousand compared with €31,501 thousand as of 31 December 2015. They mainly consisted of:

- assets held for sale of €45,047 thousand (compared with €9,706 thousand at end 2015). The change over the year was due to the reclassification of three office properties as "Assets held for sale" partly offset by the disposal of properties;

- trade receivables of €2,609 thousand;
- other receivables of €6,300 thousand (e.g. cash collateral account, calls for rental charges, tax claims); and
- cash and cash equivalents of €24,994 thousand, up €11,562 thousand over the year.

With regard to liabilities and equity, after taking into account net income for the year of €5,089 thousand and a dividend payment of €(4,362) thousand for 2015, consolidated equity stood at €127,401 thousand at the end of 2016. As of 31 December 2015, this item totalled €126,624 thousand.

As of 31 December 2016, non-current liabilities payable at over one year totalled €60,226 thousand compared with €78,535 thousand as of 31 December 2015.

These mainly comprised bank debt of €58,643 thousand and tenants' security deposits of €1,210 thousand.

Current liabilities payable at under one year totalled €44,126 thousand as of 31 December 2016 compared with €42,606 thousand as of 31 December 2015. This amount mainly comprised bank debt maturing in 2017 or secured by properties held for sale of €37,346 thousand, trade payables for goods and services and non-current assets of €4,398 thousand, and other liabilities of €2,383 thousand.

In accordance with Articles L.225-100 and L.233-16 of the French Commercial Code, we hereby ask you to approve the consolidated financial statements provided in Appendix 7 of this report.

2.3 Appropriation of earnings – Distribution of dividends and premiums

We propose to appropriate earnings of €415,170 for the year ended 31 December 2016 as follows:

- origin:

  profit (loss) for the year: profit of €415,171
- appropriation:

  allocation to the legal reserve: €20,759

  The balance (i.e. €394,412) representing payable earnings for the year will be paid in full to shareholders as dividends.

  The legal reserve would thereby be increased from €227,267 to €248,026.

  The payment of dividends, which is required under the SIIC (French REIT) regime, is subject to withholding tax for non-resident shareholders and will not benefit from the 40% rebate (under Article 158–3-2 of the French General Tax Code) for individual shareholders who are French tax residents.
- Payment of premiums:

  We also propose a payment of premiums of €4,409,047 through a deduction from Contribution premiums. This payment would bring the Contribution premiums account from €58,360,025 to €53,950,978.

  The payment of premiums would, in turn, be regarded as a repayment of contributions and be exempt from tax for shareholders who are French tax residents, and from withholding tax for non-residents, since the payment of €394,412 in dividends would leave no distributable reserves on M.R.M.'s balance sheet.

  The total amounts thus paid (dividends and premiums) would be €0.11 per share. These amounts would be paid by 9 June 2017.

  The share of distributed amounts corresponding to treasury shares held by the Company on the ex-coupon date (7 June 2017) would be allocated to the "Other reserves" account.

2.4 Dividends paid out in previous years

In accordance with Article 243a of the French General Tax Code, the following dividends were paid out over the previous three financial years:

Year	Income eligible for tax reduction[1]		Income not eligible for tax reduction	
(in euros)	Dividends	Other income distributed	Dividends	Other income distributed
2013	-	2,314,422	-	2,050,337
2014	-	1,073	-	4,361,983
2015	-	-	561,237	3,801,226

(1) Allowance provided for in Article 158-3-2 of the French General Tax Code.

2.5 Non-tax-deductible expenses

Pursuant to Article 223 quater of the French General Tax Code, we inform you that the amount of expenses and charges referred to in Article 39.4 of said Code amounted to €1,910 in 2016 and that the amount of tax payable by the Company due to the non-deductibility of these expenses is estimated at €0.

None of the expenses described in para. 5 of Article 39 of the French General Tax Code is subject to tax reintegration for 2016.

3. Information on the share capital as of 31 December 2016

3.1 Change in the share capital in the past year

As of 1 January 2016, the share capital was €43,667,813 made up of 43,667,813 fully paid-up shares, each with a par value of €1. This situation remained unchanged as of 31 December 2016 as there were no transactions involving the share capital in the past year.

Shares are in either registered or bearer form, at the discretion of the shareholder, subject to the mandatory provisions laid down in Articles 6 and 7 of the Articles of Association.

3.2 Information on shareholding

In accordance with Article L.233-13 of the French Commercial Code, we indicate the identity of natural and legal persons holding, as of 31 December 2016, more than 5%, 10%, 15%, 20%, 25%, one-third, 50%, two-thirds, 90% or 95% of the share capital or voting rights in General Meetings (bearing in mind that, pursuant to the terms of Article 8 of the Articles of Association, "a double voting right is granted to all fully paid-up shares which have been registered in the Company's ledgers for at least two years in the name of the same shareholder, as provided by law"). We further inform you of the reduction in the total number of theoretical voting rights in the Company from 55,307,518 as of 31 December 2015 to 55,177,734 at the date of this report, following the switch to "bearer" form of shares with double voting rights due to their being held in registered form for at least two years. The tables below reflect this new number of voting rights.

Over 50%:

Shareholders	As of the date of this report	As of 12/31/2016	As of 12/31/2015
SCOR SE	59.9% of share capital 47.4% of voting rights	59.9% of share capital 47.3% of voting rights	59.9% of share capital 47.3% of voting rights

As of 31 December 2016 and at the date of this report, no other M.R.M. shareholder individually held more than 5% of the Company's share capital or voting rights at General Meetings.

For information, at the date of this report, Jacques Blanchard, Chief Executive Officer of the Company, held 42,839 shares, 42,838 of which through his personal holding company, SC JAPA. Consequently, he holds 0.1% of the share capital and 0.15% of the voting rights, directly and indirectly.

Cross-shareholdings

At the reporting date of the past financial year, companies controlled by the Company held no stake in the Company.

Treasury shares – Share buyback plan

At the start of 2016, the Company held 55,111 treasury shares.

On 7 January 2014, M.R.M. entrusted the performance of a liquidity contract to Invest Securities to improve the liquidity and trading regularity of its shares for an annual fee of €25,000 excluding VAT.

In addition, a share buyback programme was implemented in 2016 in order to:

- stimulate share trading or liquidity by an investment services provider through a liquidity agreement in compliance with the code of ethics of the AMAFI (French association of financial markets) recognised by the AMF;
- acquire shares to hold for subsequent payment or exchange in the context of acquisitions as permitted by the AMF;
- award or sell shares to employees and/or corporate officers (under the terms and conditions set by applicable laws) under a stock option plan, bonus share issue plan or company savings plan;

- allocate Company shares following the exercise of rights attached to securities giving the right to redemption, conversion or exchange, the presentation of a warrant, or any other means of obtaining shares in the Company;
- potentially cancel shares acquired.

These objectives are presented without prejudice to the effective order of use of the authorisation to buy back shares, which would be dependent on needs and opportunities. The number of shares purchased by the Company with a view to being held as treasury stock for subsequent payment or exchange as part of a merger, demerger or contribution may not exceed 5% of its share capital.

In 2016, the Company bought 22,614 treasury shares at an average price of €1.54 per share for €34,852 in total as of 31 December 2016 and sold 54,364 treasury shares at an average price of €1.56 per share under the liquidity agreement in order to stimulate the trading/liquidity of its shares under its share buyback programme. There were no reallocations during the year. Trading costs amounted to €0.

The Company thus held 23,361 treasury shares as of 31 December 2016, representing 0.1% of its share capital at a nominal value of €23,361. These securities are entered as Company assets in its parent company financial statements, and deducted from equity in the consolidated financial statements.

The General Meeting of Shareholders called to approve the financial statements for the year ended 31 December 2016 will be asked to renew this authorisation to buy back shares. With regard to share cancellations, the meeting will also be asked to authorise the Board to cancel, for a period of 24 months, at its sole discretion, in one or more instalments, up to 10% of the share capital, calculated on the day of the cancellation decision, net of any shares cancelled over the previous 24 months, the shares the Company holds or may hold following the buybacks made as part of its buyback programme, and to reduce the share capital by the corresponding amount pursuant to the legal and regulatory provisions in force.

3.3 Delegations for capital increases

In accordance with Article L.225-100 para. 7 of the French Commercial Code, we inform you that no delegation granted by the General Meeting of Shareholders to the Board of directors in respect of capital increases pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code was in force as of 31 December 2016.

3.4 Employee share ownership

In accordance with Article L.225-102 of the French Commercial Code, we inform you that:

- no employee held any interest in the Company's share capital at the last day of the 2016 financial year;
- no shares were acquired in order to award them to employees under a profit-sharing scheme.

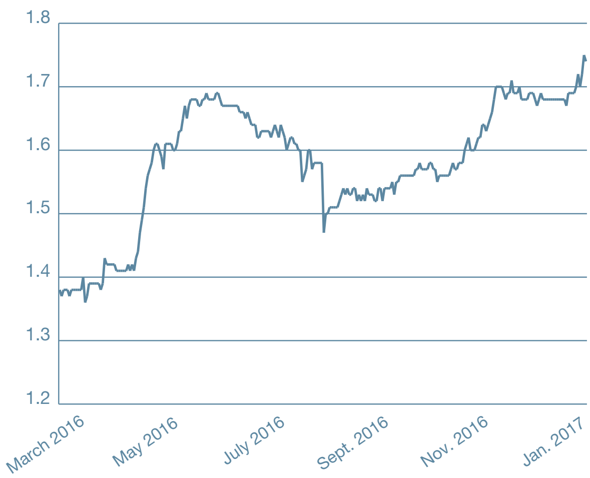
In accordance with Articles L.225-184 and L.225-197-4 para. 1 of the French Commercial Code, we inform you that:

- the Company has no stock option plans;
- no bonus shares were awarded to salaried employees or senior managers of the Company.

3.5 Stock market performance

M.R.M.'s stock market capitalisation as of 31 December 2016, based on the final closing price in 2016, namely €1.68, amounted to €73,361,926.

Below is a graph showing the change in the share price in 2016:



Source: Euronext.

In accordance with Article L.621-18-2 of the French Monetary and Financial Code, there was no trading in the Company's shares during the year ended 31 December 2016 by the individuals falling within the scope of said Article (managers, executives and individuals with whom they have close ties).

3.6 Factors liable to have an impact in the event of a takeover bid

Factors likely to have an impact in the event of a takeover bid as defined by Article L.225-100-3 of the French Commercial Code are as follows:

(i) The Company's capital structure

See section 3.2 of the 2016 Registration Document.

(ii) Statutory restrictions on the exercise of voting rights and share transfers or the provisions of agreements brought to the attention of the Company pursuant to Article L.233-11

See section 3.1.11 of the 2016 Registration Document.

(iii) Direct or indirect shareholdings in the share capital of the Company known to it pursuant to Articles L.233-7 and L.233-12

See section 3.2.12 of the 2016 Registration Document.

(iv) The list of holders of any securities with special control rights and a description thereof

None.

(v) Control mechanisms scheduled in an employee share ownership scheme when the control rights are not exercised by said party

None.

(vi) Agreements between shareholders of which the Company is aware which may result in restrictions on the transfer of shares and the exercise of voting rights

None.

(vii) The rules governing the appointment and replacement of members of the Board or the Management Board and the amendment of the Articles of Association

See section 3.1.9 of the 2016 Registration Document

The rules governing the amendment of the Articles of Association are the legal rules.

(viii) The powers of the Board or the Management Board, in particular to issue or redeem shares

See sections 3.2 and 3.3 of this report.

(ix) Agreements entered into by the Company that are amended or terminated in the event of a change of control of the Company, unless such disclosure, save in cases of mandatory disclosure, would seriously undermine its interests

None.

(x) Agreements providing for compensation to members of the Board or the Management Board or employees if they resign or are dismissed without just cause or if their employment is terminated due to an IPO

See section 4.4.1 of the 2016 Registration Document.

4. Information on Corporate Social Responsibility

The note on methodology regarding CSR information and the report of the independent third party on CSR information contained in the management report are appended to this report (Appendices 4 and 5).

4.1 Social information

The Group had four employees at end-2015. No employees left the Company during the year, leaving the number of Group employees identical at four as of 31 December 2016. The workforce is made up of two women and two men under 45 years of age working full-time whose working hours comply with the prevailing legislation. All M.R.M. employees are based at the Company's head office at 5 avenue Kléber in Paris (16th *arrondissement*) and come under the collective national agreement for the property sector dated 9 September 1988 and updated on 23 November 2010.

Group payroll in 2016 was €481 thousand against €377 thousand in 2015. This change is mainly due to the full-year effect of recruitment occurring during 2015.

Merit and performance are the two fundamental principles driving M.R.M.'s remuneration policy, and a review is carried out on an annual basis to assess these. Thus, all employees are assured that their position and performance are assessed by management every year and, during this annual review, they are advised of the results of this assessment and its tangible effects through the variable portion of their remuneration package.

M.R.M. seeks to help its employees develop and evolve and therefore pays particular attention to training and developing skills within the Company. In 2016, employees received 14 hours of training.

Because of the low number of employees, the Company has not set up any organisation for social dialogue or entered into any agreements with trade unions on health and safety issues in the workplace. Furthermore, M.R.M. employees are engaged in office work which, by its nature, involves relatively low levels of risk. Finally, the premises where M.R.M. has its head office meet current safety and security standards.

In 2016, absenteeism amounted to two days and there were no workplace accidents or occupational diseases.

Following the entry into force of the law of 27 January 2011 on gender balance on Boards of directors and Supervisory Boards and gender parity, M.R.M.'s Board of directors at its meeting of 8 December 2016 approved the Company's policy on gender parity and equal pay, reaffirmed its determination to be a socially responsible employer, and confirmed that it would undertake to apply a human resources policy based on non-discrimination in matters of recruitment, professional assessment, professional mobility and professional training. The Company also respects freedom of association and the right to collective bargaining. However, its employees have not to date initiated any labour relations mechanism.

Finally, because of the low number of employees, the Company did not take any measures in favour of the employment and integration of disabled persons. As M.R.M.'s business is based in France, it is not directly bound by the International Labour Organization's fundamental conventions on the elimination of forced or compulsory labour and the effective abolition of child labour because French law already prescribes prohibitions in these areas.

4.2 Environmental information

4.2.1 General environmental policy

While continuing to prioritise the restructuring and value-enhancement of its property portfolio, during the 2015 financial year the Company pursued its commitment to development which reconciles environmental conservation and economic efficiency. In its operations, the Company adheres to and sees that its service providers adhere rigorously to environmental regulations in all stages of property investment (acquisition, design, property management). This concerns, for example, detecting asbestos and other harmful or hazardous materials contained in properties considered for acquisition, drawing up and updating technical reports on asbestos for properties in the portfolio, replacing equipment operating on R22 gas, observing insulation standards, and optimizing the energy efficiency of buildings undergoing restructuring. As to the properties being renovated, M.R.M. pays great attention to the treatment of common areas and landscaped spaces. M.R.M. plans to reposition its properties in their environment by incorporating the changes in town planning and the enhancement of natural landscaped surroundings. However, the Company does not believe that its property activity causes any releases to soil that could seriously affect the environment.

In addition, CBRE Global Investors – which advises M.R.M. on the management of a number of property assets – and SCC and Accessite, both of which perform property management and operational asset management assignments on M.R.M. retail assets, are signatories of the lessor-tenant charter of the *Conseil national des centres commerciaux* (CNCC). The applicant is also planning to offer its tenants a “green” lease that includes an environmental rider: the CNCC lessor-tenant charter, which requires stakeholders to engage in a collective, consensus-based approach to drive progress.

The environmental issue has become a major requirement for commercial complexes, involving all lessors and retailers but also the consumers using them every day. It is therefore important for stakeholders in commercial property to formalise their reciprocal commitments and to contribute to achieving the environmental targets that France has set itself.

The purpose of the CNCC lessor-tenant charter is to define the sustainable development principles to be used in commercial leases.

This educational text recommends a series of measures to be implemented covering a range of issues such as reducing the centre's energy consumption, carbon footprint, waste and water treatment and recycling, air quality, etc.

Lastly, the building located at 5 avenue Kléber, where M.R.M. has its head office as a tenant, was designed, refurbished and is operated in accordance with the principles set by the HQE (High Environmental Quality) standard. One of the aims of this standard is to improve the environmental quality of buildings throughout their life cycles from works scheduling to operation to demolition. The Company is keen to involve its personnel as building users in best practice as regards respecting and protecting the environment (selective sorting, recycling, reasonable use of paper, etc.).

Certifications

As part of its property activity, during the past financial year, the Company continued to apply France's HQE initiative, which takes full account of the challenges of sustainable development, by limiting the impact of building construction on the environment and opting for harmonious integration, wholly reflecting the needs and comfort required by users.

As part of its substantial restructuring of the Nova building in La Garenne-Colombes, M.R.M. adapted its projects to incorporate the HQE initiative, both in the design phase and in the course of the operation of the building, despite the need to take on board the constraints of the site and of the structure of the existing building.

Priority was given to the integration of the building in its site, with notably the laying out of vegetal terraces reducing the discharge of rain water and improving the cooling of the building during the summer. A centralised technical management system to optimise a building's energy efficiency and provide information on consumption, "high-performance" equipment, strict management of waste from building sites, and building façades with double glazing offering excellent thermal and acoustic performance have all been integrated into the project since its inception. As a result, the Nova building develops all the criteria for a modern building, highly effective and functional while insuring optimal comfort to its users. Its main characteristics were designed and executed with a focus on sustainable development and the well-being of its occupants, making it a "green" property in terms of location, public transport, the environment and nearby services, occupant comfort, and energy and water efficiency.

The additional costs incurred by the adoption of this initiative are seen by M.R.M. as investments that contribute to value creation. These investments paid off when the property received HQE NF – *Bâtiments Tertiaires* certification in 2012 and BREEAM In Use – Good certification in 2014. In 2015, the property received the HQE Exploitation label.

After the renovation of the Cap Cergy(1) office building located in Cergy-Pontoise, which was completed during the first quarter of 2016, the building obtained BREEAM In Use – Very Good certification in April 2016.

The Green Approach Guides

In setting up a "green" approach for the operation of its properties, particularly through energy savings measures and working with its tenants, M.R.M. seeks to have an impact on improving energy performance, reducing greenhouse gas emissions and slowing climate change.

To this end, M.R.M. has developed Green Approach Guides for all of its office properties in use to encourage all stakeholders – tenants, occupants, managers, technical staff, miscellaneous service providers and owners – to work together to become "green" stakeholders every day.

Occupants need to become empowered in how they use their office spaces, with the aim of reducing energy consumption, ensure sanitary quality and user comfort while respecting the environment. M.R.M. intends to fully support them in this process. The Green Approach Guides therefore aim to help tenants to ask the right questions at the right time, from fitting-out to daily use.

The tenant company needs to be able to communicate its commitments in terms of Corporate and Social Responsibility, both internally and externally:

- employee well-being in comfortable, user-friendly work spaces;
- company integration in the local economic and social fabric;
- environmentally-friendly practices and undertakings.

The Green Approach Guides recommend Green Committee meetings on a half-yearly or annual basis.

The Green Committees are comprised of representatives of the lessor, tenants, technical service provider, property manager and all servicing and/or maintenance companies employed by the lessor or tenants.

Green Committees are responsible for:

- studying and assessing the intrinsic environmental performance of the property and any changes to the property, the premises or their operation that could affect its environmental performance during its lifetime, as well as energy and water consumption and waste generation related to the life of the property;
- adapting and drawing up environmental targets to reduce the property's energy consumption, carbon emissions, water consumption and waste generation through the use of eco-friendly equipment as far as possible (e.g. renewable energies, rainwater recovery, water recycling);
- monitoring and reporting on changes to environmental targets in terms of the property's water and energy consumption and waste generation or relating to progress made in terms of achieving targets set at previous meetings;
- setting new targets to be achieved over the next six-twelve months.

In 2016, two Green Committee meetings took place. These Committee meetings improved communication and understanding between stakeholders and led to the rapid, efficient implementation of action plans to significantly improve the environmental performance of properties.

(1) Property sold in 2016.

Environmental appendix to leases

Since 2012, an environmental appendix must be attached to all new or renewed lease agreements for all office or retail properties with an area over 2,000 sqm. From 14 July 2013, this appendix became mandatory for all current leases. The environmental appendix must include the following information, provided by the lessor:

- a description of the energy characteristics of equipment and systems in leased premises (e.g. waste treatment, heating, cooling, ventilation, lighting, etc.);
- actual water and energy consumption;
- the amount of waste generated by the property.

This appendix may also include obligations imposed on tenants to reduce energy consumption in the relevant premises.

As of 31 December 2016, 20 leases included an environmental appendix. This approach allows M.R.M. to involve tenants in how resources are used. As a result, the Company and its tenants bring together economic and energetic performances.

The Company aims to roll out the environmental appendix to its existing tenants gradually as their leases are renewed.

Environmental risks

As M.R.M.'s real estate activity does not present any particular environmental risk, no provision was recorded for this as of 31 December 2016.

4.2.2 Pollution and waste management

Waste management for office properties owned by M.R.M. is the responsibility of the property manager. The waste collection service offered to occupants involves selective sorting of office waste baskets at source.

In office properties, waste prevention, recycling and disposal measures are set out in the Green Approach Guides and by Green Committees to support and encourage tenants to set up the equipment necessary for sorting at source, to take out a selective collection agreement, to train their cleaning service provider on how to organise collections, to draw up a quarterly report on collection (quantities and decommissioning), to oversee the volumes and quality of waste generated by a monitoring group and to report on the results obtained. At the Nova (in La Garenne-Colombes) and Cap Cergy[1] (in Cergy-Pontoise) properties, M.R.M. has further improved recycling by managing waste such as used batteries, and wants to go further by extending waste collection to plastic (cups, bottles), metals (drink cans), and glass (fluorescent tubes).

As regards selective waste sorting, all our shopping centres have dedicated containers for paper, plastic and other waste, provided to our tenants. M.R.M. ensures on a daily basis that retail tenants sort their waste. In the Carrefour d'École-Valentin shopping mall, M.R.M. raises awareness of best practice in selective sorting among its retail tenants twice a year.

Generally, during and after the refurbishment or construction of a property, the Company encourages companies carrying out the work to reduce noise pollution from building sites and to strictly manage waste in order to limit the nuisance caused to the neighbourhood and any occupants of the property and to respect the area around the property.

More specifically, in 2013, on the Solis[1] property, the Group carried out a survey on the acoustic impact of air treatment units in the renovated section of the property following which, in 2014, it implemented tangible improvements for the convenience of its tenant, namely additional acoustic insulation in premises with air treatment units and noise cancelling material under air treatment units to minimise vibrations.

In the Cap Cergy[1] property, the renovation works integrated the replacement of woodwork leading to the patios which improved both acoustic and thermal insulation of the premises.

In its premises at 5 avenue Kléber, Paris, the Company sorts and recycles its waste, including paper, toner and ink cartridges, electronic and IT equipment, batteries, fluorescent bulbs and tubes, plastic cups and bottles, and cans. The quantity of waste generated by M.R.M. employees in 2016 is estimated at 116 kg.

Because of its activity in France as a real estate company, and since it does not have any of its own restaurants, the Company does not believe that measures to combat food waste apply to it.

4.2.3 Sustainable use of resources

Water consumption

Regarding water management, the Vivier retail park in Allonnes is equipped with a system for recovering and storing rainwater in a 55 cbm underground cistern used for watering landscaped areas on site by a drip system, thus saving on water consumption while making the area more pleasant for users.

(1) Property sold in 2016.

Water consumption can also be reduced by installing dual flush toilets (full and partial flush) and electronic mixer taps that can detect presence and regulate flow to replace traditional fittings as in the Nova property in La Garenne-Colombes, Cap Cergy(1) in Cergy-Pontoise, the Cytéo(1) property in Rueil-Malmaison, the Les Halles shopping centre in Amiens, and the Carré Vélizy site in Vélizy-Villacoublay.

The installation of distributed electronic water meters in the Les Halles shopping centre in Amiens, the Sud Canal shopping centre in Montigny-le-Bretonneux, the Carré Vélizy site in Vélizy-Villacoublay and the Cap Cergy(1) office building in Cergy-Pontoise allows the Company to better monitor water consumption via more reliable and precise meter readings and consequently better manage that resource.

Given the geographical location of its office and retail properties, the Company is not exposed to any particular local constraints in terms of water supply or consumption.

Energy consumption

In the Solis(1) property in Les Ulis, a system for regulating the heating and air conditioning system with centralised thermal management was installed in 2013, optimising the property's thermal performance and tenant comfort.

In 2014, the Company had continued its efforts in this area by replacing fan coils on this site and on the Carré Vélizy site in Vélizy-Villacoublay and by upgrading or streamlining centralised thermal management in its retail properties in Carré Vélizy and Le Passage de la Réunion in Mulhouse. A new condensing boiler had also been installed and thermostatic controls had been replaced in the Cytéo(1) office building in Rueil-Malmaison.

In La Galerie du Palais in Tours, the refurbishment of condenser pumps and restoration of the flow switch in 2014 led to energy savings in terms of both water and electricity consumption.

After fitting motion detectors in the communal areas of the Nova building in 2014, the plan is to replace the last remaining halogen bulbs with LEDs between the lobby and the company restaurant on the ground floor in 2017.

In order to comply with regulations on substances that deplete the ozone layer, the Company gradually replaced its cooling units still using R22 gas in the Le Passage de la Réunion shopping centre in Mulhouse in 2014 and in the Cap Cergy(1) office building in Cergy-Pontoise which was renovated in 2016. This renovation was part of an effort to improve its overall energy efficiency and included reworking the communal area lighting, installing LED lighting in the offices on the property, renovating the passenger and freight elevators, installing a new building management system with meters and motion detectors for automatic lighting of the parking decks, adjusting equipment operating hours, and replacing woodwork leading to the patios.

In 2015, all of the fluorescent tubes used on the two floors of the parking decks at the Sud Canal shopping centre in Montigny-le-Bretonneux were replaced by LEDs, leading to a 51% saving in consumption in 2016 versus an expected saving of 25%.

In 2016, LEDs and chandeliers were installed in all communal areas of the Carré Vélizy site and motion detectors were installed in the parking decks. Finally, a number of HVAC facilities were modernised.

The restructuring works of the upper ground floor of the Les Halles shopping centre in Amiens carried out in 2016 involved changing the roof-based heating and air conditioning system and installing a new heating system in the main hall as well as changing all of the lighting in the property to LED.

In the La Galerie du Palais shopping centre in Tours, the general low voltage panel and transformer were replaced in 2016. Works planned in the centre in early 2017 include installing submeters in the technical facilities and replacing electrical cabinets in the lifts.

The Company intends to make structural improvements in 2017 to reduce or optimise its energy consumption.

To date, the Company does not use renewable energy in the office and retail properties it operates. However, it should be noted that a portion of the electricity in the building at 5 avenue Kléber in Paris, where M.R.M. has its head office, comes from renewable energies. M.R.M.'s lessor decided to enter into a two-year agreement with EDF to provide 21% of the electricity supplied from renewable energy.

Commodity consumption and land use

To reduce the consumption of paper and toner in its premises, Company employee computers are configured by default to print on both sides and in black and white. Paper consumption by M.R.M. employees in 2016 is estimated at 121 kg compared with 187 kg in 2015. This decrease is due to a renewal of the paper supply in 2015.

The Company's main impact in terms of land use relates to its control of assets managed. The Company is not aware of any soil pollution in the assets managed.

(1) Property sold in 2016.

Gathering and monitoring consumption data

In 2014, the Company set up procedures for gathering and monitoring energy consumption (electricity, gas and fuel oil) and water consumption data at its head office and areas under its operational control in all of its shopping centres and offices. M.R.M. can therefore report on greenhouse gas emissions due to energy consumption at its head office and in shopping centres and office properties.

Indicators	2016 data	2015 data
Head office		
Electricity	27,764 kWh	28,696 kWh
Gas	N/A	N/A
Fuel oil	42 liters	6 liters
Water	57 cbm	50 cbm
Greenhouse gas emissions	**1.8 TeqCO_2**	**2.4 TeqCO_2**
Buildings in operation		
Electricity	3,337,084 kWh	4,416,042 kWh
Gas	1,268,871 kWh	1,422,068 kWh
Fuel oil	0 liter	50 liters
Water	20,210 cbm	19,704 cbm
Greenhouse gas emissions	**433.7 TeqCO_2**	**673.7 TeqCO_2**

The lower consumption of buildings in use largely reflects the disposal of the Cytéo[(1)], Solis[(1)] and Cap Cergy[(1)] office properties located in Rueil-Malmaison, Les Ulis and Cergy-Pontoise, respectively.

As regards the impact of services produced by the Company, the most significant emissions item is rental buildings totalling ten buildings (97,044 sqm). The Company is currently reviewing a methodology to quantify these emissions in years to come.

The Company has not taken any specific measures to preserve or develop biodiversity in the offices and retail it operates. However, two beehives have been installed on the roofs of the building at 5 avenue Kléber in Paris, where M.R.M. has its head office.

4.3 Societal information

As the Company's properties are located in labour market areas, light industrial zones and established trading areas, the Company is aware of its impact on the economic activity and on town planning in these areas, and ensures that it integrates as much as possible, through the quality of its properties and the services it offers to users and local or neighbouring populations.

The Company also strives to achieve the best possible conditions for dialogue with all stakeholders in these properties, namely tenants, property managers, asset managers, service providers, co-owners, retailers' associations and local authorities. The procedure initiated by the Company for the Green Approach Guide is an example of this.

In 2016 the Company continued to promote the protection of children via its support for Action Enfance, a non-profit group that takes in, protects and educates children who are victims of severe mistreatment and negligence in France.

The Company does not take social and environmental issues into account in its procurement policy, nor the social and environmental responsibility of its suppliers and subcontractors in its dealings with them.

Regarding fair business practices, the Company's entire approach is focused on preventing corruption by making systematic use of invitations to tender and promoting consumer and occupier health and safety through rigorous compliance with regulations for establishments open to the public and fire safety regulations.

In the Les Halles shopping centre in Amiens and the Sud Canal shopping centre in Montigny-le-Bretonneux, specific risk management processes have been put in place by centre management, employees are trained in first aid, and the retailers are made aware of fire risks.

As part of the French antiterrorist plan *(plan Vigipirate)* and the French government's declaration of a state of emergency at year-end 2015, security and vigilance were reinforced in shopping centres and in the Nova high-rise office property in La Garenne-Colombes.

Improving security in the parking decks of our shopping centres and office properties is also at the core of our concerns: installing a spherical mirror at the parking entrance, reviewing signage and directions of traffic circulation, putting signage in place on the floor to guide visitors, marking the edges of traffic lanes, putting up speed bumps and plastic markers, and installing automatic defibrillators are just some of the measures taken at Carré Vélizy in Vélizy, Cap Cergy[(1)] in Cergy-Pontoise and Sud Canal in Montigny-le-Bretonneux.

Because of its activity in France as a real estate company, the Company does not believe that the section on human rights initiatives apply to it.

(1) Property sold in 2016.

5. Agreements referred to in Articles L.225-38 and L.225-40-1 of the French Commercial Code

5.1 Agreements and commitments approved in previous years which were effective in the year ended 31 December 2016

On 31 July 2013, the Board of directors approved severance pay for the Chief Executive Officer in the event of a forced departure before the end of his term of office, capped at his gross annual fixed remuneration, under the following conditions:

- In the event of the termination of his duties as Chief Executive Officer related to a change in control or strategy of the M.R.M. Group ("Forced Departure"), Jacques Blanchard shall receive severance pay capped at €200,000, i.e. the amount of his gross annual fixed remuneration as Chief Executive Officer, as set by the Board on 29 May 2013 (the "Allowance"). This allowance will be subject to prior verification of the Performance Requirement defined below.

  The Performance Requirement (the "Performance Requirement") shall be realised in a given financial year if one of the following criteria is matched consecutively during the two years immediately preceding the date of departure of the Chief Executive Officer:

1) the Internal Rate of Return of the M.R.M. Group must be at least 5%; or
2) M.R.M.'s share price over the reference period must be no more than 10% below that of the IEIF SIIC France index.

  In the event of a forced departure, the Board of directors will decide if the Performance Requirement is realised. If the Board observes the realisation of the Performance Requirement, the allowance shall be paid to the Chief Executive Officer as soon as possible. In the case of a forced departure before the expiration of a period of two years after the taking of duties as Chief Executive Officer by Jacques Blanchard, the Performance Requirement will be considered realised if one of the above criteria is verified on the entirety of the duration of the mandate of Jacques Blanchard.

- Apart from the assumption of a forced departure particularly, but without limitation, in case of the event of a revocation due to the Chief Executive Officer following a performance famously negative of the Company, or if the Chief Executive Officer left his functions on its own initiative to exercise a new position inside or outside the Group, no compensation of any kind whatsoever will be due to the Chief Executive Officer.

This commitment was not applied during the year ended.

5.2 Agreements and commitments approved and concluded during the year ended 31 December 2016

5.2.1 Agreement already approved by the General Meeting on 5 July 2016, on second notice to attend

As of 14 January 2016, the Board of directors approved (i) the conclusion of an intra-group loan agreement with SCOR SE for the refinancing of SCI Noratlas (subsidiary wholly owned directly and indirectly by M.R.M. SA) and (ii) the granting of collateral and guarantees in this context, by M.R.M. SA and its subsidiaries DB Neptune SAS and SCI Noratlas, in favour of SCOR SE.

The main conditions of the intra-group loan agreement are as follows:

This loan was granted on 15 January 2016 by SCOR SE to SCI Noratlas for a principal amount of €22,000,000 bearing interest at the 3-month Euribor plus a margin of 180 basis points. With a maturity of one year, the loan expires on 16 January 2017 and is repayable on maturity.

The collateral and guarantees granted to SCOR SE under the intra-group loan are as follows:

- the pledge of all shares held by M.R.M. SA and DB Neptune SAS in SCI Noratlas;
- the granting by M.R.M. SA of an autonomous first-demand guarantee, taking effect as of 16 February 2017, and a maximum amount of €24 million corresponding to the amount of the intra-group loan agreement in principal and the amount of accessories plus the amount of interest set out in the intra-group loan agreement;
- a mortgage pledge on the Nova building with registration exemption to be granted by SCI Noratlas;
- the pledge of receivables relating to rents and insurance benefits under all insurance policies for damage to property (excluding structural damage), including in respect of any compensation for loss of rental income, pertaining to the Nova building, to be granted by SCI Noratlas.

This intra-group loan agreement enabled the refinancing of bank debt held by SCI Noratlas maturing on 15 January 2016 for which M.R.M. had granted various guarantees and collateral in favour of the lender. The Board noted that a default in repayment of amounts owed by SCI Noratlas to the bank would have resulted in the realisation of the guarantees and collateral granted by M.R.M. to the bank in consideration of this loan. The establishment of an intra-group refinancing facility, albeit agreed at market conditions, also allowed M.R.M. and its subsidiaries to save on substantial transaction costs and collateral arrangement fees. For these reasons, the Board felt it was in the interest of the Company to allow the conclusion of the intra-group loan agreement between SCOR SE and SCI Noratlas (pursuant to the terms of its internal regulations) and the granting by M.R.M. of guarantees and collateral in this respect in favour of SCOR SE in the terms put to the Board.

5.2.2 Agreement to be submitted for approval to the next General Meeting

On 8 December 2016, the Board of directors approved (i) the signing of a rider to the intra-group loan agreement with SCOR SE and SCI Noratlas on 15 January 2016 and (ii) the renewal of collateral and guarantees granted in this context, by M.R.M. SA and its subsidiaries DB Neptune SAS and SCI Noratlas, in favour of SCOR SE.

The loan was thus extended until 15 January 2018 and the autonomous first-demand guarantee granted by M.R.M. SA to SCOR SE was extended for a period ending one month after the maturity date of the extended loan, i.e. until 15 February 2018. The financial terms of the loan and the related guarantees and collateral were renewed in an identical manner.

Because the sale of the Nova building, the proceeds of which were to be used to pay SCOR SE the amounts due under the loan, was postponed to 2017, the Board felt that it was in the Company's interest that the amounts owed to SCOR SE should be paid by SCI Noratlas using the sale proceeds of the Nova building rather than consider setting up a new bank refinancing.

5.3 Agreements and commitments approved after 31 December 2016

None.

Pursuant to applicable laws and regulations, we provide you with the Statutory Auditors' special report on the agreements falling within the scope of Articles L.225-38 et seq. of the French Commercial Code.

6. Reference to agreements referred to in Article L.225-102-1 final para. of the French Commercial Code

None.

7. Statutory Auditors

Our Statutory Auditors provide details in their reports on the responsibilities attributed to them by law.

We inform you that the term of office of the Statutory Auditors expires at this meeting.

Accordingly, the General Meeting called to approve the financial statements for the year ended 31 December 2016 must also approve the appointment of new Statutory Auditors.

We propose appointing Mazars as Primary Statutory Auditors for a term of six years expiring at the end of the General Meeting to be held in 2023 to approve the financial statements for the year ended 31 December 2022; Mazars has confirmed it would accept its appointment.

We propose appointing RSM Paris as Primary Statutory Auditors for a term of six years expiring at the end of the General Meeting to be held in 2023 to approve the financial statements for the year ended 31 December 2022; RSM Paris has confirmed it would accept its appointment.

We inform you that the Board of directors voted in favour of the appointments at its meeting of 23 February 2017 after receiving the recommendation of the Audit Committee; the Chief Executive Officer did not take part in the vote pursuant to Article L.225-228 of the French Commercial Code.

8. Information on payment terms for the Company's suppliers and customers

As of 31 December 2016, the Company's trade payables totalled €15 thousand excluding tax, i.e. 2% of purchases excluding tax for the year.

Trade payables excluding tax	12/31/2016 No. of invoices	12/31/2016 in euros	12/31/2015 in euros
Not outstanding	15	2,696	2,548
Outstanding for less than 30 days	-	-	-
Outstanding for more than 30 days	21	12,495	2,326
TOTAL	**36**	**15,191**	**4,874**

As of 31 December 2016, the Company's trade receivables totalled €480 thousand excluding tax. They consist of receivables transferred by two subsidiaries that were dissolved without liquidation whose assets were subsequently transferred in full to M.R.M.

Trade receivables excluding tax	12/31/2016 in euros	12/31/2015 in euros
Not outstanding	-	-
Outstanding for less than 30 days	-	-
Outstanding for more than 30 days	480,217	-
TOTAL	**480,217**	**-**

9. Information on corporate officers and executive management

As of 31 December 2016, the Board of directors of M.R.M. comprised the following members:

- François de Varenne, Chairman of the Board of directors;
- Jacques Blanchard, Chief Executive Officer and Director;
- Gérard Aubert, independent Director;
- Brigitte Gauthier-Darcet, independent Director;
- Jean Guitton, Director;
- Valérie Ohannessian, independent Director;
- SCOR SE, represented by Karina Lelièvre, director.

Detailed information on members of the Board of directors can be found in section 4 of the 2016 Registration Document.

In accordance with Article L.225-102-1 para. 4 of the French Commercial Code, a list of all offices and positions held in any entity by each of the Company's corporate officers is provided in Appendix 2.

Currently the Board of directors complies with Law 2011-103 of 27 January 2011 on gender balance on Boards of Directors as it is already composed of three women and four men, i.e. a difference of one between members of each gender.

By virtue of Article L.225-18-1 of the French Commercial Code, after the General Meeting of 2017, the difference between the number of directors of each gender on boards consisting of up to eight members may not exceed two.

9.1 Remuneration and benefits paid to corporate officers

In accordance with Article L.225-102-1 of the French Commercial Code, we now report the total remuneration and benefits in kind paid by the Company or entities under its control or the entity controlling it as defined by Article L.233-16 of the French Commercial Code to each corporate officer.

Except for Gérard Aubert, Brigitte Gauthier-Darcet, Valérie Ohannessian and Jacques Blanchard, the Company's corporate officers received no remuneration or benefits in kind in their capacity as members of the Board of directors from the Company or the entities it controls as defined by Article L.233-16 of the French Commercial Code.

The following corporate officers are not remunerated by M.R.M. for their directorships:

- François de Varenne, Chairman of the Board of directors;
- Jean Guitton, Director;
- SCOR SE, represented by Karina Lelièvre, director.

Independent Directors received the following director's fees:

- Gérard Aubert: €14,500 for his work on the Board of directors and the Audit Committee in 2016;
- Brigitte Gauthier-Darcet: €19,500 for her work on the Board of directors and the Audit Committee in 2016;
- Valérie Ohannessian: €6,000 for her work on the Board of directors in 2016.

For his services as Chief Executive Officer, Jacques Blanchard's gross remuneration was €272,000 in 2016. This amount consisted of €200,000 in fixed remuneration for 2016 and €72,000 in variable annual remuneration for 2015. His variable annual remuneration for 2016 will be determined and paid to him in 2017. In addition to his fixed and variable annual remuneration, Jacques Blanchard's remuneration comprises variable remuneration over four years and deferred remuneration in the event of termination of duties. He also has healthcare, personal risk cover and a company car. These items are set out in greater detail in section 4 of the 2016 Registration Document.

François de Varenne received no remuneration in his capacity as Chairman of the Board from the Company or the entities it controls as defined in Article L.233-16 of the French Commercial Code. As a member of the Executive Committee of SCOR SE (the entity that controls the Company as defined by Article L.233-16 of the French Commercial Code), he received gross remuneration of €961,770 from SCOR SE in 2016. This amount consisted of €525,000 in fixed remuneration for 2016, €431,550 in annual variable remuneration for 2015 and €5,220 in sundry allowances and bonuses. His variable annual remuneration for 2016 stands at €444,360 which will be paid to him in 2017. In addition to his fixed and variable annual remuneration, François de Varenne's remuneration comprises SCOR stock options and SCOR bonus shares. These items are set out in greater detail in section 4 of the 2016 Registration Document.

9.2 Renewal of terms of office

We inform you that the terms of office of François de Varenne, Jacques Blanchard, Gérard Aubert, Brigitte Gauthier-Darcet, Jean Guitton and SCOR SE expire at the end of this meeting.

Accordingly, this meeting will also decide whether to renew the terms of François de Varenne, Jacques Blanchard, Gérard Aubert, Brigitte Gauthier-Darcet, Jean Guitton and SCOR SE or appoint new directors to replace those whose term of office expires.

In order to comply with the AFEP-MEDEF recommendation that terms of office be staggered so as to avoid block renewals, and to promote the harmonious renewal of the directors (§ 13.2) in accordance with Article 11 of the Articles of Association, the renewals of the soon-to-expire terms of office will be proposed for periods of one, two or four years.

We propose to renew the terms of office of SCOR SE, François de Varenne and Brigitte Gauthier-Darcet for a term of four years expiring at the end of the General Meeting to be held in 2021 to approve the financial statements for the year then ending. These directors have informed the Company that they accept the renewal of their office.

We propose to renew the terms of office of Jacques Blanchard and Gérard Aubert for a term of two years expiring at the end of the General Meeting to be held in 2019 to approve the financial statements for the year then ending. These directors have informed the Company that they accept the renewal of their office.

We propose to renew the soon-to-expire term of office of Jean Guitton for a term of one year expiring at the end of the General Meeting to be held in 2018 to approve the financial statements for the year then ending. This director has informed the Company that he accepts the renewal of his office.

Independence and gender balance

The Board of directors deemed Gérard Aubert and Brigitte Gauthier-Darcet to be independent members with regard to the independence criteria set out in the AFEP-MEDEF Code selected by the Company as the reference code in matters of corporate governance. In this respect, it is pointed out that Gérard Aubert and Brigitte Gauthier-Darcet have no business relationships with the Group.

Expertise, experience, skills and knowledge of the Group

Information regarding the expertise and experience of the candidates is given in the 2016 Registration Document in sections 4.2.1 and 4.2.2.

Attendance rate of members whose appointment is proposed

The individual attendance rates of all Board members are given in section 2.7 of the Chairman's report on internal control in section 4.5 of the 2016 Registration Document. In 2016, the attendance rate at Board meetings was 94.3%.

If you approve of all these proposed renewals:

- The independence rate of the Board, defined according to all the criteria of the AFEP-MEDEF Code selected by the Company, would remain at 43%. The Company would thus continue to comply with the recommendations of the Code in respect of the proportion of independent directors.
- The difference in the number of members of each gender would remain at one, in accordance with the legal provisions.

9.3 Exercise of executive authority

In accordance with Article R.225-102 of the French Commercial Code, we remind you that the exercise of executive authority within the Company was changed in 2013 with the result that executive authority no longer lies with the Chairman of the Board of directors. Company governance was amended to reflect the new shareholder base of M.R.M.

At its meeting of 29 May 2013, the Board of directors decided to split the functions of Chairman of the Board of directors and Chief Executive Officer under the option afforded by Article L.225-51-1 of the French Commercial Code and Article 14 of the Articles of Association.

François de Varenne thus took over from Jacques Blanchard, who had been Chairman of the Board of directors since April 2009 and Jacques Blanchard was confirmed as Chief Executive Officer. This situation remained unchanged throughout 2016 and up to the date of this report.

9.4 Trading in Company securities carried out by corporate officers and persons closely linked to them in 2016

During 2016, no trading in securities as defined by Article 19 of Regulation (EU) No. 596/2014 were declared to the AMF.

However, we remind you that SCOR SE took a majority stake in the Company on 29 May 2013.

In 2016, Brigitte Gauthier-Darcet and Valérie Ohannessian acquired Company shares following remuneration of €1,000 per independent director to be invested in Company shares. The Board of directors' internal regulations state that for reasons of good governance and to align interests, all non-salaried directors of the SCOR Group should, in their personal capacity, own shares worth €1,000 until the end of their term of office.

Thus, on 2 June 2016, Brigitte Gauthier-Darcet acquired 1,000 shares at €1.63 per share and, on 24 October 2016, Valérie Ohannessian acquired 1,875 shares at €1.63 per share.

We hope that the above will meet with your approval and that you will vote in favour of the resolutions proposed to you.

Paris, 23 February 2017

The Board of directors

List of appendices

1. Summary of Company results over the past five years

Financial year/Type	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012
Share capital (€)	43,667,813	43,667,813	43,667,813	43,667,813	28,015,816
Number of shares:					
Existing ordinary shares	43,667,813	43,667,813	43,667,813	43,667,813	3,501,977
Existing preferred shares (without voting rights)					
Maximum No. of future shares to be created:					
Through conversion of bonds					
Through exercise of subscription rights					
Items and results for the period (€):					
Revenue excluding VAT	206,043	264,235	225,173	131,211	149,703
Net profit (loss) before taxes, employee profit-sharing and depreciation and amortisation expenses and provisions	4,501,228	2,039,433	541,885	1,004,533	(1,805,864)
Income tax	-	32	65,213	0	0
Employee profit-sharing for the period					
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	415,171	1,375,085	(779,764)	(824,653)	(9,525,257)
Income distributed					
Earnings per share (€/share):					
Profit (loss) after tax, employee profit-sharing, but before amortisation, depreciation and provisions	0.10	0.05	0.01	0.02	(0.52)
Profit (loss) after tax, employee profit-sharing, amortisation, depreciation and provisions	0.01	0.03	(0.02)	(0.02)	(2.72)
Dividend per share					
Workforce:					
Average number of employees during the period	5	5	3	1	-
Payroll for the period (€)	605,636	537,518	427,116	132,703	-
Amount paid in employee benefits (social security, social welfare, etc.) (€)	255,485	217,423	177,789	51,840	-

2. List of offices and positions held by the corporate officers

Pursuant to Article L.225-102-1 para. 4 of the French Commercial Code, a list of all **offices and positions held** in any entity by each of the Company's corporate officers is presented below.

François de Varenne, Chairman of the Board of directors of M.R.M. SA

Main positions and offices held outside the Group:

at SCOR:

- Member of SCOR SE Executive Committee
- Chairman of the Management Board of SCOR Investment Partners SE
- Chairman of the Supervisory Board of Château Mondot SAS
- Chairman of the Board of directors of SCOR Properties SPPPICAV SAS
- Chairman of the Board of directors of SCOR Properties II SPPPICAV SAS
- Chairman of the Board of directors of SCOR ILS Fund SA, SICAV-SIF (Luxembourg)
- Chairman of the Board of directors of SCORLUX, SICAV-SIF (Luxembourg)
- Chairman of SCOR Capital Partners SAS
- Chairman of SCOR Auber SAS
- Chairman of DB Caravelle SAS
- Chairman of 5 Avenue Kléber SAS
- Chairman of 50 Rue La Pérouse SAS
- Director of Gutenberg Technology SAS
- Director of Humensis

and outside SCOR:

- None

Other offices and positions previously held during the last five financial years:

at SCOR:

- Chief Executive Officer of Humensis
- Chairman of the Supervisory Board of Editions Belin SAS
- Chairman and Chief Executive Officer of SCOR Auber SA
- Chairman of Mobility SAS
- Director of Presses Universitaires de France SA
- Director of SCOR ILS Fund SA, SICAV-SIF (Luxembourg)
- Director of SCOR Alternative Investments SA (Luxembourg)

and outside SCOR:

- None

Jacques Blanchard, Chief Executive Officer of M.R.M. SA

Main positions and offices held outside the Group:

- Managing Partner of SC JAPA
- Managing Partner of SCI Aux derniers

Other offices and positions previously held during the last five financial years:

- None

Brigitte Gauthier-Darcet, Director

Main positions and offices held outside the Group:

- Independent director of Technoutil SA
- Manager of SARL Neufbis'ness
- Manager of SCI B2V
- Member of the Operational and Strategic Committee of CBRE France
- Member of the Management Committee of CBRE France
- Chief Executive Officer of GIE CBRE Business Services

Other offices and positions previously held during the last five financial years:

- Director of Groupe Express-Roularta SA
- Director and Deputy Chief Executive Officer of CIPM International SA
- Director of Transport'Air SA (wholly-owned subsidiary of CIPM International)
- Non-partner Chief Executive Officer of Financière du Château des Rentiers SAS

Gérard Aubert, Director

Main positions and offices held outside the Group:

- Chairman of the SASU Trait d'Union
- Member of the Supervisory Board of Hoche Gestion Privée

Other offices and positions previously held during the last five financial years:

- Director of Sogeprom SA
- Director of Eurosic
- Managing Partner of Gestion Immobilière Marrakech

Jean Guitton, Director

Main positions and offices held outside the Group:

at SCOR:

- Chairman of SAS Euclyde
- Chairman of Société Immobilière Coligny SAS
- Chairman of Société Immobilière Pershing SAS
- Chief Executive Officer of SCOR Auber SAS
- Chief Executive Officer of DB Caravelle SAS
- Chief Executive Officer of 50 Rue La Pérouse SAS
- Chief Executive Officer of 5 Avenue Kléber SAS
- Manager of SCI Marco Spada
- Manager of SCI Léon Eyrolles Cachan SCOR
- Manager of la SCI Immoscor
- Manager of SCI Compagnie Parisienne de Parkings
- Manager of SCI Montrouge BBR
- Manager of SCI Garigliano
- Manager of SCI Le Barjac
- Permanent representative of SCOR Investment Partners SE, Chairman of SCOR Properties SPPPICAV SAS
- Permanent representative of SCOR Investment Partners SE, Chairman of SCOR Properties II SPPPICAV SAS
- Permanent representative of SCOR SE on the Cogedim Office Partners Management Committee
- Permanent representative of SCOR Global P&C SE on the OPCI River Ouest Board of directors
- Permanent representative of SCOR Global P&C SE on the Board of directors of Technical Property Fund 2

and outside SCOR:

- None

Other offices and positions previously held during the last five financial years:

at SCOR:

- Chairman of Humensis
- Manager of SCI 3-5 Avenue de Friedland
- Deputy Chief Executive Officer and Director of SCOR Auber
- Manager of SCI Hauteville – SCOR
- Manager of SCI Garibaldi – SCOR
- Permanent representative of SCOR Auber on the SGF Board of directors
- Permanent representative of the SCOR Auber manager at SNC Immobilière Sébastopol

and outside SCOR:

- None

Valérie Ohannessian, Director

Main positions and offices held outside the Group

- Deputy Chief Executive Officer and Member of the Management Committee of Fédération Bancaire Française
- Manager and Director of Groupe Revue Banque

Other offices and positions previously held during the last five financial years:

- None

SCOR SE, represented by Karina Lelièvre, Director

Main positions and offices held by SCOR SE outside the Group:

- Sole director of GIE Colombus
- Director of Crédit Logement Assurance
- Director of Euromaf Re SA (Luxembourg)
- Director of Arope Insurance (Lebanon)
- Member of the Management Committee of Cogedim Office Partners

Other offices and positions previously held during the last five financial years:

- Director of SGF
- Director of SCOR Auber
- Director of FERGASCOR
- Director of ASEFA (Spain)

Main positions and offices held by Karina Lelièvre outside the Group:

- None

Other offices and positions previously held by Karina Lelièvre during the last five financial years:

- None

3. List of M.R.M. SA's equity interests

► SCOPE AS OF 31 DECEMBER 2016

	Cons. method	Interest	Control
SA M.R.M.	Parent company	100%	100%
SAS COMMERCES RENDEMENT	FC	100%	100%
SAS DB NEPTUNE	FC	100%	100%
SAS DB PIPER	FC	100%	100%
SCI GALETIN II	FC	100%	100%
SCI IMMOVERT	FC	100%	100%
SCI NORATLAS	FC	100%	100%

FC: Full Consolidation.

In 2016, DB Fouga, DB Tucano, DB Cougar and Boulevard des Iles (simplified limited companies or SAS), and Boulogne Escudier, 3 rue Escudier and 10 bis rue Escudier (property holding companies or SCIs) were dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M.

All Group companies are registered in France.

The address used by all Group companies is 5, avenue Kléber – 75795 Paris Cedex 16.

4. Methodological note regarding CSR reporting

M.R.M.'s CSR reporting is based on Articles L.225-102-1, R.225-104 and R.225-105-2 of the French Commercial Code. Greenhouse gas emissions are calculated in line with the Greenhouse Gas Protocol. Emissions factors were updated in 2016 based on emissions factors from the ADEME's Base Carbone:

- Electricity EF: 0.06 $kgCO_2$/kWh
- Fuel oil EF: 2.68 $kgCO_2$/litre
- Natural gas EF: 0.184 $kgCO_2$/kWh

The report produced is used by the Company for the purposes of regulatory publication but also to monitor its environmental impact from a more operational point of view.

Reporting period

The data gathered cover the period from 1 January to 31 December of year N with no distinction made between different data. This data is uploaded on an annual basis at the end of the year.

Scope

The purpose of the CSR reporting scope is to represent the Group's activities. It is defined as follows:

- only fully consolidated companies are included in the CSR reporting scope;
- as subsidiaries held by M.R.M. have no employees, the reporting scope for employee information is confined to M.R.M. SA;
- the reporting scope for environmental information covers M.R.M. SA, which rents its head office, and subsidiaries holding properties in operation; data collected on energy consumption from subsidiaries comes from areas under operational control;
- property acquired or put into use in year N will be included in the reporting for year N+1, to adopt a gradual approach;
- property disposed of or placed under restructuring measures in year N are excluded from the reporting scope of year N.

The reporting scope for year N is updated on 31 December of that year by M.R.M. Group Management.

The reporting scope for the 2016 financial year is made up of the following:

- Employee data: M.R.M. SA;
- Environmental data: the head office of M.R.M. SA, one office property in use (since three office properties were sold in 2016), eight shopping centres and a portfolio of 14 garden centres.

Choice of indicators

Indicators are chosen according to the corporate social responsibility impact of Group companies' activities and the associated business risks, to the extent that such information is available.

Consolidation and internal control

Quantitative and qualitative data are gathered centrally by M.R.M. Management at the end of the year or from each entity included in the CSR reporting scope from sources such as payroll extracts, Excel monitoring spreadsheets and bills.

The data and computations collected are kept from one year to the next in the Company's archives. Group Management performs consistency checks and analytical reviews on this data to ensure that it is complete and reliable.

External controls

Pursuant to the regulatory requirements of Article 225 of the Grenelle 2 law on the environment and its enacting decree of 24 April 2012, M.R.M. asked one of its Statutory Auditors to draw up a report from 2013 to include a declaration on the compilation of information to be included in the management report and a reasoned opinion on the fair presentation of the information reported.

5. Report by the appointed as independent third party, on the consolidated human resources, environmental and social information included in the management report

This is a free English translation 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 standards applicable in France.

For the year ended 31 December 2016

To the Shareholders,

In our capacity as independent third party and certified by COFRAC under number 3-1049[1], we hereby report to you on the consolidated human resources, environmental and social information for the year ended 31 December 2016, included in the management report (hereinafter named "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 a 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"), summarised 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.822-11-3 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 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 a part or all 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 (Attestation 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 involved three persons and was conducted between October 2016 and March 2017 during a two weeks period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with the professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this engagement and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information.

1. Attestation 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 human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programs arising from them.

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 explanations were provided in accordance with

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

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 controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the management report.

Conclusion

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

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted four interviews with the persons responsible for preparing the CSR Information in the departments in charge of 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 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 challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[1]:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), 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 headquarters to verify that procedures are properly applied and to identify potential undisclosed data, 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 environmental data considered as material data[2] of environmental issues.

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 judgement, 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 the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris-La Défense, on 31 March 2017

KPMG S.A.

French original signed by

Anne Garans	Isabelle Goalec
Partner	Partner
Sustainability Services	

(1) Environmental information: *Energy consumption by type of source, Water consumption, CO_2 emissions from energy consumption, Number of green committees, Number of environmental appendix in the lease agreements.*
Qualitative information: *The organization of the Company to integrate environmental issues and, if appropriate, the assessments and certification process regarding environmental issues, Actions of partnerships and sponsorships.*

(2) *See footnote No.°2.*

3.7 Consolidated financial statements for the year ended 31 December 2016

Statement of consolidated financial position

► ASSETS

(in thousands of euros)		12/31/2016	12/31/2015
Intangible assets		2	2
Investment properties	Note 1	152,800	216,262
Deposits paid		1	1
NON-CURRENT ASSETS		152,803	216,265
Assets held for sale	Note 2	45,047	9,706
Down payments made		90	39
Trade receivables	Note 3	2,519	3,467
Other receivables	Note 4	6,300	4,855
Derivatives	Note 5	0	2
Cash and cash equivalents	Note 6	24,994	13,433
CURRENT ASSETS		78,950	31,501
TOTAL ASSETS		**231,753**	**247,766**

► EQUITY AND LIABILITIES

(in thousands of euros)		12/31/2016	12/31/2015
Share capital		43,668	43,668
Additional paid-in capital		58,360	62,161
M.R.M. treasury shares		(78)	(123)
Retained earnings		20,363	13,627
Profit (loss) for the period		5,089	7,291
GROUP EQUITY		127,401	126,624
Non-controlling interests		-	-
SHARE CAPITAL		127,401	126,624
Provisions	Note 7	372	372
Bank debts	Note 8	58,643	76,869
Guarantee deposits received	Note 8	1,210	1,294
NON-CURRENT LIABILITIES		60,226	78,535
Current borrowings	Note 8	38,674	36,028
Trade payables		2,536	2,285
Debts payable against non-current assets	Note 9	1,862	2,649
Other liabilities	Note 10	1,055	1,644
CURRENT LIABILITIES		44,126	42,606
TOTAL EQUITY AND LIABILITIES		**231,753**	**247,766**

Statement of consolidated comprehensive income

► CONSOLIDATED INCOME STATEMENT

(in thousands of euros)		12/31/2016	12/31/2015
Gross rental revenues	Note 11	12,992	13,644
External property expenses not recovered	Note 12	(3,497)	(3,868)
NET RENTAL REVENUES		9,495	9,776
Operating expenses	Note 13	(3,211)	(3,144)
Reversals of provisions		148	157
Provisions		(939)	(699)
Other operating income	Note 14	669	262
Other operating expenses	Note 15	(92)	(227)
OPERATING INCOME BEFORE DISPOSALS AND CHANGE IN FAIR VALUE OF PROPERTIES		6,070	6,125
Result on disposals of properties	Note 16	(2,839)	(112)
Change in fair value of investment properties	Notes 1 and 2	4,291	4,089
OPERATING INCOME		7,521	10,103
Gross borrowing cost	Note 17	(1,916)	(2,311)
Income from cash and cash equivalents	Note 17	2	27
Change in fair value of financial instruments and marketable securities	Note 18	(2)	(6)
Discounting of payables and receivables		(516)	(510)
FINANCIAL PROFIT		(2,431)	(2,800)
NET PROFIT (LOSS) BEFORE TAX		5,089	7,303
Tax expense	Note 19	-	(12)
PROFIT (LOSS) FOR THE PERIOD		**5,089**	**7,291**
Profit (loss) for the period attributable to non-controlling interests		-	-
Profit (loss) for the period attributable to owners of the parent company		5,089	7,291
Net earnings per share *(in euros)*		0.12	0.17
Diluted net earnings per share *(in euros)*		0.12	0.17

► CONSOLIDATED COMPREHENSIVE INCOME

(in thousands of euros)	12/31/2016	12/31/2015
PROFIT (LOSS) FOR THE PERIOD	5,089	7,291
Items that can be reclassified as profit (loss) for the period	**-**	**-**
Profits and losses related to the disposal of equity instruments	6	(5)
Items that cannot be reclassified as profit (loss) for the period	**6**	**(5)**
OTHER ITEMS OF COMPREHENSIVE INCOME	6	(5)
Tax expense related to other items of comprehensive income	-	-
COMPREHENSIVE INCOME	**5,095**	**7,287**
Comprehensive income for the period attributable to non-controlling interests	-	-
Comprehensive income for the period attributable to owners of the parent company	5,095	7,287

Statement of consolidated cash flows

(in thousands of euros)		12/31/2016	12/31/2015
CONSOLIDATED PROFIT (LOSS)		**5,089**	**7,291**
Elimination of non-cash expenses and income			
Change in depreciation, impairment, provisions and deferred expenses		791	542
Change in fair value of properties	Notes 1 and 2	(4,291)	(4,089)
Change in fair value of financial instruments		2	6
Discounting of receivables and payables		516	510
Net borrowing cost	Note 17	1,913	2,284
Elimination of capital gains (losses)	Note 16	2,839	112
Other items		(175)	(368)
CASH FLOW		**6,686**	**6,287**
Change in operating working capital			
Trade receivables		(165)	(1,168)
Other receivables		765	1,381
Trade payables		251	(192)
Other payables		(450)	(1,024)
CHANGE IN OPERATING WORKING CAPITAL		401	(1,003)
CHANGE IN CASH FLOW FROM OPERATING ACTIVITIES		**7,086**	**5,284**
Purchases of intangible assets		-	-
Purchases of investment property	Notes 1 and 2	(7,226)	(4,595)
Sales of investment property		37,494	16,142
Change in non-current financial assets		0	-
Change in debts payable against non-current assets		(787)	1,549
Establishment of a cash collateral account		(2,600)	-
CHANGE IN CASH FLOW FROM INVESTING ACTIVITIES		**26,880**	**13,097**
Change in debt			
Increase in bank debts	Note 8	2,381	-
Decrease in bank debts	Note 8	(39,071)	(20,850)
Loan taken out with a shareholder	Note 8	22,000	-
Change in other borrowings		(338)	(133)
Other changes			
Dividends paid		(4,362)	(4,363)
Purchase/Disposal of treasury shares		50	(16)
Disbursed debt issue expenses		(1,200)	-
Interest paid		(1,865)	(2,016)
CHANGE IN CASH FLOWS FROM FINANCING ACTIVITIES		**(22,405)**	**(27,378)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**11,562**	**(8,997)**
Opening cash and cash equivalents		13,433	22,430
Closing cash and cash equivalents		24,994	13,433
Cash	Note 6	*24,938*	*7,613*
Bank overdrafts	Note 8	-	-
Other cash items	Note 6	*57*	*5,820*
CHANGE IN CASH POSITION		**11,562**	**(8,997)**

Over the period, the Group generated €7,086 thousand in cash flow from operating activities. Cash flow from operating activities was used primarily to pay dividends (€4,362 thousand) and financial interest (€1,865 thousand).

Proceeds from the disposal of properties (€37,494 thousand) were used primarily to acquire non-current assets (€7,226 thousand) corresponding to work done on properties, the repayment of loans taken out on properties sold (€9,029 thousand) and the setting up of a cash collateral account (€2,600 thousand) pursuant to the terms of the loan agreement.

The reduction in bank debt (€39,071 thousand) corresponds to contractual amortisation of bank debt (€2,826 thousand), early repayments linked to the disposal of properties (€9,029 thousand), and the repayment of a matured credit line (€27,215 thousand) financed in part via a new loan (€22,000 thousand) from SCOR SE, M.R.M.'s majority shareholder, with the balance financed via the Group's equity. The increase in bank debt (€2,381 thousand) corresponds to the drawdown of an available credit line of €15,200 thousand intended to finance the asset valuation plans on retail properties.

As of 31 December 2016, the combined cash flows generated by the Group resulted in an €11,562 thousand net increase in cash and cash equivalents.

Statement of the changes in consolidated equity

(in thousands of euros)	Share capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Profit (loss) for the period	Group equity
EQUITY AT 12/31/2014	**43,668**	**66,523**	**(112)**	**20,515**	**(6,883)**	**123,712**
Appropriation of 2014 profit	-	-	-	(6,883)	6,883	-
Dividend payout	-	(4,362)	-	(1)	-	(4,363)
Purchase of treasury shares	-	-	(11)	-	-	(11)
Profit (loss) for 2015	-	-	-	-	7,291	7,291
Other items of comprehensive income	-	-	-	(5)	-	(5)
EQUITY AT 12/31/2015	**43,668**	**62,161**	**(123)**	**13,627**	**7,291**	**126,624**
Appropriation of 2015 profit	-	-	-	7,291	(7,291)	-
Dividend payout	-	(3,801)	-	(561)	-	(4,362)
Disposal of treasury shares	-	-	44	-	-	44
Profit (loss) for 2016	-	-	-	-	5,089	5,089
Other items of comprehensive income	-	-	-	6	-	6
EQUITY AT 12/31/2016	**43,668**	**58,360**	**(78)**	**20,363**	**5,089**	**127,401**

Notes to the consolidated financial statements

Part 1 Company profile

1.1 General information

M.R.M. is a public limited company *(société anonyme)* registered in the Paris Trade and Companies Register. Its head office is located at 5 avenue Kléber, 75016 Paris, France.

M.R.M., parent company of the consolidated Group, is a holding company with subsidiaries dedicated to holding and managing retail and office properties. The consolidated financial statements for the 12-month period ended 31 December 2016 encompass the Company and its subsidiaries (hereinafter referred to as the "Group").

The Company is listed on Eurolist, in Compartment C of Euronext Paris (France).

On 23 February 2017, the Board of directors authorised the publication of the Group's consolidated financial statements as of 31 December 2016. They are denominated in thousands of euros, unless stated otherwise. The functional currency of each Group entity is the euro.

The annual reporting period for all Group entities ends on 31 December.

1.2 SIIC status

On 31 January 2008, the Company opted for SIIC (real estate investment trust) status with effect from 1 January 2008.

The SIIC regime, introduced by Article 11 of the 2003 Budget Law, is open to listed companies with a share capital of over €15 million that are wholly engaged in property activities and grants companies having opted for SIIC status on an irrevocable basis an income tax exemption for the portion of their net profit generated from property activities subject to certain payout requirements.

From financial years ending on or after 31 December 2013, the payout requirements were changed as follows by the 2013 Amended Budget Law published on 3 January 2014:

- 95% of profits from the letting of buildings;
- 60% of capital gains from buildings;
- 100% of dividends received from subsidiaries having opted for the SIIC status.

The adoption of SIIC status in 2008 resulted in the immediate taxation of unrealised capital gains on properties and investments in property companies at the reduced rate of 16.5% payable over four years. The Company has already paid off this tax liability.

The M.R.M. stock was then added to the Euronext IEIF SIIC France index on 25 March 2008.

1.3 Highlights of the period

Having strengthened its financial position through the SCOR SE recapitalisation coupled with the complete restructuring of its bank and bond liabilities in 2013, M.R.M. largely restored its financial leeway.

In 2016, M.R.M. continued to implement its strategy of refocusing on its retail property portfolio by gradually disposing of its office property portfolio which it aims to complete in early 2017.

The Group also focused on marketing available surface areas in its office and retail properties and enjoyed a big commercial boost with the recent signing of 28 new leases. It also moved into the operating phase of many of its investment programs designed to make the most of the potential value of its retail properties. Out of a total projected investment of €32 million identified for the retail asset portfolio as a whole, €9 million was invested as of 31 December 2016.

Lastly, in 2016 M.R.M. sought in advance to extend the maturity of its bank debt maturing at the end of 2017 and to set up a new credit line designed to help finance retail value-enhancement programs.

Asset disposals

On 19 April 2016, M.R.M. disposed of Cytéo, a multitenant office building with an area of 4,000 sqm located in Rueil-Malmaison for €6.3 million excluding transfer taxes. This building was renovated in 2015 and saw its occupancy rate increase to 85% after extensive marketing work for its vacant space.

On 13 July 2016, M.R.M. disposed of Solis, an office building fully occupied by a single tenant with an area of 10,400 sqm located in Les Ulis for €11 million excluding transfer taxes.

On 20 December 2016, M.R.M. disposed of Cap Cergy, an office building located in Cergy-Pontoise for €21.1 million excluding transfer taxes. This fully renovated multitenant building with an area of 12,500 sqm is occupied almost entirely by way of leases with a fixed term of six or nine years.

These three sales were part of the office disposal programme announced by M.R.M. in mid-2013. As of 31 December 2016, seven of the nine buildings in the office portfolio at mid-2013 were sold with a total volume of sales of €88 million excluding transfer taxes.

Rental management and lettings

In 2016, the retail and office portfolio saw 28 leases signed or renewed, representing an annual rental income of €2.7 million, including:

- five new leases signed with several national brands for a total area of 4,750 sqm within Sud Canal, an open-air shopping centre of 11,600 sqm located in Saint-Quentin-en-Yvelines, which took effect in Q3 and Q4 2016. These leases are accompanied by a restructuring programme of the shopping centre (see "Investments" below);
- a lease signed with a restaurant for an area of over 300 sqm in the Les Halles shopping centre in the city centre of Amiens, which underwent a restructuring programme (see "Investments" below);
- eleven leases renewed in the Gamm Vert garden portfolio;
- a new lease signed with a restaurant chain at Carré Vélizy, a mixed office/retail complex of 11,300 sqm near the Vélizy 2 shopping centre, and a large tertiary centre where the Group plans to create more than 1,000 sqm of retail space to house Gautier (a furniture designer) and a restaurant. With the administrative permits in hand, restructuring and expansion works began in late 2016 with a view to opening to the public in Q3 2017;
- a new lease signed on an area of over 1,000 sqm which will be used by a fitness center in the Passage de la Réunion shopping centre located in the historic heart of the city of Mulhouse. The lease will take effect in the first half of 2017 once the restructuring works on the first floor for this tenant have been completed.

As of 31 December 2016, the physical occupancy rate for retail properties stood at 84%, an increase of 2% from 31 December 2015, due to the lettings occurring during the year. However, all leases signed in 2016 had not yet taken effect as of 31 December 2016. As such, the leases signed over the last few months will take effect on a staggered basis until mid-2017 and will allow a potential 2% increase of the occupancy rate for the retail portfolio.

As of 31 December 2016, the physical occupancy rate for retail properties stood at 39%, a sharp fall of 22% from 31 December 2015, following the disposal in 2016 of three office properties that were almost fully tenanted. The occupancy rate as of 31 December 2016 included Urban, a vacant office property located in Montreuil to be sold as is in order to be restructured into residential units.

Investments

During 2016, investments in the properties portfolio stood at €7.3 million. These were primarily:

- renovation works on the Cap Cergy office building in Cergy-Pontoise, completed on schedule in Q1 2016 before the arrival of its new tenants;
- restructuring works on the upper ground floor of the Les Halles shopping centre in Amiens. Launched in January 2016, the works were completed in Q4 2016. Capitalising on potential synergies with the Halle au Frais centre adjacent to the mall, the investment programme made it possible to create a food court and larger commercial units, and to improve the customer experience and comfort of purchase, and thus make Les Halles a destination of choice in the city centre providing consumers with quality services, delicacies and food;
- works on the Sud Canal shopping centre in Saint-Quentin-en-Yvelines to restructure 5,000 sqm of retail space. The works began in Q2 2016 and were completed in Q4 2016. The restructured retail space was then 95% let to several national brands (see "Rental management and lettings").

Financing

On 15 January 2016, M.R.M. repaid a matured bank debt of €27.2 million to German lender HSH Nordbank. Part of the repayment was financed through a new loan of €22.0 million granted by SCOR SE, M.R.M.'s majority shareholder, with the balance paid out of the Group's own funds. At the end of 2016, this new loan, with an initial term of one year, was extended until 15 January 2018.

On 23 December 2016, M.R.M. announced the signing with SaarLB of a bank loan maturing in 2021 consisting of two credit lines. The first line, for €48.6 million, replaces the credit line for the same amount backed by a portion of the retail portfolio maturing at the end of 2017. The second line for €15.2 million is intended to finance retail value-enhancement programs.

As such, over 80% of loans maturing in 2017 had already been extended.

Implementation of a share buyback programme

On 2 June 2016, the Board of directors decided to implement the share buyback programme decided by the General Meeting of 2 June 2016 in its seventh resolution for an 18-month period starting from 3 June 2016.

The goals of the buyback programme are as follows:

- stimulate share trading or liquidity by an investment services provider through a liquidity agreement in compliance with the code of ethics of the AMAFI (French association of financial markets) recognised by the AMF;
- acquire shares to hold for subsequent payment or exchange in the context of acquisitions as permitted by the AMF;
- award shares to employees and/or corporate officers (under the terms and conditions set by applicable laws) under a stock option plan, bonus share issue plan or company savings plan;
- allocate Company shares following the exercise of rights attached to securities giving the right, via redemption, conversion, exchange, the presentation of a warrant, or any other means, to obtain shares in the Company;
- potentially cancel shares acquired;
- more generally, perform any current or future transaction authorised by the regulations in force, specifically if it is part of a market practice that may be approved by the AMF.

The above goals are presented without prejudice to the actual order in which the authorisation to buy back shares is used, something that would be dependent on needs and opportunities.

The maximum number of shares the Company may purchase is set at 10% of the share capital, adjusted for any transactions subsequent to the General Meeting of 2 June 2016 that affect the share capital, on the understanding that (i) the number of treasury shares must be taken into account to ensure that the Company always remains within the authorised number of treasury shares, i.e. a maximum of 10% of the share capital, and (ii) the number of treasury shares to be issued in payment or exchange in respect of a merger, demerger or contribution may not exceed 5% of the share capital.

These share purchases may be made by any means, including by purchase of blocks of securities, whenever the Board of directors sees fit, including during public offer periods, insofar as permitted under stock market regulations.

As of 31 December 2016, the Company held 23,361 treasury shares. Over the year, 22,614 securities were purchased under the liquidity agreements entrusted to Invest Securities at an average price of €1.54 per share and 54,364 shares were sold at an average price of €1.56 per share.

Payment of dividends and premiums

In its second resolution, the Combined General Meeting of 2 June 2016 authorised the following payments:

- payment to shareholders of all payable earnings for the past year (i.e. €565,555) as dividends;
- payment to shareholders of €3,801,226 taken from "Additional paid-in capital" which was thus brought from €62,161,251 to €58,360,025.

This gives a total of €4,366,781, or €0.10 per share.

The ex-dividend date was set as of 13 July 2016 and the dividend payment date as of 15 July 2016.

Taking account of the treasury shares held by M.R.M., which do not qualify for a dividend payout, the final amount distributed to shareholders was €4,362,463.30.

Streamlining the Group's legal structure

In 2016, DB Fouga, DB Tucano, DB Cougar and Boulevard des Iles (simplified limited companies or SAS), and Boulogne Escudier, 3 rue Escudier and 10 bis rue Escudier (property holding companies or SCIs) were dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M. which led to a simplified ownership structure and a change in the Group's scope of consolidation from fourteen to seven entities.

1.4 Subsequent events

None.

Part 2 Accounting principles and methods

The main accounting methods applied in preparing the consolidated financial statements are presented below. Unless stated otherwise, these methods have been applied consistently across all periods presented.

2.1 Going concern principle

The financial statements as of 31 December 2016 were prepared on the basis of the going concern principle, taking into account the operations carried out during the year and described in section 1.3 on the highlights of the period.

2.2 Presentation of the consolidated financial statements in accordance with IFRS

Pursuant to Regulation (EC) 1606/2002 of 19 July 2002, M.R.M. Group's consolidated financial statements as of 31 December 2016 were prepared in accordance with the standards and interpretations applicable at that date published by the International Accounting Standards Board (IASB) and adopted by the European Union at the date the financial statements were approved by the Board of directors.

This accounting basis, which can be found on the European Commission's website (http://ec.europa.eu/internal_market/accounting/ias/index_en.htm), encompasses the international accounting standards (IAS and IFRS) and the interpretations by the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

The Group's consolidated financial statements were prepared on the basis of the historical cost principle except for investment properties, financial instruments and assets held for sale which are measured at fair value as per IAS 40, IAS 32 & 39 and IFRS 5.

Preparing the financial statements in accordance with IFRS requires certain critical accounting estimates to be made. The Group is also required to exercise its judgement when applying accounting methods. The most critical areas in terms of judgement or complexity, or those for which the assumptions and estimates are material with respect to the consolidated financial statements, are set out in section 2.6.3.2 on the fair value of investment properties.

On 23 February 2017, the Board of directors authorised the publication of the Group's consolidated financial statements as of 31 December 2016.

Standards, amendments and interpretations effective as of 1 January 2016

Standards, amendments to standards and interpretations published by the IASB and presented below apply from the financial year started on 1 January 2016:

- Amendments to IAS 1 "Disclosure Initiative";
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation";
- Amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations";
- Annual Improvements to IFRS 2010-2012;
- Annual Improvements 2012-2014;
- Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exemption" applicable as of 1 January 2016;
- Amendments to IAS 19 "Defined Benefit Plans: Employee Contributions".

These amendments did not have a material impact on the Group's results and financial position.

Standards, amendments and interpretations not mandatory as of 1 January 2016

Texts adopted by the European Union at the reporting date:

The following standards and amendments adopted by the European Union as of 31 December 2016 but with a subsequent effective date of application were not adopted in advance:

- IFRS 9 "Financial Instruments: Recognition and Measurement of Financial Assets and Liabilities" and Amendments to IFRS 9, IFRS 7 and IAS 39 "General Hedge Accounting" applicable as of 1 January 2018;
- IFRS 15 "Revenue from Contracts with Customers" applicable as of 1 January 2018.

Texts not adopted by the European Union at the reporting date:

Subject to their final approval by the European Union, standards, amendments to standards and interpretations published by the IASB and presented below are applicable according to the IASB as follows:

- Amendments to IAS 7 “Disclosure Initiative” applicable as of 1 January 2017;
- Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealised Losses” applicable as of 1 January 2017;
- IFRS 16 “Leases” applicable as of 1 January 2019;
- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”: deferred application;
- Amendments to IFRS 15 “Clarifications” applicable as of 1 January 2018;
- Amendments to IFRS 2 “Share-based Payment” applicable as of 1 January 2018.

The Group has not applied any of these new standards or amendments early and is in the process of assessing the impact of their first-time application.

2.2.1 Statement of consolidated financial position

The statement of financial position is presented by separating current and non-current assets and liabilities:

- non-current assets consist of investment property, property, plant and equipment and intangible assets, and deposits paid;
- current assets consist of assets held for sale, all operating and tax-related receivables, and any other assets with an initial maturity of under one year or undated;
- liabilities are classified as current or non-current depending on their due date.

As a result, bank borrowings, guarantee deposits received and tax-related liabilities have been split into liabilities of under one year and liabilities of over one year, in accordance with the repayment schedules. Operating payables with a maturity of under one year constitute current liabilities.

2.2.2 Statement of consolidated comprehensive income

Income and expense items recognised during the period are presented in two statements:

- one statement detailing profit or loss items – the consolidated income statement;
- one statement starting with profit (loss) for the period and itemising other items of comprehensive income – the consolidated comprehensive income statement.

The consolidated income statement thus splits out the following items:

- operating income, as defined by CNC recommendation 2009 R-03, includes recurring items of current income as well as changes in the fair value of properties, gains (losses) on disposal or the scrapping of investment properties (total or partial), and other operating income and expenses;
- financial profit (loss) is the sum of financial income and expenses, other financial income and expenses, changes in the value of financial instruments (interest rate caps and marketable securities), and discounted payables and receivables;
- net profit (loss) before tax is the sum of operating income, financial profit (loss) and other non-operating income and expenses.

Other items of comprehensive income include income and expenses (including adjustments and reclassifications) that are not recognised in profit or loss as required or permitted by certain IFRS.

2.3 Key accounting estimates and judgements

When preparing the financial statements, the Company uses estimates and makes judgements, which are regularly updated and are based on historical information and other factors, in particular forecasts regarding future events deemed reasonable in light of the circumstances.

The estimates carrying a substantial risk of causing a material adjustment to the carrying amount of assets and liabilities during the subsequent period primarily involve the calculation of the fair value of the property portfolio, which is notably based on the valuation of the portfolio by independent appraisers using the methods described in paragraph 2.6.3.2.

Financial market instability has resulted in a significant drop in the number of representative transactions. Transactions completed in an economic crisis may not reflect the estimates of the independent appraisers.

Given the estimative nature of such valuations, it is possible that the income from the sale of certain properties may substantially differ from the valuation made, even were a sale to take place within a few months of the reporting date.

As such, the valuations of the Company’s portfolio, carried out by independent appraisers, could vary significantly depending on the sensitivity of the following data:

- the market rental value of the Company’s portfolio;
- the yield, calculated on the basis of yields used in the property market.

Since these data are tied to the market, they may vary significantly in the current context. They may thus have a material upward or downward impact on the fair value measurement of the property portfolio.

2.4 Consolidation methods

2.4.1 Subsidiaries

Subsidiaries are companies controlled by the Group. A subsidiary is controlled where the Group has the power to directly or indirectly manage the financial and operating policies of the Company so as to obtain benefits from its activities. In general, subsidiaries are deemed to be controlled when M.R.M. directly or indirectly holds more than 50% of the voting rights.

The financial statements of subsidiaries are fully consolidated from the date control is obtained and are no longer consolidated when control is transferred outside the Group. The consolidated financial statements include all of the subsidiary's assets, liabilities, income and expenses. Equity distinguishes between Group share and minority shares.

As of 31 December 2016, all entities within the scope of consolidation were wholly controlled by the Group and were thus fully consolidated.

2.4.2 Affiliates

Affiliates are companies in which the Group exercises significant influence in terms of operating and financial policy without having control of the Company. In general, significant influence is obtained when the Group owns at least 20% of the voting rights. The Group's investments in affiliates are accounted for under the equity method which consists of recognising:

- in the statement of financial position, the value of shares stated at their cost of acquisition including goodwill plus or minus changes in the Group's share of the net assets of the affiliate net of any necessary consolidation adjustments;
- in the statement of comprehensive income, a separate line showing the Group's share of the profits of affiliates net of consolidation adjustments. The financial statements of affiliates are recognised in the consolidated financial statements from the date significant influence begins until it is lost.

As of 31 December 2016, the Group had no affiliates.

2.4.3 Transactions eliminated from the consolidated financial statements (intra-group transactions)

Items in the statement of financial position, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated when preparing the consolidated financial statements. Gains resulting from transactions with affiliates are eliminated via investments in affiliates in proportion to the Group's interest in the company in question. Unrealised losses are eliminated in the same way as unrealised gains but only insofar as they reflect an impairment loss.

2.5 Business combinations and asset purchases

2.5.1 Business combinations

Following the revision of IFRS 3, acquisition cost is measured at the fair value of the assets transferred, equity issued and liabilities incurred at the date of the transaction. The identifiable assets and liabilities of the acquiree are measured at fair value on the date of acquisition. Costs directly attributable to the acquisition are recognised under "Other operating expenses".

Positive differences between the acquisition cost of shares and the share in the fair value of the identifiable assets and liabilities on the date control is obtained are recognised on the asset side as goodwill.

Negative differences are representative of badwill and are recognised directly in profit or loss for the period under "Other non-operating income and expenses".

Goodwill is not amortised. In accordance with IAS 36 "Impairment of Assets", goodwill is tested for impairment at least once a year and more frequently if there are indications of impairment. These tests are designed to ensure that the recoverable amount of the cash-generating unit to which goodwill is allocated is at least equal to its net carrying amount. If impairment is observed, an impairment charge is recorded under "Other operating income and expenses".

2.5.2 Asset purchases

When the Group acquires an entity comprising a group of assets and liabilities but not constituting a business as defined by IFRS 3, the acquisition is not considered a business combination as defined by that standard and is recorded as an acquisition of assets and liabilities without any goodwill being recognised.

Any difference between the cost of acquisition and the fair value of assets and liabilities acquired is allocated on the basis of the relative fair values of the Group's identifiable individual assets and liabilities at the date of acquisition.

In accordance with IAS 12.15 (b), for acquired entities subject to tax, no deferred tax is recognised when assets and liabilities are acquired.

2.6 Measurement rules and methods

2.6.1 Intangible assets

In accordance with IAS 38, intangible assets are measured at historical cost less cumulative depreciation and impairment. They are not subject to any revaluation.

Intangible assets that have indefinite useful lives are not amortised. They are tested for impairment annually or more frequently if there are indications of impairment. If the value in use is lower than the net carrying amount, an impairment charge is recognised.

Intangible assets with definite useful lives are amortised on a straight-line basis over their estimated useful lives.

2.6.2 Property, plant and equipment

2.6.2.1 Cost of acquisition of property, plant and equipment

Items with determinable costs and for which it is likely that the future economic benefits will flow to the Group are recognised as non-current assets. Property, plant and equipment are recognised at cost less cumulative depreciation and impairment. Where components of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment.

2.6.2.2 Depreciation of property, plant and equipment

Items of property, plant and equipment are depreciated over their useful lives.

Depreciation is recognised as an expense on a straight-line basis over the estimated useful life of each item of property, plant and equipment.

2.6.2.3 Impairment of property, plant and equipment

When events or new circumstances result in indications of impairment, impairment tests are carried out. The asset's net carrying amount is compared with its recoverable amount. If the recoverable amount is lower than the net carrying amount of the assets, an impairment charge is recognised.

2.6.3 Investment properties

IAS 40 "Investment Poperty" defines investment property as property held by the owner or the lessee under a lease to earn rentals or for capital appreciation.

Investment property is presented on a separate line item of the statement of financial position under non-current assets.

2.6.3.1 Valuation method for investment property

In accordance with the measurement models put forward by IAS 40 and in line with the recommendations of the European Public Real Estate Association (EPRA), the Group opted to use the fair value method on a permanent basis and measures investment property at fair value. Investment property being redeveloped is subject to the classification and (fair value) measurement rules set out in IAS 40.

Investment property is valued at fair value and any resulting changes are recognised in the income statement. No depreciation is recognised. This method is applied as follows:

At the date of acquisition, investment property is recognised at cost of acquisition, corresponding to the purchase price plus any associated costs. At the end of the reporting period, it is measured at fair value. The difference between the initial cost and fair value is recognised in the income statement.

Changes in the fair value of investment property are determined as follows:

Market value N - [market value N-1 + amount of works and capitalised expenses for the year - scrapped assets from properties being redeveloped]

The market value of these assets excludes any transfer taxes relating to their sale. Gains on the disposal of investment property are calculated on the basis of the most recent fair value recognised in the statement of financial position.

2.6.3.2 Definition of fair value

The fair value of all the Group's investment properties is the value excluding transfer taxes determined by independent appraisers who value the Group's portfolio each year on 30 June and 31 December.

The Group has retained the JLL independent appraiser to value its portfolio.

Appraisal values are carried out in accordance with the rules set out in the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors (RICS). The Company's entire portfolio has been subject to market and competition studies.

The valuation of the property portfolio depends on a number of factors, relating primarily to assumptions regarding future cash flows and interest rates, the balance between supply and demand on the market, economic conditions and applicable regulations. These factors can vary significantly impacting the valuation of properties. The valuation of these properties may thus not reflect their realisable value in the event they are sold.

The methodology chosen by the appraiser is based on the combined implementation of different valuation techniques, namely the capitalisation approach and the discounted future cash flow approach. The values determined by reference to these two approaches are corroborated by implementing the comparables method and/or the replacement cost method. The process used by experts is in line with their professional standards (specifically RICS).

The principle underlying the rental income capitalisation approach is the application of a rate of return observed on comparable assets in the market with net rental income which reflects the actual level of rent compared to the market price.

The Discounted Cash Flow (DCF) approach is based on ascertaining the future income, in relation to parameters such as vacancy, forecast rent increases, recurring maintenance costs and ongoing costs, that will maintain the asset in operating condition.

Investment properties undergoing restructuring are valued based on an assessment of the property after restructuring to the extent that the Company is reasonably assured that the project will be completed given the absence of significant risks, particularly with regard to administrative permits such as building permits and CDEC. Remaining works are then deducted from this assessment based on the development budget or agreements negotiated with builders and service providers.

The main assumptions used to estimate fair value are those related to expected future rents in relation to the fixed-term lease commitment, market rents, vacancy periods, the occupancy rate of the properties, maintenance requirements, the appropriate discount rate, and rates of return. These valuations are regularly compared with market data in terms of returns, actual transactions carried out by the Company and those published by the market. The valuations carried out by appraisers thus reflect their best estimate as of 31 December 2016 with their assumptions based on recently observed items in the market and assessment methods that are widely accepted in the industry. These estimates are not intended as a precursor to any kind of market shift.

2.6.4 Financial assets

The Group classifies its financial assets on the basis of the following categories:

- at fair value through the statement of comprehensive income;
- as loans and receivables.

Classification depends on the reasons for acquiring financial assets.

2.6.4.1 Financial assets at fair value through the statement of comprehensive income

In this category, the Group classifies the derivatives to which it subscribes. Derivatives are initially recognised at fair value with attributable transaction costs recognised in income when incurred.

They are remeasured at fair value at each reporting date with any changes in fair value recognised in income under “Financial profit (loss)”.

For the Group, this relates to instruments put in place to reduce interest rate risk (solely interest rate caps) – see 2.6.10. “Derivatives”. The fair value of these instruments at the reporting date was based on valuations supplied by the issuing financial institutions employing valuation techniques using observable market data.

2.6.4.2 Loans, deposits, sureties and other non-current receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets apart from those maturing over 12 months after the reporting date.

These are classified as non-current assets (these assets are initially recognised at fair value and subsequently measured at amortised cost).

2.6.5 Trade receivables

Receivables are stated at fair value on initial recognition, and subsequently at amortised cost less any impairment losses.

Impairment of trade receivables is recognised when there are objective indications that the Group will not be able to recover the full amounts due as per the initial terms of the transaction. Serious financial difficulties faced by the debtor, the likelihood of bankruptcy or financial restructuring of the debtor and payment default are indicators of the impairment of a receivable.

In general, the Group writes down tenant receivables older than six months by applying an impairment rate of up to 100% (depending on the risk estimated by the Group) of the pre-tax amount of the receivable minus the guarantee deposit.

The amount of impairment is recognised in income under “Provisions”.

2.6.6 Cash and cash equivalents

"Cash and cash equivalents" includes cash, sight bank accounts and other very liquid short-term investments with initial maturities of up to three months.

Marketable securities are classified as cash equivalents if they meet the criteria of maturity, liquidity and lack of volatility.

They are measured at fair value through profit and loss.

2.6.7 Assets and liabilities held for sale

Under IFRS 5, assets and liabilities that the Company has decided to sell and the carrying amount which will be recovered principally through a sale transaction rather than through continuing use are to be classified as "Assets held for sale" and "Liabilities held for sale".

The "Assets held for sale" item includes all receivables on benefits granted to property tenants.

For the sale to be highly likely, an asset sale plan must have been undertaken, and an active programme for finding a buyer must have been launched.

Properties in this category continue to be measured using the fair-value model as follows:

- property under sale agreement: sale value in the sale agreement net of the costs and commission required to complete the sale;
- property for sale: appraisal value excluding transfer taxes net of costs and commission required to complete the sale.

As of 31 December 2016, properties classified as assets held for sale amounted to €45,047 thousand.

2.6.8 Borrowings

Financial liabilities comprise borrowings and other interest-bearing liabilities.

On initial recognition, they are measured at fair value, taking account of transaction costs directly attributable to the issuance of the financial liability. They are subsequently recognised at amortised cost using the effective interest rate method. The effective interest rate includes the nominal interest rate and actuarial amortisation of issue expenses and issue and redemption premiums.

Borrowings of less than one year are classified as "Current borrowings".

2.6.9 Borrowing costs

Revised IAS 23 "Borrowing costs" removes the option of expensing borrowing costs and requires companies to capitalise borrowing costs directly attributable to the purchase, construction or production of a qualifying asset as a component of the cost of the asset.

The Group borrows money specifically for the acquisition, construction or production of a specific qualifying asset. Financial expenses directly associated with this asset are accordingly easily determined and capitalised in the cost of the qualifying asset.

As of 31 December 2016, the Group no longer had any qualifying assets allowing the capitalisation of interest costs.

2.6.10 Derivatives

The Group uses derivatives to reduce its exposure to market risks stemming from interest rate fluctuations.

Derivatives are used as part of the Group's policy for managing interest rate risk.

The Group uses derivatives to hedge its variable-rate debt against interest rate risk (cash flow hedging).

Given the nature of its debt, the M.R.M. Group elected not to apply hedge accounting as defined by IAS 39 and classifies financial assets and liabilities held as such as "Financial assets and liabilities at fair value through profit or loss".

All derivatives are therefore recognised in the statement of financial position at fair value and any changes from one period to the next are recognised in the statement of comprehensive income under "Financial profit (loss)".

The valuation of such financial instruments is supplied quarterly by the issuing financial institutions employing valuation techniques using observable market data.

2.6.11 Expenses related to the share capital increase

According to IAS 32, expenses related to the issuance of equity instruments are recorded directly under equity. These are expenses directly attributable to the transaction, i.e. expenses that would not have been incurred had the transaction not taken place.

In 2016, no such expenses were recorded directly as a reduction in equity.

2.6.12 Treasury shares

M.R.M. shares held by the Group are deducted from consolidated equity at their cost of acquisition. All transactions involving treasury shares are recognised directly in consolidated equity.

2.6.13 Provisions

A provision is booked when the Group has an obligation to a third party arising from a past event, settlement of which is likely or certain to result in an outflow of resources to this third party and this can be reliably estimated. This obligation may be legal, regulatory or contractual.

It may also result from the entity's past practices, its stated policy or sufficiently overt public commitments that have created a legitimate expectation amongst the relevant third parties that it will assume certain responsibilities.

The estimated amount of a provision reflects the outflow of resources the Group would incur to settle its obligation. It is estimated on the basis of information known at the date of issue of the financial statements.

Where the time value effect is material, the amount of the provision is determined by discounting estimated resource outflows at a rate based on a pre-tax risk-free market interest rate, plus – where applicable – risks specific to the relevant liability.

As of 31 December 2014, a provision for tax dispute of €372 thousand was set aside. In 2015 and 2016, no provisions or reversals were noted.

2.6.14 Employee benefits

IAS 19 requires that any current or future benefits or remuneration granted by the Company to its employees or a third party be recognised over the vesting period.

As of 31 December 2016, the Group, which has only four employees, considered that pension liabilities in respect of defined benefit plans were not significant and therefore did not value its liability in this respect.

2.6.15 Receivables and payables with deferred payments

IAS 39 requires the discounting of any sums whose payment or receipt is deferred in a manner that deviates from standard practice.

The amounts of these receivables or payables are discounted and a financial profit or loss recognised in the statement of comprehensive income over the deferred payment period.

The only deferred payments recognised relate to guarantee deposits received from tenants.

The discount rate applied is the one used to discount cash flows and capitalise rents for the purposes of property valuation by the independent appraiser.

As of 31 December 2016, it was 7.40% for office properties and 7.09% for retail properties.

2.6.16 Current and deferred taxes

2.6.16.1 Group tax status

Since 2008, M.R.M. has been registered as a SIIC (real estate investment trust) with a scope covering all the Group's entities.

SIIC status grants tax exemption on:

- profits from the letting of buildings and the subletting of buildings under a property leasing;
- capital gains on the disposal of buildings, of rights belonging to property leasing contracts, of equity investments in partnerships, or of equity investments in subsidiaries having opted for the SIIC tax regime;
- dividends paid by subsidiaries subject to the SIIC tax regime.

In exchange for this exemption, SIICs must distribute:

- 95% of exempted profits from letting;
- 60% of capital gains on the disposal of buildings or of certain equity investments in real estate companies;
- all dividends paid by subsidiaries having opted for the SIIC tax regime.

SIIC status entailed paying a reduced exit tax of 16.5% on latent capital gains relating to the buildings and shares of partnerships not subject to corporate tax.

The Group has paid its outstanding exit tax since 15 June 2012.

2.6.16.2 Deferred tax

Deferred taxes are recorded for activities and companies subject to corporate tax according to the variable method up to the temporary differences between the tax base of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred taxes are calculated using the tax rates (and tax regulations) that were adopted at the end of the reporting period and which are expected to come into force when the deferred tax asset in question is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that a taxable future asset allowing temporary differences to be attributed is likely to be realised.

Deferred taxes are recorded on the basis of temporary differences tied to equity investments in subsidiaries or affiliates, except for when the Group controls the scheduled reversal of these temporary differences and the reversal is unlikely to occur in the near future.

On account of SIIC status, no corporate tax is due on the letting of buildings, either directly or indirectly through income received from subsidiaries, and no deferred tax was recognised as of 31 December 2016. Likewise, capital gains on the disposal of buildings or of shares in subsidiaries subject to the same regime are exempt.

The Group is still liable for income tax on activities falling outside the scope of the SIIC regime.

2.6.17 Recognition of income

IAS 17 "Leases" specifies how lease income from operating leases, and direct initial costs incurred by the lessor, should be recognised. Lease income "should be recognised over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished".

At present, the leases signed by the Group match the definition of operating leases as defined by IAS 17.

Applying SIC 15 Operating Leases – Incentives has the effect of staggering the financial impact of all the provisions of the lease contract over the lease term. This is the case for rent-free periods, stepped rents and key money. For leases that took effect before 1 January 2010, the staggering is over the full term of the lease. Since 1 January 2010, the staggering is over the firm period of the lease.

2.6.18 Other operating income and expenses

Other operating income and expenses correspond to unusual, abnormal or rare events as set out in para. 28 of the IASB Framework.

They usually consist of transactional indemnities, which seldom occur in practice, paid to or received from tenants, and indemnities received from insurance providers in the event of a claim.

2.6.19 Earnings or field data per share

Earnings per share are calculated by relating the consolidated figures to the number of shares in circulation (excluding treasury shares) at the date of closing, i.e. 43,644,452 shares as of 31 December 2016.

2.6.20 Segment information

IFRS 8 "Operating Segments", effective since 1 January 2009, sets out the presentation of information to be provided for each operating segment.

Operating segments determined on the basis of internal reporting correspond to an activity:

- that can generate an income and that incurs expenses;
- whose operating income is regularly examined by the entity's chief operating decision-maker in order to allocate resources to the various segments and assess their performance;
- for which individual financial information is available.

In view of these requirements, the Group has divided its property portfolio into operating segments according to the real estate market in which they are located. Namely the office and retail rental segments.

These operating segments are best suited to assess the nature and financial impact of the Company's activities and the economic climate in which it trades.

The Group has moreover assigned its head office as a non-operating segment to handle transactions falling outside the remit of an operating segment.

2.6.21 Fair value measurement

IFRS 13 on fair value measurement, in force since 1 January 2013, requires fair value to be presented according to a hierarchy with quoted prices in active markets at the top (level 1) and unobservable inputs in active markets at the bottom. The three levels are as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs.

2.6.22 Key money

Key money payable to the lessor is classified as additional rent.

Key money forms part of the net amount exchanged between the lessor and lessee under a lease.

As such, the accounting periods during which this net amount is recorded must not be affected by the terms of the agreement and payment dates. These charges must be staggered over the first firm period of the lease.

2.6.23 Cancellation penalty

Tenants may be required to pay cancellation penalties if they cancel their lease before its contract expires.

Where applicable, these penalties are incorporated into the previous contract and recorded as income for the financial year in question.

2.6.24 Compensation for eviction

The lessor may be required to compensate the tenant for eviction if the former cancels the lease.

Replacement of the tenant

If the compensation for eviction modifies or maintains the asset's yield (increase in rent and thus in the asset's value), according to revised IAS 16 this expense can be capitalised into the cost of the asset subject to appraisers confirming the increase in value. Otherwise, the expense is recorded as such.

Building renovations requiring the departure of the existing tenants

If the compensation for eviction is made in the context of heavy renovations or reconstruction requiring the tenants' prior departure, it is considered a preliminary expense included as an additional component after the renovation works.

2.6.25 Equity management

M.R.M.'s policy is to maintain a solid capital base so as to retain the trust of investors, creditors and the markets, and to sustain future growth. The Board of directors keeps a close watch on return on equity, defined as operating income divided by total equity.

The Company has concluded a liquidity agreement, under which it occasionally buys treasury shares on the markets. The frequency of these purchases depends on share prices and trading activity.

2.6.26 Financial risk management

Foreign exchange risk

At the date of this document, M.R.M. engages in no business which could expose it to any foreign exchange risks.

Interest rates risk

The M.R.M. group has a portfolio of caps to reduce the interest rate risk on its variable-rate financial debt.

Thus, as of 31 December 2016, all variable-rate loans taken out with banking institutions were hedged through interest rate caps based on the three-month Euribor of between 2% and 3%.

A 100 basis point increase in interest rates would have a €362 thousand impact on the Group's financial expenses. Since current interest rates are very low, or even negative, the caps taken out by the Group are not in the money.

Liquidity risk

The Company's level of leverage could affect its capacity to take out further loans. The Group's liquidity policy is to ensure that the total amount of rents is at all times higher than its working capital requirements to cover operating expenses, interest and repayment of its entire existing financial debt and the leverage it seeks to implement its investment programme.

Certain loan agreements entered into or that may be entered into by the Group or its subsidiaries contain or may in the future contain standard early repayment clauses and covenants.

These covenants define the thresholds to be respected for a number of ratios, in particular the LTV ratio (loan to value ratio), defined as the ratio of the amount of the loan to the market value of the property financed, the ICR ratio (interest coverage rate, representing the coverage rate of interest expenses by rents) and the DSCR (debt service coverage ratio, representing the coverage rate of debt repayments and interest expenses by rents). Covenants relating to LTV ratios set maximum thresholds of between 55% and 60%. Covenants relating to ICR and DSCR ratios set minimum thresholds of between 130% and 400%.

Credit risk

Credit risk represents the risk of financial losses for the Group should a customer or counterparty to a financial instrument fail to meet their contractual obligations.

For the Group, this risk comes from its trade receivables. The Group's counterparties to its financial assets are lending institutions with the highest ratings. Financial assets are limited to derivatives (interest rate caps).

The Company has drawn up a credit policy to limit its exposure. As a rule, solvency checks are conducted on potential customers to ensure their creditworthiness meets the Group's risk requirements. Certain tenants account for a significant proportion of the Company's annual invoiced rents. The termination of one or several leases could have an impact on the level of rents received by the Company, and on its profitability. Nonetheless, the principal leases were signed recently and some tenants are bound by firm leases that can run for between three and nine years.

Property asset valuation risk

The Company's property portfolio is appraised on a bi-annual basis. The valuation of the property portfolio depends on a number of factors, relating primarily to the balance between supply and demand on the market, economic conditions and applicable regulations, which can vary substantially, directly affecting the value of the Company's assets and indirectly affecting the various LTV ratios giving an indication of the Group's credit risk.

The appraised value of the Group's properties and their final value on disposal may not be identical. In addition, such valuations are based on a number of assumptions which may not prove to be correct. Because M.R.M.'s property assets are booked at market value by outside appraisers, the value thereof can be affected by variations in the bases used in the valuation methods (property market trends, mainly in terms of received rents, changing interest rates especially with regard to discount and capitalisation rates employed).

Part 3 Scope of consolidation

3.1 List of consolidated companies

The financial statements fully consolidate the financial statements of all companies in which M.R.M. exercises exclusive direct or indirect control.

	Method of consolidation	Interest	Control
SA M.R.M.	Parent company	100%	100%
SAS COMMERCES RENDEMENT	FC	100%	100%
SAS DB NEPTUNE	FC	100%	100%
SAS DB PIPER	FC	100%	100%
SCI GALETIN II	FC	100%	100%
SCI IMMOVERT	FC	100%	100%
SCI NORATLAS	FC	100%	100%

FC: Full consolidation.

In 2016, DB Fouga, DB Tucano, DB Cougar and Boulevard des Iles (simplified limited companies or SAS), and Boulogne Escudier, 3 rue Escudier and 10 bis rue Escudier (property holding companies or SCIs) were dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M.

All of the Group's companies are registered in France.

As of 31 December 2016, the registered address for all Group entities was 5 avenue Kléber – 75016 Paris.

Part 4 Notes to the statement of financial position and the statement of comprehensive income

Note 1 Investment properties

(in thousands of euros)	12/31/2016
NET BALANCE AT OPENING	**216,262**
Reclassification as assets held for sale	(72,282)
Acquisitions and works	5,759
Change in fair value	3,061
NET BALANCE AT CLOSING	**152,800**

Description and summary of investment properties

Breakdown of investment properties

As of 31 December 2016, all investment properties were retail properties.

Capitalisation and discount rates used by the independent appraisers for valuation purposes as of 31 December 2016

	Capitalisation rates	Discount rates
Retail properties	Between 4.8% and 12%	Between 5.6% and 16.4%
Office properties	6.5%	7.4%

The capitalisation rate reflects the seller side yield or the yield generated in the normal course of management. The capitalisation rate expresses, in percentage terms, the ratio of gross or net revenue from the property to its monetary value. It is called gross or net depending on whether the gross or net revenue of the property is chosen.

Active net rents and sensitivity study on the asset portfolio value

	Active net rents per year and per sqm as of 12/31/2016	
(in euros)	Range(2)	Average
Retail properties	15-803	136
Office properties(1)	263-293	311

(1) In operation.
(2) Excluding rental income generated by parking decks and antennas.

A sensitivity study simulating a change in capitalisation rates as of 31 December 2016 showed that a 50 basis-point increase in these rates would reduce the asset portfolio value by €15,160 thousand (-8%), whereas a 50 basis-point reduction would increase it by €17,770 thousand (+9%).

Description of investment properties

Property	Address	Date of acquisition	Area *(sqm)*	Type
Sud Canal	24/26, place Étienne-Marcel and 41, Bd Vauban, 78180 Montigny-le-Bretonneux	10/27/2004	11,401	Retail properties
Reims	2, rue de l'Étape, 51100 Reims	11/10/2004	2,470	Retail properties
Passage de la Réunion	25, place de la Réunion, 68100 Mulhouse	04/15/2005	5,953	Retail properties
Galerie du Palais	17/19, place Jean-Jaurès, 37000 Tours	06/16/2006 and 09/28/2007	6,887	Retail properties
Les Halles	Place Maurice-Vast, 80000 Amiens	08/31/2006	7,423	Retail properties
Allonnes	ZAC du Vivier, route de la Berardière, 72700 Allonnes	12/20/2005	9,019	Retail properties
École-Valentin	6, rue Chatillon, 25000 Besançon	12/27/2007	4,018	Retail properties
Carré Vélizy	16-18, avenue Morane-Saulnier, 78140 Vélizy-Villacoublay	12/30/2005	11,338	Retail properties
Gamm Vert Portfolio	Multiple sites	12/21/2007 and 05/27/2008	27,835	Retail properties
TOTAL			**86,344**	

Note 2 Assets held for sale

(in thousands of euros)	12/31/2016
NET BALANCE AT OPENING	**9,706**
Reclassification of investment properties as assets held for sale	72,282
Acquisitions and works	1,467
Reclassification of rent-free periods	696
Change in fair value	1,230
Asset disposals	(40,333)
NET BALANCE AT CLOSING	**45,047**

As of 31 December 2016, assets held for sale totalled €45,047 thousand against €9,706 thousand as of 31 December 2015 following the reclassification of three buildings in this category and the disposal of three office buildings.

The assets are currently being actively marketed with a view to their disposal within the coming 12 months.

Note 3 Trade receivables

Trade receivables break down as follows:

(in thousands of euros)	12/31/2016	12/31/2015
Total gross trade receivables	4,105	4,776
Impairment of trade receivables	(1,586)	(1,309)
TOTAL NET TRADE RECEIVABLES	2,519	3,467
Invoices pending	(215)	(652)
Rent-free periods staggered over the lease term	(485)	(800)
TOTAL NET TRADE RECEIVABLES DUE	**1,818**	**2,015**

The aged balance of trade receivables is as follows:

(in thousands of euros)	Due for less than 90 days	Due for less than 180 days	Due for more than 180 days	TOTAL
Trade receivables	770	211	837	1,818
TOTAL NET TRADE RECEIVABLES DUE	**770**	**211**	**837**	**1,818**

Note 4 Other receivables

Other receivables break down as follows:

	12/31/2016			12/31/2015
(in thousands of euros)	Gross	Impairment	Net	Net
Tax receivables(1)	1,845	-	1,845	1,637
Other receivables(2)	1,230	-	1,230	2,156
Funds deposited with third parties(3)	2,656	-	2,656	135
Marketing fees(4)	428	-	428	767
Prepaid expenses	141	-	141	160
TOTAL OTHER RECEIVABLES	**6,300**	**-**	**6,300**	**4,855**

(1) This amount basically corresponds to a VAT credit to be carried forward.
(2) This amount primarily relates to service charges payable to owners.
(3) This relates to a cash collateral account as well as funds lodged with notaries.
(4) This relates to letting fees spread over the lease term.

Note 5 Derivatives

The M.R.M. group has put in place financial instruments (caps) that do not qualify as hedging instruments for accounting purposes, but as financial assets recognised at fair value through profit or loss.

All variable-rate loans are covered by an interest rate cap. These financial instruments were originally recognised as assets at fair value which is supplied by the issuing institutions.

Differences in the value of financial instruments between reporting dates are recognised in the income statement under “Change in fair value of financial instruments and marketable securities”. The fair value measurement of interest rate caps as of 31 December 2016 saw a reduction of €2 thousand.

The change in fair value of interest rate caps over the period breaks down as follows:

(in thousands of euros)	12/31/2016
VALUE OF FINANCIAL INSTRUMENTS AT OPENING	**2**
Caps bought	-
Caps sold	-
Change in fair value	(2)
VALUE OF FINANCIAL INSTRUMENTS AT CLOSING	**0**

Principal characteristics of financial instruments held

Contract type	Maturity date	Notional *(in thousands of euros)*	Benchmark rate	Strike rate	Fair value *(in thousands of euros)*	Maturing under 1 year	Maturing in 1-5 years	Maturing over 5 years
Interest rate cap	12/08/2017	3,967	3-months Euribor	2.00%	0	x		
Interest rate cap	12/08/2017	15,308	3-months Euribor	2.00%	0	x		
Interest rate cap	12/08/2017	5,062	3-months Euribor	2.00%	0	x		
Interest rate cap	12/31/2017	19,445	3-months Euribor	3.00%	0	x		
Interest rate cap	01/20/2018	9,279	3-months Euribor	3.00%	0		x	
Interest rate cap	12/31/2017	64,679	3-months Euribor	3.00%	0	x		
				TOTAL	**0**			

A 100 basis point increase in interest rates would have a €362 thousand impact on the Group’s financial expenses. With current interest rates being low, the caps put in place by the Group are not in the money.

Note 6 Cash and cash equivalents

(in thousands of euros)	12/31/2016	12/31/2015
Sight deposits	-	5,760
Marketable securities	57	60
Cash	24,938	7,613
TOTAL CASH AND CASH EQUIVALENTS	**24,994**	**13,433**

As of 31 December 2015, cash included a liquid deposit intended to hedge the portion of the repayment of the HSH Nordbank bank loan made via own funds on 15 January 2016.

Note 7 Provisions

As of 31 December 2014, a provision for tax dispute was set aside. In 2016, no new provisions or reversals were noted.

(in thousands of euros)	12/31/2015	Increase	Decrease	12/31/2016
PROVISIONS FOR RISK	**372**	**-**	**-**	**372**

Note 8 Loans and borrowings

(in thousands of euros)	12/31/2016	12/31/2015
Bank debts	58,643	76,869
Guarantee deposits received	1,210	1,294
Non current	**59,854**	**78,163**
Bank debts	15,506	34,146
Loan granted by SCOR SE	21,839	-
Guarantee deposits received	1,001	1,209
Accrued interest	328	673
Current	**38,674**	**36,028**
TOTAL LOANS AND BORROWINGS	**98,528**	**114,191**

The breakdown of loans and borrowings by maturity is as follows:

(in thousands of euros)	12/31/2016	1 year	1 to 5 years	Over 5 years
Bank debts	74,150	15,506	51,880	6,763
Loan granted by SCOR SE	21,839	21,839	-	-
Guarantee deposits received	2,211	1,001	1,181	30
Accrued interest	328	328	-	-
TOTAL LOANS AND BORROWINGS	**98,528**	**38,674**	**53,061**	**6,793**

Debt maturing within a year consists of a €15.2 million credit line maturing in December 2017, the loan taken out with SCOR SE backed by a building classified under “Assets held for sale”, and the contractual repayments to be made over the next 12 months.

As of 31 December 2016, the Group complied with all commitments in respect of LTV, ICR and DSCR covenants agreed with its banking partners.

Principal characteristics of bank debts

Lending institution	Credit agreement date	Maturity	Loan amount granted *(in thousands of euros)*	Total draw-downs as of 12/31/2016 *(in thousands of euros)*	Total outstandings as of 12/31/2016 *(in thousands of euros)*
Saar LB	12/21/2007	12/20/2022	12,200	12,200	8,847
ING Real Estate	07/24/2008	12/08/2017	17,127	17,127	15,163
Saar LB	12/22/2016	12/21/2021	63,817	50,998	50,139
TOTAL			**93,144**	**80,325**	**74,150**

The amount of credit available as of 31 December 2016, given drawdowns already made on this date, stood at €12,819 thousand.

Change in bank debts

(in thousands of euros)	Non-current debt	Current debt
NET BALANCE AT OPENING	**76,869**	**34,146**
Increases	2,381	-
Decreases[(1)]	-	(39,071)
Reclassification	(19,744)	19,744
Other (debt issue expenses, capitalisation of interest and discounting)	(862)	687
NET BALANCE AT CLOSING	**58,643**	**15,506**

(1) Reductions in bank debt correspond to the repayment of two credit lines for €9 million following the disposal of properties, the repayment of a matured credit line for €27.2 million, and contractual repayments over the period.

Bank debt – fixed/variable rate

(in thousands of euros)	Fixed rate	Variable rate	Total
BANK DEBTS	**47,759**	**26,391**	**74,150**

Note 9 Debts payable against non-current assets

Debts on non-current assets as of 31 December 2016 primarily related to restructuring work at the Sud Canal shopping centre in Saint-Quentin-en-Yvelines and to development work on the Nova office building in La Garenne-Colombes.

(in thousands of euros)	12/31/2016	12/31/2015
Retail properties	967	133
Office properties	894	2,516
TOTAL DEBTS ON NONCURRENT ASSETS	**1,862**	**2,649**

Note 10 Other liabilities

Other liabilities break down as follows:

(in thousands of euros)	12/31/2016	12/31/2015
Payments on accounts received	41	65
Company liabilities	116	97
Tax liabilities[(1)]	774	1,194
Other liabilities[(2)]	123	266
Prepaid income	-	23
TOTAL OTHER LIABILITIES	**1,055**	**1,644**

(1) Tax liabilities concern essentially VAT collected.
(2) Other debts concern essentially charges made to tenants.

Note 11 Gross rental revenues

Gross rental revenues consist of rents and similar income (e.g. parking revenues). Rent-free periods, stepped rents and key money are spread over the lease term. For pre-2010 leases, the staggering is over the full term of the lease, whereas the staggering period for leases having come into effect from 1 January 2010 is the firm period.

(in thousands of euros)	12/31/2016	12/31/2015
Retail properties	8,887	9,332
Office properties	4,105	4,311
TOTAL GROSS RENTAL REVENUES	**12,992**	**13,644**

Of the €13 million in gross rental revenues for 2016, variable rents totalled €81 thousand.

Rents receivable under firm leases in the portfolio

(in thousands of euros)	12/31/2016
Future minimum payment amounts	
Less than 1 year	10,618
Between 1 and 5 years	16,682
Over 5 years	1,446
TOTAL FUTURE PAYMENTS	**28,746**

Note 12 External property expenses not recovered

Expenses paid for (net of billing back) break down as follows:

(in thousands of euros)	12/31/2016	12/31/2015
Land tax and tax on offices and retail property	836	1,057
Maintenance expenses	75	183
Rental and co-ownership expenses	2,586	2,627
TOTAL EXTERNAL PROPERTY EXPENSES NOT RECOVERED	**3,497**	**3,868**

Note 13 Operating expenses

Overheads break down as follows:

(in thousands of euros)	12/31/2016	12/31/2015
Fees[(1)]	1,801	1,968
Bank charges	41	40
Other external purchases and expenses	402	298
Other taxes and duties	110	84
Employee benefits expense	857	755
TOTAL OPERATING EXPENSES	**3,211**	**3,144**

(1) Fees are primarily composed of management fees and legal fees.

Note 14 Other operating income

Other operating income amounted to €669 thousand and primarily consisted of option money on a property set to be sold for €385 thousand, a compensation fee of €100 thousand and key money paid by a tenant of €63 thousand.

Note 15 Other operating expenses

Other operating expenses amounted to €92 thousand and primarily consisted of losses on receivables written off of €41 thousand and directors' fees of €40 thousand.

Note 16 Result on disposals of properties

Gains (losses) on the disposal of assets break down as follows:

Disposal of property *(in thousands of euros)*	12/31/2016	12/31/2015
Sales proceeds net of expenses	37,494	16,142
Net book value of disposed assets	(40,333)	(16,100)
Reversal of adjustment entries[1]	-	(154)
RESULT ON DISPOSAL	**(2,839)**	**(112)**

(1) Reversals related to the derecognition of rent-free periods that had been staggered over the lease term.

Note 17 Net borrowing cost

Net borrowing cost breaks down as follows:

(in thousands of euros)	12/31/2016	12/31/2015
Interest received	2	27
Interest and similar expenses	(1,916)	(2,311)
NET BORROWING COST	**(1,913)**	**(2,284)**

Note 18 Change in fair value of financial instruments and marketable securities

This €2 thousand negative change in fair value wholly stemmed from the change in the fair value of interest rate caps (see note 5).

Note 19 Tax expenses

As detailed in the consolidation principles and methods section, as a result of adopting SIIC status, which exempts the Company from corporate tax, no deferred tax has been recognised on activities within the scope of this regime.

The Group is nevertheless still liable for corporate tax on activities falling outside the scope of the SIIC regime. However, the Group recognised no tax expense for the 2016 financial year.

Given that there was no temporary difference between the tax base of assets and liabilities falling outside the scope of the SIIC regime and their carrying amount in the consolidated financial statements, no deferred tax asset was recognised.

Note 20 Segment information

As detailed in the consolidation principles and methods section, for operating segment purposes the Group has used the breakdown in its property portfolio by the real estate market in which they are located. Namely the office and retail rental segments.

The main line items of the standalone income statement are as follows:

Consolidated income statement at 12/31/2016

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Gross rental revenues	4,105	8,887	-	12,992
External property expenses not recovered	(2,005)	(1,492)	-	(3,497)
NET RENTAL REVENUES	2,100	7,395	-	9,495
Operating expenses	(674)	(848)	(1,688)	(3,211)
Reversals of provisions	-	148	-	148
Provisions	(474)	(465)	-	(939)
Other operating income	418	245	6	669
Other operating expenses	(2)	(44)	(46)	(92)
OPERATING INCOME BEFORE DISPOSALS AND CHANGES IN FAIR VALUE OF PROPERTIES	1,368	6,430	(1,728)	6,070
Result on disposals of properties	(2,839)	-	-	(2,839)
Change in fair value of investment properties	1,230	3,061	-	4,291
OPERATING INCOME	**(242)**	**9,491**	**(1,728)**	**7,521**
Gross borrowing cost	(576)	(1,340)	-	(1,916)

Consolidated income statement as of 12/31/2015

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Gross rental revenues	4,311	9,332	-	13,644
External property expenses not recovered	(2,176)	(1,691)	-	(3,868)
NET RENTAL REVENUES	2,135	7,641	-	9,776
Operating expenses	(648)	(943)	(1,553)	(3,144)
Reversals of provisions	38	119	-	157
Provisions	(222)	(478)	-	(699)
Other operating income	168	91	4	262
Other operating expenses	(101)	(98)	(28)	(227)
OPERATING INCOME BEFORE DISPOSALS AND CHANGES IN FAIR VALUE OF PROPERTIES	1,370	6,332	(1,577)	6,125
Result on disposals of properties	(112)	-	-	(112)
Change in fair value of investment properties	5,019	(930)	-	4,089
OPERATING INCOME	**6,278**	**5,402**	**(1,577)**	**10,103**
Gross borrowing cost	(700)	(1,611)	-	(2,311)

The main line items in the statement of financial position are as follows:

Consolidated statement of financial position – Assets at 12/31/2016

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Investment properties	-	152,800	-	152,800
Assets held for sale	45,047	-	-	45,047
Cash and cash equivalents	20,353	2,738	1,903	24,994

Consolidated statement of financial position – Equity & liabilities as of 12/31/2016

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Non-current bank debts	-	58,643	-	58,643
Current bank debts	-	15,506	-	15,506
Loan granted by SCOR SE	21,839	-	-	21,839
Debts payable against non-current assets	894	967	-	1,862

Consolidated statement of financial position – Assets as of 12/31/2015

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Investment properties	72,282	143,980	-	216,262
Assets held for sale	9,706	-	-	9,706
Cash and cash equivalents	8,897	2,634	1,902	13,433

Consolidated statement of financial position – Equity & liabilities as of 12/31/2015

(in thousands of euros)	Office properties	Retail properties	Head office	Total
Non-current bank debts	4,732	72,136	-	76,869
Current bank debts	31,019	3,127	-	34,146
Debts payable against non-current assets	2,516	133	-	2,649

Note 21 Fair value measurement

Assets and liabilities measured at fair value are classified according to the importance of the evaluation methods used.

The different levels are as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs.

The Group does not have any liabilities measured at fair value.

Consolidated statement of financial position – Assets as of 12/31/2016

(in thousands of euros)	Level 1	Level 2	Level 3	Total
Investment properties	-	-	152,800	152,800
Assets held for sale	-	-	45,047	45,047
Derivatives	-	0	-	0
Marketable securities	57	-	-	57

Consolidated statement of financial position – Assets as of 12/31/2015

(in thousands of euros)	Level 1	Level 2	Level 3	Total
Investment properties	-	-	216,262	216,262
Assets held for sale	-	-	9,706	9,706
Derivatives	-	2	-	2
Marketable securities	60	-	-	60

Note 22 Off-balance sheet commitments

Commitments given

Commitments given primarily comprise:

(in thousands of euros)	12/31/16
Debts guaranteed by collateral (principal and related)[1]	106,782
Guarantees and sureties	2,448

(1) Carrying amount of borrowings.

Certain bank accounts of subsidiaries have been pledged to financial institutions.

Commitments received

Commitments received essentially comprise tenant guarantees amounting to a total of €2,176 thousand.

Note 23 Related parties

Transactions between M.R.M. Group companies and related parties are entered into on an arm's length basis.

On expiration of the lease and IT services contract signed with SCOR SE, the expenses billed by SCOR SE during 2016 amounted to €70 thousand.

On 15 January 2016, a subsidiary of M.R.M. took out a loan from SCOR SE for €22 million. This loan was accompanied by a mortgage pledge on a building with an exemption from registration for an amount of €24.2 million (included in the commitments given in note 22). The loan generated interest expense of €386 thousand for 2016. Moreover, a set-up fee of €132 thousand was paid to SCOR SE.

Information on the remuneration of corporate officers is given in note 4.4 of the 2016 Registration Document. There were no significant changes during the period.

Note 24 Information on the number of shares outstanding

As of 31 December 2016, the number of shares making up the share capital was 43,667,813. As of 31 December 2016, the Group held 23,361 treasury shares.

3.8 Statutory Auditors' report on the consolidated financial statements for the year ended 31 December 2016

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

To the Shareholders,

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

- the audit of the accompanying consolidated financial statements of M.R.M. 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 consolidated 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 as of 31 December 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)*, we bring to your attention the following matter.

Accounting estimates

The note 2.6.3 "Investment Properties" in the "Accounting Policies" section of the notes to the consolidated financial statements refers to the accounting method used for the valuation of investment property.

Investment properties are accounted at fair value, which is determined by independent appraisers who value the property assets of the Company as of 31 December of each year.

Our work consisted in examining the independent appraisers' reports, analyzing the data and assumptions retained in order to determine the overall valuations, ensuring that independent appraisers take into account the real estate market situation, and verifying that the notes 2.6.3 "Investment properties" (Part 2) and 1 "Investment properties" (Part 4) to the consolidated financial statements provide appropriate information.

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

3 Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, 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.

Paris-La Défense and Lyon, on 3 April 2017

The Statutory Auditors

French original signed by

For KPMG AUDIT FS I	For RSM Rhône-Alpes
Isabelle Goalec	Gaël Dhalluin
Partner	Partner

3.9 Annual financial statements for the year ended 31 December 2016

Balance sheet as of 31 December 2016

► ASSETS

	12/31/2016			12/31/2015
(in euros)	Gross	Depreciation, amortisation and impairment (deduct)	Net	Net
Set-up costs	18,403	18,403	-	-
Other investments	63,605,540	23,394,441	40,211,099	55,983,617
Other long-term investment securities	47,285	41,269	6,016	4,877
NON-CURRENT ASSETS	63,671,228	23,454,113	40,217,116	55,988,495
Trade receivables	570,455	362,017	208,439	-
Other receivables	72,993,205	5,932,803	67,060,402	64,064,485
Marketable securities	46,057	-	46,057	77,280
Cash	2,488,417	-	2,488,417	1,893,747
Prepaid expenses	11,170	-	11,170	-
CURRENT ASSETS	76,109,305	6,294,820	69,814,485	66,035,512
TOTAL	**139,780,533**	**29,748,932**	**110,031,601**	**122,024,007**

► LIABILITIES & EQUITY

(in euros)	12/31/2016	12/31/2015
Share capital (paid-up: 43,667,813)	43,667,813	43,667,813
Additional paid-in capital	64,559,044	63,118,903
Revaluation adjustment	339,807	339,807
Legal reserve	227,267	197,501
Other reserves	4,318	-
Retained earnings	-	(779,764)
Profit or loss for the financial year	415,171	1,375,085
Regulated provisions	-	523,377
EQUITY	109,213,420	108,442,721
Provisions for risks and expenses	-	-
PROVISIONS FOR RISKS AND EXPENSES	-	-
Bank loans and overdrafts	173	-
Loans and other borrowings	118,237	13,139,155
Trade payables	333,900	337,483
Tax and company liabilities	258,091	104,647
Payables against non-current assets	39,053	-
Other payables	68,726	1
LIABILITIES[1]	818,180	13,581,286
TOTAL	**110,031,601**	**122,024,007**
(1) Including under one year.	*818,180*	*13,581,286*

Income statement as of 31 December 2016

(in euros)	12/31/2016 France	12/31/2016 Export	12/31/2016 Total	12/31/2015
Revenue on sale of services	206,043	-	206,043	264,235
Net revenue	**206,043**	**-**	**206,043**	**264,235**
Reversals of impairment, depreciation and amortisation, transfer of expenses			3,977	388,034
Other revenues			1,681	6
OPERATING INCOME			211,701	652,275
Other external purchases and expenses			(696,284)	(661,509)
Taxes, duties and similar payments			(87,685)	(87,536)
Wages and salaries			(605,636)	(537,518)
Social charges			(255,485)	(217,423)
Depreciation, amortisation and impairments				
Depreciation and amortisation of non-current assets			-	-
Impairment of non-current assets			-	-
Impairment of current assets			(4,619,437)	(363,318)
Other expenses			(40,352)	(28,141)
OPERATING EXPENSES			(6,304,878)	(1,895,444)
OPERATING PROFIT (LOSS)			(6,093,177)	(1,243,169)
Financial income from investments[2]			5,362,783	3,447,378
Other interest and similar income[2]			3,012,025	-
Reversals of impairment, provisions and transfer of expenses			5,300	383,166
Positive exchange differences			-	-
Net income on sales of marketable securities			7,971	733
FINANCIAL INCOME			8,388,079	3,831,277
Depreciation and amortisation expenses, impairment and provisions			-	(1,068,210)
Interest and similar expenses[3]			(2,401,196)	(139,488)
Net expenses on sales of marketable securities			(2,089)	(5,293)
FINANCIAL EXPENSES			(2,403,286)	(1,212,991)
FINANCIAL PROFIT (LOSS)			5,984,794	2,618,286
CURRENT PROFIT (LOSS) BEFORE TAX			(108,383)	1,375,117
Exceptional income on management operations			-	-
Exceptional income on capital operations			-	-
Reversals of impairment, provisions and transfer of expenses			523,718	-
EXCEPTIONAL INCOME			523,718	-
Exceptional expenses on management operations			(4,526)	-
EXCEPTIONAL PROFIT (LOSS)			519,192	-
Income tax			4,362	(32)
TOTAL INCOME			9,123,499	4,483,552
TOTAL EXPENSES			(8,708,328)	(3,108,468)
PROFIT (LOSS) FOR THE PERIOD			**415,171**	**1,375,085**
(2) Of which income involving affiliates			*5,362,783*	*3,447,378*
(3) Of which interest involving affiliates			*103,242*	*139,488*

Appendix

The statement of financial position for the year ended 31 December 2016, covering a period of twelve months like the previous year, presents a total before appropriation of income of €110,031,601 and an accounting profit of €415,171.

Highlights of the year

(French Commercial Code Article R.123-196 3)

Streamlining the Group's legal structure

As part of streamlining the legal structure of the M.R.M. Group, DB Fouga, DB Tucano, DB Cougar and Boulevard des Iles (simplified limited companies or SAS), and Boulogne Escudier, 3 rue Escudier and 10 bis rue Escudier (property holding companies or SCIs) were dissolved without liquidation via the complete transfer of all assets and liabilities to M.R.M. in 2016. These transactions entailed a reduction in the number of subsidiaries held directly and indirectly by M.R.M. which thus fell from thirteen to six. These transactions generated net financial income of €727 thousand (bonus net of merger losses) on the one hand and exceptional income of €524 thousand following a reversal on excess depreciation on the other hand.

Board of directors

The Combined General Meeting of 2 June 2016 decided to appoint Valérie Ohannessian as a director for a term of two years expiring at the end of the Ordinary General Meeting to be held in 2018 to approve the financial statements for the year ending 31 December 2017. The Board of directors, which met on the same day, confirmed that Valérie Ohannessian met the independence criteria of the AFEP-MEDEF Code.

This appointment increased the number of directors to seven, the number of independent directors to three and the number of women on the Board to three.

Implementation of a share buyback programme

On 2 June 2016, the Board of directors decided to implement the share buyback programme decided by the General Meeting of Shareholders of 2 June 2016 in its seventh resolution for an 18-month period starting from 3 June 2016.

The purpose of the buyback programme is to:

- stimulate share trading or liquidity by an investment services provider through a liquidity agreement in compliance with the code of ethics of the AMAFI (French association of financial markets) recognised by the AMF;
- acquire shares to hold for subsequent payment or exchange in the context of acquisitions as permitted by the AMF;
- award shares to employees and/or corporate officers (under the terms and conditions set by applicable laws) under a stock option plan, bonus share issue plan or company savings plan;
- allocate shares to holders of securities giving access to the Company's share capital upon exercise of the rights attached to these securities in accordance with applicable laws;
- potentially cancel shares acquired.

The above goals are presented without prejudice to the actual order in which the authorisation to buy back shares is used, something that would be dependent on needs and opportunities.

The number of shares purchased by the Company with a view to being held as treasury stock for subsequent payment or exchange as part of a merger, demerger or contribution may not exceed 5% of its share capital. These share purchases may be made by any means, including by purchase of blocks of securities, whenever the Board of directors sees fit, including during public offer periods, insofar as permitted under stock market regulations.

As of 31 December 2016, the Company held 23,361 treasury shares. Over the year, 22,614 securities were purchased under the liquidity agreements entrusted to Invest Securities at an average price of €1.54 per share and 54,364 shares were sold at an average price of €1.56 per share.

Appropriation of 2015 profit and distribution of premiums

In its second resolution, the Combined General Meeting of 2 June 2016 decided to allocate the profit for the year ended 31 December 2015 of €1,375,085 as follows:

- Clearance of retained earnings: €779,764
- Allocation to the legal reserve: €29,766

The balance (i.e. €565,555) represents payable earnings for the year.

The "Retained earnings" account thus went from €(779,764) to €0 and the "Legal reserve" account went from €197,501 to €227,267.

In its second resolution, the Combined General Meeting of 2 June 2016 also authorised the following distributions:

- payment to shareholders of all payable earnings for the past year (i.e. €565,555) as dividends;
- payment to shareholders of €3,801,226 taken from "Additional paid-in capital" which was thus brought from €62,161,251 to €58,360,025.

This gives a total of €4,366,781, or €0.10 per share.

The ex-dividend date was set as of 13 July 2016 and the dividend payment date as of 15 July 2016.

Taking account of the treasury shares held by M.R.M., which do not qualify for a dividend payout, the final amount distributed to shareholders was €4,362,463.30.

Accounting policies and methods

(French Commercial Code Art. R.123-196 1 & 2; PCG (French GAAP) Art. 531-1/1)

The financial statements are prepared in accordance with Articles L.123-12 to L.123-28 of the French Commercial Code, ANC Regulation No. 2014-03 of 5 June 2014 on the PCG (French GAAP), and regulations of the ARC (Accounting Regulatory Committee):

General accounting conventions were applied in accordance with the principle of prudence and the following basic assumptions:

- consistency of accounting methods;
- matching principle;
- going concern.

The recommendations set out in the Professional Guide for companies in the sector have been observed.

The financial year covers a period of twelve months from 1 January to 31 December. Accounting items are measured using the historical cost method. The notes or tables provided below form an integral part of the annual financial statements.

The main accounting methods used are as follows:

1. Adoption of SIIC status

On 31 January 2008, the Company opted for SIIC status with effect from 1 January 2008.

The SIIC regime, introduced by Article 11 of the 2003 Budget Law, is open to listed companies with a share capital of over €15 million that are wholly engaged in property activities and grants companies having opted for SIIC status on an irrevocable basis an income tax exemption for the portion of their net profit generated from property activities subject to the following payout requirements:

- 85% of profits from the letting of buildings;
- 50% of capital gains from buildings;
- 100% of dividends received from subsidiaries having opted in.

The adoption of SIIC status in 2008 resulted in the immediate taxation of unrealised capital gains on properties and investments in property companies at the reduced rate of 16.5% payable over four years.

As such, no tax liability was recorded following the allocation of prior losses.

For financial years ending on or after 31 December 2013, the payout requirements were changed as follows by the 2013 Amended Budget Law published on 3 January 2014:

- 95% of profits from the letting of buildings;
- 60% of capital gains from buildings;
- 100% of dividends received from subsidiaries having opted in.

2. Non-current assets

The Company applies CRC Regulations 2002-10 of 12 December 2002 and 2004-06 of 23 November 2006 on defining, recognising, measuring, depreciating, amortising and impairing assets.

3. Non-current financial assets

3.1 Equity investments

Equity investments are recognised on the statement of financial position at cost in accordance with CRC Regulation 2004-06 on defining, recognising and measuring assets. Pursuant to the option provided by Article 321.10 of the PCG (French GAAP), the Company has opted for acquisition costs to be included in the value of securities. These acquisition costs are subject to excess tax depreciation over normal depreciation (accelerated depreciation) over a period of five years.

The majority of equity investments held by M.R.M. are property companies owning one or more office or retail properties.

At each reporting date, M.R.M. assesses the value of its equity investments relative to their value in use. The value in use of each subsidiary is determined with reference to the share of the net equity owned, remeasured on the basis of the present value of property assets it owns, and with reference to its outlook. Property assets are subject to valuation by independent appraisers at each reporting date. For the SCI Noratlas subsidiary, whose property assets are undergoing major works and marketing programs in view of their upcoming disposal, the share of net equity owned is remeasured on the basis of the value in use of said assets. Value in use is based on the estimated value of properties at the end of the redevelopment process, i.e. taking into account the completion of works and an occupancy rate in the properties of more than 85%.

If the resulting value in use is under the net carrying amount, an impairment loss is recognised.

3.2 Other non-current financial assets

These correspond to treasury shares held by M.R.M. outside the liquidity agreement.

Treasury shares acquired within the framework of the liquidity agreement are presented as marketable securities.

4. Current accounts related to equity investments

The Company has entered into an agreement on current account advances with some of its subsidiaries. These advances are classified as assets under “Other receivables”.

Current accounts in credit in M.R.M.’s books at the reporting date are classified as liabilities under “Loans and other borrowings”.

At each reporting date, where the net equity of subsidiaries owned by the Company is negative, the current accounts are impaired up to the amount of the share of the net equity owned.

5. Marketable securities and treasury shares

The gross amount represents the acquisition cost excluding ancillary expenses. When the Net Asset Value falls below the gross amount, the difference is impaired. The Net Asset Value of treasury shares is based on the average share price over the month preceding the end of the reporting period.

The gross amount of other long-term securities and investment securities represents the acquisition cost excluding ancillary expenses.

6. Receivables and payables

Receivables and payables are stated at face value.

As regards receivables, the risk of non-collection is assessed at each reporting date and an impairment loss recognised where the Net Asset Value falls below the carrying amount.

7. Provisions

Provisions are valued in accordance with the provisions of CRC Regulation 2000-06.

Provisions have in particular been funded for the negative net equity of property holding companies (SCIs) owned, less provisions already recognised on the asset side on current accounts.

8. Current and exceptional profit (loss)

Items stemming from ordinary activities, including those that are exceptional in terms of their frequency or amount, are included in current profit (loss). Only items not relating to the Company’s ordinary activities are recognised as exceptional items.

► BREAKDOWN OF NON-CURRENT ASSETS

(in euros)	Gross amount at opening	Increases	
		Revaluations	Acquisitions
Set-up and development costs	18,403	-	-
Other investments	91,411,935	-	-
Other long-term investment securities	47,285	-	-
TOTAL	**91,477,624**	**-**	**-**

	Decreases		Gross amount at closing	Revaluation Original value at closing
	Line item	Disposals		
Set-up and development costs	-	-	18,403	-
Other investments	27,806,395	-	63,605,540	-
Other long-term investment securities	-	-	47,285	-
TOTAL	**27,806,395**	**-**	**63,671,228**	**-**

BREAKDOWN OF AMORTISATION AND DEPRECIATION

Positions and movements over the period	Amount at start of period	Provisions for year	Decreases Reversals	Amount at end of period
Set-up, research & development costs	18,403	-	-	18,403
TOTAL	**18,403**	**-**	**-**	**18,403**

BREAKDOWN OF PROVISIONS

Breakdown of provisions *(in euros)*	Amount at start of period	Increases Provisions	Decreases Amounts used	Decreases Amounts not used	Amount at end of period
Regulated provisions					
Accelerated amortisation	523,377	-	523,377	-	-
TOTAL REGULATED PROVISIONS	**523,377**	**-**	**523,377**	**-**	**-**
Provisions for impairment					
For equity investments	35,428,318	-	12,033,877	-	23,394,441
For other non-current financial assets	42,408	-	1,139	-	41,269
For trade receivables	-	362,017	-		362,017
Other provisions for impairment	1,317,527	4,619,437	4,161	-	5,932,803
TOTAL PROVISIONS FOR IMPAIRMENT	**36,788,253**	**4,981,454**	**12,039,177**	**-**	**29,730,529**
TOTAL	**37,311,630**	**4,981,454**	**12,562,554**	**-**	**29,730,529**
Of which charges and reversals:					
• *operating*		*4,619,437*	*4,161*	-	
• *financial*		-	*524,516*	-	

SCHEDULE OF RECEIVABLES AND PAYABLES

Schedule of receivables *(in euros)*	Gross amount	Under 1 year	Over 1 year
Doubtful or disputed receivables	570,455	570,455	
Income tax	13,232	13,232	-
Value added tax	187,904	187,904	-
Group and partners	72,694,963	72,694,963	-
Miscellaneous debtors	97,107	97,107	-
Prepaid expenses	11,170	11,170	
TOTAL	**73,574,830**	**73,574,830**	**-**

Schedule of payables *(in euros)*	Gross amount	Under 1 year	1 - 5 years	Over 5 years
Loans and borrowings originally due within 1 year	173	173		
Other loans and borrowings	118,237	118,237		
Trade payables	333,900	333,900	-	-
Personnel and related payables	52,603	52,603	-	-
Social security and other welfare bodies	63,783	63,783	-	-
Value added tax	126,130	126,130	-	-
Other taxes and duties	15,527	15,527	-	-
Payables against non-current assets	39,053	39,053		
Group and partners	48	48	-	-
Other payables	68,726	68,726	-	-
TOTAL	**818,180**	**818,180**	**-**	**-**

► BREAKDOWN OF THE SHARE CAPITAL

(French Commercial Code Art. R.123-197; PCG (French GAAP) Art. 831-3 and 832-13)

Various share classes	Par value *(in euros)*	Number of shares			
		Opening	Created	Cancelled	Closing
Shares	1	43,667,813	-	-	43,667,813

► CHANGES IN EQUITY *(IN EUROS)*

(in euros)	Opening balance	Appropriation of income	Increase	Decrease	Closing balance
Paid-up capital	43,667,813				43,667,813
Additional paid-in capital	63,118,903	(3,801,226)	5,241,367		64,559,044
Legal reserve	197,501	29,766			227,267
Other reserves	-	4,318			4,318
Revaluation adjustment	339,807				339,807
Retained earnings	(779,764)	779,764			-
Profit (loss) for the period	1,375,085	(1,375,085)	415,171		415,171
Regulated provisions	523,377			523,377	-
TOTAL	**108,442,721**	**(4,362,463)**	**5,656,538**	**523,377**	**109,213,420**

► SET-UP COSTS

(French Commercial Code Art. R.123-186-4)

(in euros)	Value	Amortisation rate
Set-up costs	16,771	-
Costs relating to the capital increase	1,632	-
TOTAL	**18,403**	**-**

ACCRUED INCOME

(French Commercial Code Art. R.123-196)

Accrued income included in the following statement of financial position items *(in euros)*	Amount
Trade receivables	20,136
Other receivables	1,475,201
TOTAL	**1,495,337**

ACCRUED EXPENSES

(French Commercial Code Art. R.123-196)

Accrued expenses included in the following statement of financial position items *(in euros)*	Amount
Trade payables	307,529
Tax and company liabilities	75,506
Payables against non-current assets	38,443
TOTAL	**421,478**

Additional information relating to the income statement

BREAKDOWN OF NET REVENUE

(French Commercial Code Art. R.123-198-4; PCG (French GAAP) Art. 831-2/14)

Breakdown by business segment *(in euros)*	Amount
Remuneration of Chairman	102,951
Service fees	11,750
Other rebilled charges	91,342
TOTAL	**206,043**

Breakdown by geographic segment *(in euros)*	Amount
Paris region	206,043
TOTAL	**206,043**

FINANCIAL INCOME AND EXPENSES INVOLVING AFFILIATES

(French Commercial Code Art. R. 123-197; PCG (French GAAP) Art. 831-2 and 832-13)

(in euros)	Financial expenses	Financial income
TOTAL	**2,403,286**	**8,388,079**
Of which affiliates	*2,388,236*	*8,380,108*

Financial commitments and other information

► FINANCIAL COMMITMENTS

(French Commercial Code Art. R.123-196; PCG (French GAAP) Art. 531-2/9)

COMMITMENTS GIVEN

Other commitments given:	
Pledging DB Piper shares	4,272,551
Pledging SCI Noratlas shares	23,352,176
Pledging Commerces Rendement shares	34,576,556
Pledging Immovert shares	1,361,992
First demand guarantee SCI Noratlas	24,200,000
Guarantees	14,698,498
TOTAL[(1)]	**102,461,773**

(1) Of which involving subsidiaries. *102,461,773*

COMMITMENTS RECEIVED

None.

► LIST OF SUBSIDIARIES AND EQUITY INTERESTS

(French Commercial Code Art. L. 233-15 and R.123-197; PCG (French GAAP) Art. 531-3 and 532-12)

Company	Share capital *(in euros)*	Equity other than share capital *(in euros)*	Percentage capital owned *(as a %)*	Carrying amount of shares owned: gross *(in euros)*	Carrying amount of shares owned: net *(in euros)*	Loans and advances granted and not reimbursed *(in euros)*	Revenue for year ended *(in euros)*	Profit (loss) for year ended *(in euros)*
A. DETAILED INFORMATION								
• Subsidiaries owned at +50%								
DB Piper	2,436,000	(3,022,002)	100.00	4,272,551	4,272,551	2,143,723	2,139,763	(261,380)
DB Neptune	63,000	(242,330)	100.00	42,265	-	206,701	-	(28,965)
SCI Noratlas	56,223,375	(66,928,376)	99.99	23,352,176	-	48,297,813	4,874,059	(4,826,132)
Immovert	1,362,000	(140,722)	99.99	1,361,992	1,361,992	2,649,914	1,385,486	381,555
Commerces Rendement	6,770,000	16,896,762	100.00	34,576,556	34,576,556	19,031,113	7,795,669	1,432,993
• Equity interests of between 10% and 50%								
B. GENERAL INFORMATION								
• Subsidiaries not included in A								
• Equity interests not included in A								

SUMMARY OF COMPANY RESULTS OVER THE PAST FIVE YEARS

(French Commercial Code Art. R.225-102)

	12/31/2016	31/12/2015	12/31/2014	12/31/2013	12/31/2012
Share capital at end of period					
Share capital (€)	43,667,813	43,667,813	43,667,813	43,667,813	28,015,816
No. of existing ordinary shares	43,667,813	43,667,813	43,667,813	43,667,813	3,501,977
No. of existing preferred shares					
Maximum No. of future shares to be created					
• through conversion of bonds					
• through exercise of subscription rights					
Operating performance and results (€)					
Revenue excluding VAT	206,043	264,235	225,173	131,211	149,703
Net profit (loss) before taxes, employee profit-sharing and depreciation and amortisation expenses and provisions	4,501,228	2,039,433	541,885	1,004,533	(1,805,864)
Income tax		32	65,213		
Employee profit-sharing for the period					
Net profit (loss) after taxes and employee profit-sharing and depreciation and amortisation expenses and provisions	415,171	1,375,085	(779,764)	(824,653)	(9,525,257)
Income distributed					
Earnings per share (€/share)					
Net profit (loss) after taxes and employee profit-sharing but before depreciation and amortisation expenses and provisions	0.10	0.05	0.01	0.02	(0.52)
Net profit (loss) after taxes and employee profit-sharing and depreciation and amortisation expenses and provisions	0.01	0.03	(0.02)	(0.02)	(2.72)
Dividend per share					
Employees					
Average number of employees during the period	5	5	3	1	-
Payroll for the period (€)	605,636	537,518	427,116	132,703	-
Employee benefits for the period (€)	255,485	217,423	177,789	51,840	-

3.10 Statutory Auditors' report on the financial statements for the year ended 31 December 2016

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

To the Shareholders,

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

- the audit of the accompanying financial statements of M.R.M. 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.

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 as of 31 December 2016 and of the results of its operations for the year then ended in accordance with French generally accepted accounting principles.

Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce), we bring to your attention the following matter.

The note 3 "Financial assets" in the "Accounting Policies" section of the notes to the financial statements refers to principles and methods adopted concerning the accounting and the valuation of financial assets.

As part of our assessment of the accounting principles applied by your company, we verified the appropriateness of the accounting methods describes above and the information provided in the notes to the financial statements. We have ensured their correct application.

Our work consisted in assessing the methods adopted by your company on this matter and performing some tests in order to ensure their application. The recoverable value of the shares of companies that hold tangible assets depends on the market value of these assets; we have verified that these assets were valued by an independent appraiser. Our work consisted notably in examining the appraisers' reports, analyzing the data and assumptions retained in order to establish all the estimates and appreciating the approval processes of these estimates by management.

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

Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, 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.225-102-1 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favour, 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 your Company or controlled by it. Based on this work, we attest 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 the shareholders has been properly disclosed in the management report.

The Statutory Auditors

Paris-La Défense and Lyon, on 3 April 2017

French original signed by

For KPMG AUDIT FS I
Isabelle Goalec
Partner

For RSM Rhône-Alpes
Gaël Dhalluin
Partner

4. CORPORATE GOVERNANCE

4.1 Information on the management – Procedure for executive management

In accordance with Article R.225-102 of the French Commercial Code, we remind you that the functions of Chairman of the Board of directors and Chief Executive Officer were split by decision of the Board of directors at its meeting of 29 May 2013 pursuant to Article L.225-51-1 of the French Commercial Code.

4.2 Board of directors

The Board of directors consists of a minimum of three members and a maximum of twelve, unless it has special legal dispensation. Directors are appointed by the Ordinary General Meeting, which may also remove them from office at any time. In the event of absence due to death or the resignation of one or more directors' seats, the Board of directors may make provisional appointments between two General Meetings. If the number of directors falls below three, the remaining director(s) must immediately call an Ordinary General Meeting with a view to adding members to the Board. Provisional appointments made by the Board are subject to ratification from the next Ordinary General Meeting. A director appointed to replace another remains in office for the remaining term of office of their predecessor (Article 11 of the Articles of Association).

Each director must own at least one Company share (Article 11 of the Articles of Association). To ensure that directors' interests match those of the Company, the Board, at its meeting of 26 February 2014, strengthened this obligation by setting the minimum shareholding requirement at a number of shares worth €1,000 to be held for the entire term of office of each director involved (these being understood to be directors not related to the majority shareholder) (Part III (2) of the Internal Regulations). The directors' term of office lasts four years and expires at the end of the Ordinary General Meeting held to approve the financial statements for the past year, held in the year in which the term expires. On an exceptional basis, at a General Meeting implementing the renewal of directors by rotation, the General Meeting may appoint one or more directors for a term of office less than four years.

The number of directors having reached the age of 70 may not exceed one-third of members of the Board. If this limit is reached, the oldest director is expected to step down at the end of the Ordinary General Meeting to approve the financial statements for the year in which the abovementioned one-third limit is exceeded (Article 11 of the Articles of Association).

The Board of directors appoints one of its members as Chairman. The Chairman must be a natural person and the Chairman's term of office cannot exceed their term of office as a director. The Board may terminate their term of office at any time. When the Board votes on the termination of the Chairman's term of office, the Chairman does not take part in this vote (Article 12 of the Articles of Association). The age limit for holding office as Chairman is 68.

The Company diverges from the recommendations of the AFEP-MEDEF Code of Corporate Governance for listed companies revised in November 2016 (the AFEP-MEDEF Code) in a few areas which are detailed in the report of the Chairman of the Board of directors on the workings of the Board and on internal control (see section 4.5 of this Registration Document) and which are summarised below:

- specialist committees (to date, the Board has only established two committees – the Audit Committee and the Strategic Committee – mainly due to the specific nature of its size and activity as explained in para. 1.1.1 of section 4.5); and
- absence of staggered director appointments by rotation (as explained in para. 1.1.2 of section 4.5).

4.2.1 Composition of the Board of directors

There are currently seven directors on the Board of directors. Of these, three are independent as defined by the AFEP-MEDEF Code.

The Board of directors does not have any employee-elected members as M.R.M. currently only has four employees.

No censor has been appointed. In accordance with the terms of the internal regulations adopted by the Board on 23 February 2017, its composition complies with the following principles:

- application of rules of good governance;
- an adequate number of directors to enable strong individual participation;
- the composition of the Board must ensure the impartiality of its deliberations. As such, at least one-third (1/3) of the Board must be independent with no direct or indirect ties to the Company or the Group as defined by the AFEP-MEDEF Code;
- Board Committees are made up of directors who are independent (Audit Committee) and chosen for their specific skills (Audit Committee and Strategic Committee);
- diversity of skills: in addition to experts from the office and retail property sectors, the Board includes representatives of finance, asset management and corporate governance;
- a significant proportion of female directors;
- regular assessment of the workings of the Board.

The nomination of candidate directors is proposed by the Board to the General Meeting of Shareholders, in view of their knowledge, skills, experience, merit and independence with respect to the Company's activities.

The directors serve the Company's interest. The composition of the Board changed during 2016. The report of the Chairman of the Board of directors on the workings of the Board and on internal control, presented in section 4.5 of this Registration Document, details the changes in the composition of the Board during 2016.

At the date of this report, Board membership was as follows:

Director's name	Main offices and positions held within the M.R.M. Group	Other offices and positions held outside the M.R.M. Group	Other offices and positions previously held in the last five years outside the M.R.M. Group
François de Varenne Born on 10/18/1966 French national First appointed on 05/29/2013 End of current term of office: General Meeting to approve the 2016 financial statements Holds 1 Company share	Chairman of the Board of directors of M.R.M. SA Chairman of the Strategic Committee of M.R.M. SA	Main offices and positions held within SCOR: Member of SCOR SE Executive Committee[(a)] Chairman of the Management Board of SCOR Investment Partners SE Chairman of the Supervisory Board of Château Mondot SAS Chairman of the Board of directors of SCOR Properties SPPPICAV SAS Chairman of the Board of directors of SCOR Properties II SPPPICAV SAS Chairman of the Board of directors of SCOR ILS Fund SA, SICAV-SIF (Luxembourg) Chairman of the Board of directors of SCORLUX, SICAV-SIF (Luxembourg) Chairman of SCOR Capital Partners SAS Chairman of SCOR Auber SAS Chairman of DB Caravelle SAS Chairman of 5 Avenue Kléber SAS Chairman of 50 Rue La Pérouse SAS Director of Gutenberg Technology SAS Director of Humensis Main offices and positions held outside SCOR: None	Main offices and positions held within SCOR: Chairman and Chief Executive Officer of Humensis Director of Presses Universitaires de France Chairman of the Board of directors of Editions Belin SAS Chairman and Chief Executive Officer of SCOR Auber SA Chairman of Mobility SAS Director of SCOR ILS Fund SA, SICAV-SIF (Luxembourg) Director of SCOR Alternative Investments SA (Luxembourg) Main offices and positions held outside SCOR: None
Jacques Blanchard Born on 02/18/1951 French national First appointed on 06/29/2007 End of term of office as Director: General Meeting to approve the 2016 financial statements End of term as Chief Executive Officer: 06/30/2017[(b)] Holds 1 Company share directly and 42,838 shares via JAPA, an entity he controls	Chief Executive Officer of M.R.M. SA Director of M.R.M. SA Member of the Strategic Committee of M.R.M. SA	Managing Partner of SC JAPA Managing Partner of SCI Aux derniers	None

(a) Listed company.

(b) On 23 February 2017, the Board decided to separate the term of office of the Chief Executive Officer from that of Director and thus extend his term of office until 30 June 2017 so that it expires at the end of the first half of 2017.

Director's name	Main offices and positions held within the M.R.M. Group	Other offices and positions held outside the M.R.M. Group	Other offices and positions previously held in the last five years outside the M.R.M. Group
Gérard Aubert Born on 02/15/1944 French national First appointed on 04/20/2009 End of current term of office: General Meeting to approve the 2016 financial statements Holds 1,172 Company shares	Independent Director of M.R.M. SA Member of the Audit Committee of M.R.M. SA	Chairman of SASU Trait d'Union Member of the Supervisory Board of Hoche Gestion Privée	Director of Sogeprom SA Director of Eurosic[a] Managing Partner of Gestion Immobilière Marrakech
Brigitte Gauthier-Darcet Born on 03/07/1955 French national First appointed on 11/29/2011 End of current term of office: General Meeting to approve the 2016 financial statements Holds 3,000 Company shares	Independent Director of M.R.M. SA Chairperson of the Audit Committee of M.R.M. SA	Independent Director of Technoutil SA Manager of SARL Neufbis'ness Manager of SCI B2V Member of the Operational and Strategic Committee of CBRE France Member of the Management Committee of CBRE France Chief Executive Officer of GIE CBRE Business Services	Director of Groupe Express-Roularta SA Director of Transport'Air SA Director and Deputy Chief Executive Officer of CIPM International SA Non-partner Chief Executive Officer of Financière du Château des Rentiers SAS
Valérie Ohannessian Born on 03/27/1965 French national First appointed on 06/02/2016 End of current term of office: General Meeting to approve the 2017 financial statements Holds 1,875 Company shares	Independent Director of M.R.M. SA	Deputy Chief Executive Officer and Member of the Management Committee of Fédération Bancaire Française Manager and Director of publications of Groupe Revue Banque	None
SCOR SE represented by Karina Lelièvre Born on 12/12/1967 French national its permanent representative First appointed on 05/29/2013 End of current term of office: General Meeting to approve the 2016 financial statements Holds 26,155,662 Company shares	Director of M.R.M. SA	Positions held by SCOR SE: Sole Director of GIE Colombus Director of Crédit Logement Assurance Director of Euromaf Re SA (Luxembourg) Director of Arope Insurance (Lebanon) Member of the Management Committee of Cogedim Office Partners Positions held by Karina Lelièvre: None	Positions held by SCOR SE: Director of SGF Director of SCOR Auber Director of FERGASCOR Director of ASEFA (Spain) Positions held by Karina Lelièvre: None

(a) Listed company.

Director's name	Main offices and positions held within the M.R.M. Group	Other offices and positions held outside the M.R.M. Group	Other offices and positions previously held in the last five years outside the M.R.M. Group
Jean Guitton Born on 10/06/1956 French national First appointed on 05/29/2013 End of current term of office: General Meeting to approve the 2016 financial statements Holds 1 Company share	Director of M.R.M. SA Member of the Strategic Committee of M.R.M. SA Member of the Audit Committee of M.R.M. SA	Main offices and positions held within SCOR: Chairman of SAS Euclyde Chairman of Société Immobilière Coligny SAS Chairman of Société Immobilière Pershing SAS Chief Executive Officer of SCOR Auber SAS Chief Executive Officer of DB Caravelle SAS Chief Executive Officer of 50 Rue La Pérouse SAS Chief Executive Officer of 5 Avenue Kléber SAS Manager of SCI Marco Spada Manager of SCI Léon Eyrolles Cachan SCOR Manager of la SCI Immoscor Manager of SCI Compagnie Parisienne de Parkings Manager of SCI Montrouge BBR Manager of SCI Garigliano Manager of SCI Le Barjac Permanent representative of SCOR Investment Partners SE, Chairman of SCOR Properties SPPPICAV SAS Permanent representative of SCOR Investment Partners SE, Chairman of SCOR Properties II SPPPICAV SAS Permanent representative of SCOR SE [a] on the Cogedim Office Partners Management Committee Permanent representative of SCOR Global P&C SE on the OPCI River Ouest Board of directors Permanent representative of SCOR Global P&C SE on the Technical Property Fund 2 Board of directors Main offices and positions held outside SCOR: None	Main offices and positions held within SCOR: Chairman of Humensis Manager of SCI 3-5 Avenue de Friedland Deputy Chief Executive Officer and Director of SCOR Auber Manager of SCI Hauteville – SCOR Manager of SCI Garibaldi – SCOR Permanent representative of SCOR Auber on the SGF Board of directors Permanent representative of the SCOR Auber manager at SNC Immobilière Sébastopol Offices and main positions held outside SCOR: None

(a) Listed company.

The Board has an Audit Committee which is responsible for the following (see report of the Chairman of the Board of directors on the operation of the Board and on internal control included in section 4.5 of this Registration Document):

- examining the financial statements and ensuring the relevance and consistency of the accounting methods adopted to prepare the separate and consolidated financial statements;
- monitoring the process used to prepare the financial information and, where necessary, making recommendations to ensure their integrity;
- monitoring the efficiency of the internal control, risk management and, where necessary, internal audit systems regarding the procedures for preparing and processing the accounting and financial information without jeopardising its independence;
- monitoring the completion of the Statutory Auditor's duties;
- making recommendations on the Statutory Auditors to be proposed for appointment at the General Meeting;
- ensuring compliance by the Statutory Auditors with its independence conditions;
- approving the provision of services other than certification of the financial statements by the Statutory Auditors.

On 29 May 2013, the Board set up a Strategic Committee which is responsible for the following (see report of the Chairman of the Board of directors on the operation of the Board and on internal control included in section 4.5 of this Registration Document):

- studying strategic issues involving the Group;
- supervising the execution of Group strategy by general management;
- reviewing any major investment, acquisition or disposal plans;
- supervising the drafting of a business plan and monitoring its implementation;
- examining the financing policy of the Company and its subsidiaries (including any plans to change, repay early, renegotiate or refinance the existing debt).

Lastly, to comply with the AFEP-MEDEF Code, the Chairman, in his report on the operation of the Board and on internal control, commented on the Company's implementation of the recommendations of the AFEP-MEDEF Code during 2016.

The content of the Chairman's report was approved at the Board's meeting of 23 February 2017 and is included in section 4.5 of this Registration Document.

4.2.2 Professional experience of the Directors

François de Varenne	François de Varenne graduated from the École Polytechnique and the École Nationale des Ponts et Chaussées as a civil engineer. He holds a doctorate in Economic Sciences and an actuary degree from the French Institute of financial and actuarial sciences (ISFA). He joined the SCOR Group in 2005 and served as Head of Corporate Finance and Asset Management, then as Group *Chief Operating Officer*. In late 2008, François de Varenne was appointed Chairman of the Management Board of SCOR Investment Partners SE. He has been a member of the SCOR Group Executive Committee since 2007.
Jacques Blanchard	Jacques Blanchard is a graduate of HEC and has a degree in Business Law. *He was* Managing Director of CBRE Global Investors from 2003 to 2013, in charge of retail property investment strategies in France. He has over 20 years of experience in retail property. Before joining CBRE Global Investors, he was Chief Executive Officer of the shopping centres division of the French subsidiary of the British property company Hammerson. Previously, as Property Director of Marks & Spencer for Continental Europe, he acquired more than 50,000 sqm of retail premises for 14 stores in France and other European countries. He also completed major restructuring/extension operations involving shops on Boulevard Haussmann in Paris and rue Neuve in Brussels.
Gérard Aubert	Gérard Aubert is a well-known figure in the property industry, with over 40 years of professional experience in the sector. From April 1979 to the end of 2006, he successively held the positions of Deputy Chief Executive Officer and Chief Executive Officer of CBRE and has been Chairman since 1983. He is currently Chairman of the property consultancy firm Trait d'Union.
Brigitte Gauthier-Darcet	Brigitte Gauthier-Darcet has an engineering degree from the École Centrale de Paris and is a graduate of the Paris Institute of Political Studies (IEP). She has over 30 years' professional experience in the fields of engineering, construction, communications and investment. Having started her career at Serete where she headed the finance department, she held a number of financial and senior management positions at Lagardère Active. She subsequently carried out a number of consultancy and management assignments and was Director and Deputy Chief Executive Officer of CIPM International from 2007 to 2013. She now oversees the support functions at CBRE France. Brigitte Gauthier-Darcet is a member of Institut français des administrateurs (IFA).
Jean Guitton	Jean Guitton is a Chartered Architect. He holds a Masters (DESS) degree in Urban Planning from the Paris Institute of political studies (IEP) and is an associate member of the French Institute of property appraisers. He joined the SCOR Group in 2000 and is Head of Real Estate. After a first experience as an urban planning architect, Jean Guitton successively held the positions of analyst, Property Appraiser, then Head of International at the Bourdais group. He pursued his career as Head of International Development at Pelege Entreprises, Head of Commercial Real Estate Programs at SMCI, and Head of Real Estate and Investor Relations at Sagitrans/Safitrans.
Valérie Ohannessian	Valérie Ohannessian is a graduate of the Paris Institute of Political Studies (IEP) and holds the "Certificat d'aptitude à la profession d'avocat" (French law diploma) as well as a Master's Degree in Banking and Financial Law from the Université Paris I Panthéon-Sorbonne. She joined the French Banking Federation in 2001 and has held the position of Deputy Director General since 2008. As such, she is responsible most notably for the "strategy, public affairs, communication" and "retail banking, payment methods and systems, digital" sectors. She has also been manager and director of publications of Groupe Revue *Banque* since 2006. She previously held various management positions in marketing, communication and public affairs at Gan, the French Federation of Insurance Companies, and Andersen Consulting.
SCOR SE	SCOR SE is a European company with a share capital of €1,516,589,466.80 whose head office is located at 5 avenue Kléber, 75016 Paris listed under number 562 033 357 in the Paris Trade and Companies Register. The fifth largest reinsurer worldwide, the SCOR Group is organised around two commercial activities, SCOR Global P&C (Property & Casualty reinsurance) and SCOR Global Life (Life reinsurance), and an asset management business, SCOR Investment Partners. Karina Lelièvre, permanent representative of SCOR SE on the M.R.M. Board of directors, is a graduate of ESSEC business school. She worked for six years in the senior management team of a subsidiary of the Pierre & Vacances group before joining the marketing and sales departments of the Méridien hotels group. She joined the SCOR Group's Financial Communications department in 2003 and then spent seven years as the Chairman's executive assistant. She joined the SCOR SE general secretariat in 2010 as Deputy Company Secretary.

4.2.3. Directors whose terms of office expire at the Combined General Meeting of 1 June 2017

The terms of office of the following six Directors end at the General Meeting called to approve the financial statements for the year ended 31 December 2016:

- François de Varenne, Chairman of the Board of directors;
- Jacques Blanchard, Director and Chief Executive Officer;
- Gérard Aubert, independent Director;
- Brigitte Gauthier-Darcet, independent Director;
- Jean Guitton, Director;
- SCOR SE, Director (legal person), represented by Karina Lelièvre.

The Board of directors at its meeting of 4 April 2017 decided to propose to shareholders to renew the terms of office of these Directors for various terms in order to comply with the AFEP-MEDEF recommendation that terms of office be staggered so as to avoid block renewals and ensure the renewal process runs smoothly. Pursuant to Article 11 of the Articles of Association, renewals of terms of office will be proposed for one, two or four year terms.

Shareholders will therefore be asked to:

- renew the terms of office of SCOR SE, François de Varenne and Brigitte Gauthier-Darcet for a term of four years expiring at the end of the General Meeting to be held in July 2021 to approve the financial statements for the year then ended;
- renew the terms of office of Jacques Blanchard and Gerard Aubert for a term of two years expiring at the end of the General Meeting to be held in July 2019 to approve the financial statements for the year then ended;
- renew the soon-to-expire term of office of Jean Guitton for a term of one year expiring at the end of the General Meeting to be held in 2018 to approve the financial statements for the year then ended.

These Directors have informed the Company that they accept the renewal of their office.

4.2.4 Directors whose appointment will be submitted for approval to the Combined General Meeting of 1 June 2017

None.

4.2.5 Family connections between these individuals

None.

4.3 Corporate governance

To the Company's knowledge, and on the day of this Registration Document, no member of the Board of directors and general management, in the past five years:

- was found guilty of fraud;
- was associated as a corporate officer in any insolvency, sequestration proceedings or liquidation;
- was accused of any offence and/or incurred any official public penalty imposed by statutory or regulatory authorities;
- was prevented by a court order from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of the affairs of any company;
- is linked to the Company or any of its subsidiaries by a service agreement granting any specific benefits.

The directors of the Company and their representatives, in the case of corporate entities, report to the Board of directors on any actual or potential conflicts of interest to which they are or may be exposed.

Potential conflicts of interest exist concerning SCOR SE in its dual role as majority shareholder and director of the Company and concerning directors from SCOR Group. Directors have a duty of loyalty to the Company and are bound to act in its best interests. Conflicts of interests between companies and majority shareholders are governed by the legislation and case law in force, and the Company has also drawn up specific rules to prevent conflicts of interests in the internal regulations adopted at the Board's meeting of 23 February 2017.

In this regard, Brigitte Gauthier-Darcet highlighted a potential conflict of interest concerning her which the Board considered and rejected at its meeting of 15 December 2015 (see the report of the Chairman of the Board of directors on the operation of the Board and on internal control in section 4.5 of this Registration Document).

Thus, to the Company's knowledge, and on the day of this Registration Document, no conflict of interests was identified among the duties of each member of the Board and general management regarding the Company as corporate officers and their private interests or other duties.

To the Company's knowledge, and on the day of this Registration Document, no arrangement or agreement with main shareholders, customers or suppliers exists under the terms of which any member of the Board acts in this capacity.

To the Company's knowledge, and on the day of this Registration Document, no restrictions have been agreed with the members of the Board and general management concerning the sale of their shareholding in the Company.

4.4 Remuneration

In accordance with Article L.225-102-1 of the French Commercial Code, Commission Regulation 809/2004 (as regards information contained in prospectuses) and the recommendations of the AFEP-MEDEF Code, we now report the total remuneration and benefits in kind paid to each corporate officer by the Company or entities under its control or the entity controlling it as defined by Article L.223-16 of the French Commercial Code in 2016.

In 2016, the Company's executive corporate officers were François de Varenne, Chairman of the Board of directors, and Jacques Blanchard, Chief Executive Officer.

In 2016, the Company's non-executive corporate officers were Gérard Aubert, Brigitte Gauthier-Darcet, Jean Guitton, Valérie Ohannessian and SCOR SE.

The Company's executive and non-executive corporate officers received no stock options or bonus shares, given that the Company has not set up any stock option or bonus share award plans.

At its meeting of 2 June 2016, the Board decided to use the amount of €40,000 which had been allocated to directors' fees for the year ended 31 December 2016 by the General Meeting of 2 June 2016, to remunerate the attendance of the independent directors, namely Gérard Aubert, Brigitte Gauthier-Darcet and Valérie Ohannessian.

Since 1 August 2013, Jacques Blanchard has received remuneration in his capacity as Chief Executive Officer but has not received any director's fees.

The table below provides a summary of the total remuneration and options and shares allocated by the Company and its parent company SCOR SE to the executive corporate officers over the last two years:

	2016	2015
François de Varenne, Chairman of the Board of directors(1)		
Remuneration due for the financial year	€974,580	€961,265
Value of multiyear variable remuneration awarded during the year	-	-
Value of options allocated by SCOR SE during the year	€1,263,000	€1,199,200
Value of bonus shares awarded by SCOR SE during the year	€132	€1,224,000
TOTAL	**€2,237,912**	**€3,384,465**
Jacques Blanchard, Chief Executive Officer		
Remuneration due for the financial year	€388,495	€280,821
Value of multiyear variable remuneration awarded during the year	-	-
Value of options allocated during the year	-	-
Value of bonus shares allocated	-	-
TOTAL	**€388,495**	**€280,821**

(1) François de Varenne receives no remuneration or any benefits from the Company or its subsidiaries. He is remunerated by SCOR SE, the Company's parent company as defined by Article L.233-16 of the French Commercial Code, as a member of its Executive Committee. To this end, no remuneration is due or awarded to him as Chairman of the Board of directors of M.R.M. Remuneration and benefits paid to François de Varenne by SCOR SE are set out in section 4.4.2 of this Registration Document.

The table below provides a summary of executive corporate officers' employment contracts, specific pensions, severance pay and non-compete clauses agreed with the Company:

	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due following termination or change of duties		Compensation due under a non-compete clause	
Executive corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
François de Varenne		X(1)		X		X		X
Chairman of the Board of directors								
Start of term of office: 29 May 2013								
End of term of office: General Meeting called to approve the financial statements for the year ended 31 December 2016								
Jacques Blanchard		X		X	X			X
Chief Executive Officer					See section 4.4.1 below			
Start of term of office: 29 May 2013								
End of term of office: 30 June 2017								

(1) François de Varenne has an employment contract with SCOR SE.

Insofar as neither the Company, nor its subsidiaries, operate any pension or supplementary pension schemes, these companies have not set aside, or recognised, any sums for the payment of pension, retirement or other benefits.

4.4.1 Remuneration of the Chief Executive Officer

Pursuant to the recommendations of the AFEP-MEDEF Code applicable to the Chief Executive Officer, Jacques Blanchard does not have an employment contract with the Company.

Annual remuneration

At its meeting on 29 May 2013, the Company's Board of directors decided that the Chief Executive Officer would receive:

- gross fixed annual remuneration of €200,000 in 12 monthly payments from 1 August 2013; and
- variable annual remuneration of up to 40% of his gross fixed annual remuneration (or €80,000) conditional on achieving quantitative and/or qualitative targets set by the Board for the year in question. If the targets for a given year are met, the bonus will be paid in March of the following year.

With regard to 2016, the Board met on 25 February 2016 to set the targets on which the granting of said bonus is conditional. Thus the annual variable remuneration of the Chief Executive Officer for 2016 was determined based on whether the following targets were achieved, in full or in part, over the same period and in a manner satisfactory to the Group: (i) consolidating rental revenues for retail assets, (ii) implementing upgrading programs for retail assets, (iii) implementing the office disposal plan, (iv) refinancing the bank debt maturing in 2017, and (v) defining a strategic plan for 2017-2019.

The Board at its meeting of 23 February 2017 assessed the rate of targets reached by the Chief Executive Officer at 90%, corresponding to annual variable remuneration of €72,000 for 2016.

Multi-year variable remuneration

In 2013 it was planned that if Jacques Blanchard completed his term of office as Chief Executive Officer until the end of the Company's Ordinary General Meeting to be held in 2017 to approve the financial statements for the year ending 31 December 2016, he would receive a maximum deferred multiyear gross bonus of €250,000, the breakdown and terms of which are as follows:

- a maximum amount of €150,000 gross in proportion to the achievement of a target internal rate of return (IRR) of 10% per annum in the period beginning 29 May 2013;

- a maximum of €100,000 gross paid on the basis of an average annual evaluation, measured on a discretionary basis by the Board, within a range of between one and five, using the following method of calculation:

► INDIVIDUAL PERFORMANCE BASED ON THE PROGRESS OF WORK ON THE FOUR-YEAR BUSINESS PLAN – WEIGHTED OVER FOUR YEARS

Evaluation	Bonus paid
1	100%
2	75%
3	50%
4	25%
5	0%

Regarding the share of the multiyear variable remuneration based on achieving a target IRR over the period, the Board at its meeting of 23 February 2017 noted that the target had been attained at 17.2%, corresponding to an amount due of €25,800 gross.

Regarding the share of the multiyear variable remuneration based on the average annual evaluation, the weighted average annual rating over four years is 1.75, corresponding to an amount due based on the evaluation of the Board of €81,250 gross.

Consequently, the multiyear variable remuneration for 2013-2016 due to the Chief Executive Officer, subject to continuing his term of office until the General Meeting to be held in 2017 to approve the financial statements for the year then ended, will be €107,050 gross.

Benefits in kind

In accordance with the decision taken by the Board on 29 May 2013, the Chief Executive Officer benefits from health care (mutual) and employee benefit insurance, as well as a company car, within a maximum budget of €30,000.

Severance pay

At its meeting on 31 July 2013, the Board authorised, in the event of Jacques Blanchard having his term of office as Chief Executive Officer terminated early due to a change of control or strategy at the M.R.M. group (a "Forced Departure"), severance pay up to his gross fixed annual remuneration under the terms listed below:

- in the event of Forced Departure, Jacques Blanchard will receive severance pay capped at €200,000, or the equivalent of the gross fixed annual remuneration of the Chief Executive Officer as set by the Board on 29 May 2013 (the "Benefit"). This Benefit will be subject to prior verification of the Performance Requirement defined below;
- the performance requirement (the "Performance Requirement") shall be met for a given financial year if one of the following criteria is fulfilled for two consecutive financial years prior to the Chief Executive Officer's departure date:

1) the IRR of the M.R.M. group must be at least 5%, or
2) M.R.M.'s share price over the reference period must not be more than 10% below that of the IEIF SIIC France index;

- in the event of Forced Departure, the Board shall meet to ascertain whether or not the Performance Requirement has been met. If the Board observes the realisation of the Performance Requirement, the Benefit shall be paid to the Chief Executive Officer as soon as possible. In the event of a Forced Departure before the expiration of a period of two years after Jacques Blanchard assumed his duties as Chief Executive Officer, the Performance Requirement shall be considered as completed if one of the above criteria is verified on the entirety of the duration of his term of office;
- other than the event of a Forced Departure, and including but not limited to dismissal with good reason due to the fault of the Chief Executive Officer or following a widely recognised negative performance by the Company, or should the Chief Executive Officer leave of his own accord to fill another post inside or outside the Group, no benefit of any kind shall be payable to the Chief Executive Officer.

Pursuant to Article L.225-40-1 of the French Commercial Code, the Board considered this agreement at its meeting on 23 February 2017 and decided to maintain its approval.

Summary of total remuneration of the Chief Executive Officer

The table below provides a summary of the total remuneration, including gross remuneration due and paid, awarded to the Chief Executive Officer for the last two years:

	2016		2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	€200,000	€200,000	€200,000	€200,000
Annual variable remuneration	€72,000	€72,000	€72,000	€72,000
Multi-year variable remuneration(1)	€107,050	-	-	-
Exceptional remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind(2)	€9,445	€9,445	€8,964	€8,964
TOTAL	**€388,495**	**€281,445**	**€280,821**	**€280,821**

(1) Subject to continuing his term of office until the General Meeting to be held in 2017 to approve the financial statements for the year then ended. Multiyear variable remuneration is described in section 4.4.1 above.
(2) Company car, healthcare (mutual) and personal risk insurance.

Jacques Blanchard did not receive any share subscription or purchase options or performance shares from the Company.

4.4.2 Remuneration of the Chairman of the Board of directors

François de Varenne, Chairman of the Board of directors, does not receive any remuneration from the Company or its subsidiaries.

As a member of the Executive Committee of SCOR SE (the entity controlling the Company as defined by Article L.233-16 of the French Commercial Code), he receives from SCOR SE remuneration and benefits which are listed below. To this end, no remuneration is due or awarded to him as Chairman of the Board of directors of M.R.M.

The following table shows the gross remuneration and its components, due and paid for 2016 and 2015, to François de Varenne by SCOR SE:

	2016		2015	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	€525,000	€525,000	€525,000	€525,000
Annual variable remuneration	€444,360	€431,550	€431,550	€434,000
Multi-year variable remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind(1)	€5,220	€5,220	€4,715	€4,715
TOTAL	**€974,580**	**€961,770**	**€961,265**	**€964,115**

(1) Company car.

François de Varenne's variable remuneration is based on quantitative and qualitative criteria. The expected achievement level of quantitative criteria and the qualitative criteria are preset but are not public due to confidentiality.

The following table sets out the stock option plans by SCOR SE for François de Varenne as of 31 December 2016:

Options exercised	Number of shares under stock options	Plan dates	Price	Potential transaction volume	Exercise period
7,308	7,308	09/16/2005	€15.90	€116,197	from 09/16/2009 to 09/15/2015
15,688	15,688	09/14/2006	€18.30	€287,090	from 09/15/2010 to 09/14/2016
-	20,000	09/13/2007	€17.58	€351,600	from 09/13/2011 to 09/12/2017
-	24,000	05/22/2008	€15.63	€375,120	from 05/22/2012 to 05/21/2018
-	32,000	03/23/2009	€14.917	€477,344	from 03/23/2013 to 03/22/2019
-	40,000	03/18/2010	€18.40	€736,000	from 03/19/2014 to 03/18/2020
-	40,000	03/22/2011	€19.71	€788,400	from 03/23/2015 to 03/22/2021
-	40,000	03/23/2012	€20.17	€806,800	from 03/24/2016 to 03/23/2022
-	40,000	03/21/2013	€22.25	€890,000	from 03/22/2017 to 03/21/2023
-	40,000	03/20/2014	€25.06	€1,002,400	from 03/21/2018 to 03/20/2024
-	40,000	03/20/2015	€29.98	€1,199,200	from 03/21/2019 to 03/20/2025
-	40,000	03/10/2016	€31.58	€1,263,000	from 03/11/2020 to 03/10/2026
22,996	**378,996**			**€8,293,351**	**TOTAL**

The following table sets out the SCOR SE bonus share award plans for François de Varenne as of 31 December 2016[1]:

Plan	Rights to bonus shares	Award value per share	Total award value	Date of transfer
2005 Plan	7,000	€17.97	€125,790	09/01/2007
2006 Plan	15,000	€14.88	€223,200	11/08/2008
2007 Plan	20,000	€15.17	€303,400	05/25/2009
2008 Plan	24,000	€17.55	€421,200	05/08/2010
2009 Plan	32,000	€18.885	€604,320	03/17/2011
2010 Plan	40,000	€19.815	€792,600	03/03/2012
2011 Plan	40,000	€22.61	€904,400	03/08/2013
2011–2019 *Long-Term Incentive Plan*	40,000	-	-	09/02/2017
2012 Plan	40,000	€24.46	€978,400	03/20/2014
2012 Plan (PPP)[2]	5	€24.55	€123	07/27/2014
2013 Plan	40,000	€30.60	€1,224,000	03/06/2015
2014 Plan	40,000	-	-	03/05/2018
2014 Plan (PPP)[3]	5	€26.33	€132	07/31/2016
2015 Plan	40,000	-	-	12/19/2018
2016 Plan	40,000	-	-	02/24/2019
2016–2022 Long-Term Incentive *Plan*	40,000	-	-	02/24/2022
TOTAL	**458,010**		**€5,577,565**	

(1) Shares allocated since 2008 are subject to performance conditions. These conditions relate to one-third of the shares allocated under the plan of 7 May 2008, half of the shares allocated under the plan of 16 March 2009, and all of the shares allocated since the plan of 2 March 2010. Nevertheless, as regards the Chairman and Chief Executive Officer, all shares allocated since the plan of 16 March 2009 are subject to performance conditions. For further details on the performance conditions applicable to bonus shares, see section 17.3 of SCOR's 2014 Registration Document and its Registration Documents filed with the AMF on 5 March 2014 and 6 March 2013 under numbers D.14-0117 and D.13-0106, respectively.

(2) This bonus share scheme applies to all SCOR Group employees resident in France pursuant to the collective agreement signed on 20 July 2012 within the framework of negotiations with social partners in France on the profit-sharing arrangements instigated by the Amended Budget Law on Social Security of 28 July 2011 in respect of 2011. It provides for the award of five bonus shares without any attendance or performance conditions.

(3) This bonus share scheme applies all SCOR Group employees under employment contract in France pursuant to the collective agreement signed on 3 July 2014 within the framework of negotiations with social partners in France on the profit-sharing arrangements instigated by the Amended Budget Law on Social Security of 28 July 2011 in respect of 2011. It provides for the award of five bonus shares without any attendance or performance conditions.

4.4.3 Remuneration of non-executive corporate officers

The table below summarises the remuneration received by non-executive directors over the last two years:

Directors' fees and other remuneration received by non-executive corporate officers	Amounts paid in 2016	Amounts paid in 2015
Gérard Aubert		
Directors' fees	€14,500	€13,000
Other remuneration	-	-
Brigitte Gauthier-Darcet		
Directors' fees	€19,500	€13,000
Other remuneration	-	-
Jean Guitton		
Directors' fees	-	-
Other remuneration	-	-
Valérie Ohannessian		
Directors' fees	€6,000	
Other remuneration		
SCOR SE		
Directors' fees	-	-
Other remuneration	-	-
TOTAL	**€40,000**	**€26,000**

At its meeting of 15 December 2015, the Board decided that from 1 January 2016, directors' fees for committee chairpersons would be doubled.

4.5 Report of the Chairman of the Board of directors on the operation of the Board and on internal control

In accordance with Article L.225-37 of the French Commercial Code, the purpose of this report is to set out the manner in which the work of the Board of directors is prepared and organised, together with the internal control procedures put in place by the Company, and to present any limitations imposed by the Board of directors on the powers of the Chief Executive Officer.

This report was prepared by the Chairman of the Board of directors and approved by the Board at its meeting of 23 February 2017.

In preparing this report, the Chairman was guided by the AMF reference framework issued in July 2010, the AMF implementation guide for small and medium caps issued in July 2010, the 2016 AMF report on corporate governance and executive remuneration of 17 November 2016, and the revised and enhanced version of the AFEP-MEDEF Code application guidelines issued by the High Committee for Corporate Governance in November 2016. The AFEP-MEDEF Code is available online at www.afep.com.

The report's preparation gave rise to preparatory work involving the Chairman of the Board of directors, the CEO, the CFO and the Head of Asset Management. This report is subject to internal review by the Group's various governing bodies, namely the Strategic Committee and the Board of directors.

1. Declaration of compliance with the AFEP-MEDEF Corporate Governance Code

Following the Board's deliberations on 24 November 2008, it was decided that the Company would gradually comply with the AFEP-MEDEF recommendations on corporate governance, including the recommendation of 6 October 2008 on the remuneration of executive corporate officers of listed companies, as incorporated in the AFEP-MEDEF Code of Corporate Governance of December 2008 amended in November 2016 (the "AFEP-MEDEF Code") and in the AFEP-MEDEF Code application guidelines issued by the High Committee for Corporate Governance in December 2016 (the "HCGE Recommendations").

The aforementioned AFEP-MEDEF Code and HCGE Recommendations may be consulted at the Company's head office.

In accordance with Article L.225-37-7 of the French Commercial Code, the present report details the reasons why certain provisions of the AFEP-MEDEF Code, which the Company voluntarily adopted, and certain HCGE Recommendations were rejected or are in the course of being implemented.

1.1 Points still requiring compliance

1.1.1 Composition and number of specialist committees (recommendations 16 and 17 of the AFEP-MEDEF Code)

The Board is assisted in the performance of its work by an Audit Committee and a Strategic Committee. The Company had no other specialist committee on the date of this report. This situation is explained in particular by the Company's size and business and the fact that it has only four employees.

The duties of a Remuneration Committee, as defined in the AFEP-MEDEF Code, are currently directly performed by the Board of directors. In addition, the necessity for such a Committee appears limited at the present time insofar as the Chief Executive Officer is the sole executive corporate officer paid by the Company and it was decided that only independent directors would receive directors' fees, in accordance with the allocation rule presented in paragraph 2.16.1 of this report.

Similarly, the duties of a Nomination Committee, as defined in the AFEP-MEDEF Code, are for the same reasons currently directly performed by the Board of directors.

1.1.2 Staggering of Directors’ terms of office (recommendation 13 of the AFEP-MEDEF Code)

At the Combined General Meeting of 13 May 2013, all Directors were appointed or reappointed for a period of four years expiring at the Ordinary General Meeting to be held in 2017 to approve the financial statements for the year ended 31 December 2016.

The purpose of this block renewal was to stabilise the Board during SCOR SE’s acquisition of a majority stake in the Company in 2013.

The staggered renewal of appointments is due to be reinstated at the Ordinary General Meeting to be held in 2017 to approve the financial statements for the year ended 31 December 2016. The shareholders will be asked to use the option open to them pursuant to Article 11 of the Articles of Association to appoint Directors for different lengths of time so as to reinstate the staggered renewal of appointments.

2. Conditions for preparing and organising the work of the Board of directors

2.1 Rules governing the composition of the Board of directors

The Articles of Association provide for the Company to be administered by a Board of directors with a minimum of three and a maximum of twelve members, appointed by the Ordinary General Meeting for a period of four years. The terms of office of outgoing directors may be renewed. The directors may be dismissed at any time by the Ordinary General Meeting. The number of Directors having reached the age of 70 may not exceed one-third of the total number holding office.

According to the Articles of Association, each Director must hold at least one share during their term of office. Furthermore, in view of recommendation 22 of the AFEP-MEDEF Code, the Board plans to set, in 2017, when renewing the terms of office of the executive corporate officers, a minimum amount of shares that the latter must hold in registered form until the end of their terms of office.

The Board of directors appoints one of its members as Chairman. The Chairman must be a natural person and the Chairman’s term of office cannot exceed their term of office as a director. The Board may terminate their term of office at any time. Since the General Meeting of 11 June 2009, it is specified in Article 12 of the Articles of Association that when the Board votes on whether to end the Chairman’s term of office, the Chairman abstains from voting. The age limit for holding office as Chairman is 68.

The Board may, if it deems necessary, appoint one or more Vice-Chairmen whose sole role is to chair Board meetings in the absence of the Chairman.

2.2 Composition of the Board of directors

2.2.1 Current composition of the Board of directors

The current members of the Board of directors are:

Director's name	Age	Positions	Date appointed	Date reappointed	End of term of office
François de Varenne	50 years	Chairman of the Board of directors and Chairman of the Strategic Committee	05/29/2013	-	GM 2017
Jacques Blanchard	66 years	Chief Executive Officer, director and member of the Strategic Committee	06/29/2007	05/13/2013	GM 2017
Gérard Aubert	73 years	Independent director and member of the Audit Committee	04/20/2009	05/13/2013	GM 2017
Brigitte Gauthier-Darcet	61 years	Independent director and Chairperson of the Audit Committee	11/29/2011	05/13/2013	GM 2017
Jean Guitton	60 years	Director, member of the Strategic Committee and the Audit Committee	05/29/2013	-	GM 2017
Valérie Ohannessian	51 years	Independent director	06/02/2016	-	GM 2018
SCOR SE represented by Karina Lelièvre	49 years	Director	05/29/2013	-	GM 2017

The following changes were made to the Board's composition in 2016:

Director's name	Nature of change	Effective date	Objective in terms of diversification
Valérie Ohannessian	Appointment	06/02/2016	Gender balance

On 2 June 2016, the General Meeting appointed Valérie Ohannessian as a director for a term of two years expiring at the end of the Ordinary General Meeting to be held in 2018 to approve the financial statements for the year then ended. The Board, meeting on the same day, confirmed that Valérie Ohannessian fulfilled the AFEP-MEDEF Code independence criteria.

Following this appointment, the number of directors now stands at seven, with three independent directors and three female directors on the Board. The Board currently comprises six natural persons and one legal person.

The Board of directors complies with Law 2011-103 of 27 January 2011 on gender balance on Boards of directors as it is composed of three women and four men, i.e. a difference of one between members of each gender.

By virtue of Article L.225-18-1 of the French Commercial Code, after the General Meeting of 2017, the difference between the number of directors of each gender on Boards consisting of up to eight members may not exceed two.

With the exception of Valérie Ohannessian, the terms of office of the other directors will expire at the end of the Ordinary General Meeting to be held in 2017 to approve the financial statements for the year then ended.

The positions held by directors are listed in section 4.2 of the 2016 Registration Document along with information on the number of Company shares they hold.

2.2.2 Independent directors – Annual review of the independence of each director

The Company applies the definition and criteria for independence established in para. 8 of the AFEP-MEDEF Code. A director is independent when "he/she has no relationship of any kind whatsoever with the company, its group or its management which may interfere with the exercise of his or her free judgement".

At the date of this report, the Board deemed three of its seven directors to be independent as defined by the AFEP-MEDEF Code and its internal regulations, namely Gérard Aubert, Brigitte Gauthier-Darcet and Valérie Ohannessian, i.e. 43% of its members, which corresponds to the proportion referred to in recommendation 8.3 of the AFEP-MEDEF Code applicable to controlled companies. Since 29 May 2013, the Company has been controlled by SCOR SE which owns the majority of voting rights and shares in the Company and as such exerts decisive influence over the Company's management, particularly given that three out of seven of the directors are from SCOR SE.

The proportion of independent directors on the Board is now compliant with the recommendations of the AFEP-MEDEF Code.

Pursuant to the AFEP-MEDEF Code, the Board takes into account the following criteria when deciding on the independence of a director:

1. *"Is not an employee or executive corporate officer of the Company, an employee or director of the parent company or one of its consolidated entities, and has not been in the last five years.*
2. *Is not an executive corporate officer of an entity of which the Company, directly or indirectly, is a director or of which an employee designated as such or an executive corporate officer of the Company (currently or in the last five years) is a director.*
3. *Is not a client, supplier, commercial banker or investment banker:*
   - *with significant weighting for the Company or its Group;*
   - *for which the Company or its Group represents a significant share of business.*
4. *Has no close family ties with an executive corporate officer of the Company.*
5. *Has not been a Statutory Auditor of the Company over the previous five years.*
6. *Has not been a director of the Company for more than twelve years.*

Directors representing significant shareholders of the Company or its parent company may be considered independent if these shareholders have no involvement in the Company's control. Nevertheless, once they have reached a threshold of 10% (reduced by the Company to 5%, see below) of the share capital or voting rights, the Board shall systematically examine their independent status, taking into account the Company's capital structure and potential conflicts of interest."

In addition to the aforementioned criteria defined by the AFEP-MEDEF Code, the Company applies the following criteria and stipulations:

7. Has not received from the Company, in any form, with the exception of directors' fees, gross remuneration higher than €100,000 over the previous five years;
8. Does not represent a significant shareholder of the Company, where:

(i) a shareholder is considered significant if it owns more than 5% of the share capital or voting rights (calculated by consolidating its various equity investments);

(ii) below this threshold, the Board shall systematically examine their independent status taking into account the Company's capital structure and potential conflicts of interest.

The table below shows a summary of the Board's independent members, reviewed by the Board in 2016, in relation to the above independence criteria:

Criteria	1	2	3	4	5	6	7	8	Independent
Gérard Aubert	X	X	X	X	X	X	X	X	Yes
Brigitte Gauthier-Darcet	X	X	X	X	X	X	X	X	Yes
Valérie Ohannessian	X	X	X	X	X	X	X	X	Yes

The Board's internal regulations, adopted on 26 February 2014 and updated on 23 February 2017, include a requirement to perform an individual review of each director on an annual basis to confirm their independence.

This point was on the agenda of the Board's meeting of 7 April 2016 which endorsed compliance with the independence criteria for Gérard Aubert and Brigitte Gauthier-Darcet as well as Valérie Ohannessian who was then a candidate for the position of director and whose independence was later confirmed by the Board on 2 June 2016 at the end of the General Meeting to approve her appointment.

On 15 December 2015, following her appointment to oversee the support functions of business services and as a member of the Operational and Strategic Committee, and the Management Committee of CBRE France, the Board specifically considered the independence of Brigitte Gauthier-Darcet.

The Board's review focused on compliance with the following criteria set out in the AFEP-MEDEF Code and included in the internal regulations of the Board:

(i) the director in question must not represent a significant shareholder of the Company.

In this respect, the threshold of a 10% interest in the share capital or voting rights, set by the AFEP-MEDEF Code, above which the Board must review the independence of the director in question was lowered to 5% by the Board's internal regulations (calculated by consolidating the shareholder's various holdings). CBRE France is not a shareholder of M.R.M. However, CBRE Global Investors France SAS, which belongs to the same group, holds (in concert with third parties) more than 5% of the share capital and more than 8% of the voting rights of M.R.M., making it a major shareholder of the Company. The Board thus considered the nature of the links between CBRE France and CBRE Global Investors France SAS. In light of the annual report and the Corporate Responsibility Report published by the CBRE group, although both entities are held indirectly by the same US holding company, namely CBRE group Inc., the Board noted that:

- the two business segments into which CBRE France and CBRE Global Investors France SAS respectively fall is subject to an operational separation and separate lines in the consolidated financial statements published by their group;
- they are established in separate premises;
- there are no managers common to both companies;
- there are procedures within the group to avoid all conflicts of interest.

On this point, the Board therefore concluded that although both entities belonged to the same group, there appeared to be a genuine separation in their organisations allowing them to be considered as independent from one another.

(ii) The director in question must not be a significant supplier or provider of the Company.

In this respect, the Board noted that in 2015, CBRE France performed various services for the M.R.M. group in a number of its office properties:

- property management, which was recurring but whose remuneration may be considered as not significant (€50,000 excluding VAT in 2015);
- rental marketing, which was neither recurring nor significant (€48,000 excluding VAT in 2015);
- project management, for which the amounts involved may be significant, in view of the total charges incurred by the Group (works contract of €3,740,000 excluding VAT with a balance of €850,000 excluding VAT payable in 2016), but which was not recurring.

On this point, the Board concluded that CBRE France could be considered as a non-significant service provider of the Company.

Lastly, the Board noted that, as Head of support functions at CBRE France, Brigitte Gauthier-Darcet did not work in the field of real estate services provided by the CBRE group, and observed that the choice of M.R.M.'s external providers for the type of assignment likely to be entrusted to CBRE France was a management decision within the remit of its CEO and not of its Board of directors.

In view of the above, the Board concluded that it could reasonably consider neither CBRE Global Investors France nor CBRE France as likely to influence decisions submitted to M.R.M.'s Board of directors and confirmed the independence of Brigitte Gauthier-Darcet.

Lastly, without calling her independence into question, but rather for the sake of a strict separation to exclude any possible conflict of interest, the Board decided that Brigitte Gauthier-Darcet would in future no longer participate in any deliberations of the Board concerning a CBRE group entity.

2.3 Duties of the Board of directors

In accordance with Article L.225-35 of the French Commercial Code, the Board determines the Company's business policies, monitors their implementation and controls the management of the Company. Subject to the powers expressly attributed by the law to Shareholders' Meetings and within the limits of the corporate purpose, the Board may consider any matter related to the successful operation of the Company, and makes decisions governing any matters that concern it. It may also conduct examinations and controls that it deems necessary.

The Board of directors may discuss any matter within its legal, regulatory and statutory powers. In particular, the Board of directors examines and approves the interim and annual financial statements (separate and consolidated financial statements), approves the terms of the reports on the activity and results of the Company, and examines the Chairman of the Board's report on internal control.

The Chief Executive Officer shall report regularly and by any means to the Board of directors on the Company's financial position, cash position and commitments, and on any significant events and transactions pertaining to the Company.

At least once every quarter, the Chief Executive Officer shall present a report to the Board of directors on the activity and operation of the Group.

Each director is entitled to provide additional information on their own initiative, with the Chief Executive Officer being available to provide the Board of directors with explanations and relevant information.

2.4 Duties of the Chairman of the Board of directors

Since 29 May 2013, the functions of Chairman of the Board of directors have been separated from those of the Chief Executive Officer.

The Chairman of the Board of directors performs the duties assigned to him by law. As such, he organises and directs the work of the Board and reports thereon to the General Meeting. The Chairman ensures the proper operation of the Company's decision-making bodies, and in particular ensures that the directors are able to fulfil their duties.

2.5 Duties and powers of the Chief Executive Officer

The Chief Executive Officer has the widest powers to act in all circumstances on behalf of the Company subject to the limitations set forth hereunder. He exercises those powers within the limits of the corporate purpose, subject to the powers that are expressly attributed by the law to Shareholders' Meetings and those that are especially reserved for the Board of directors.

The Chief Executive Officer represents the Company in its relations with third parties.

In line with the Company's internal regulations, the Chief Executive Officer may not undertake the following without prior authorisation from the Board:

- **(i)** approve and make any significant changes to the Company's or Group's annual budget or multiannual business plan;
- **(ii)** acquire or dispose of any Group assets (including Company shares and fund units), and carry out any capital expenditure above €1,000,000;
- **(iii)** carry out any operating expenditure for the Group above €100,000 a year;
- **(iv)** sign on behalf of the Group any lease agreement relating to a total surface area of more than 1,000 sqm and for which the economic terms fall short of those stipulated in the multiannual business plan;
- **(v)** incur any new debt or change the terms of any existing debt (including any early repayment, renegotiation or refinancing of bank loans);
- **(vi)** make any corporate decision requiring advance approval by the Group's banks pursuant to existing financing arrangements or which are likely to impact the Company and its subsidiaries' compliance with their respective declarations and obligations pursuant to said financing arrangements;
- **(vii)** change any management agreements entered into by the Company or its subsidiaries with CBRE Global Investors France;
- **(viii)** hire any employee under a permanent or fixed-term employment contract;
- **(ix)** issue any guarantee, bond or security or grant any collateral and make any off-balance sheet commitment on the part of a Group entity for an amount above €100,000;
- **(x)** sign any transaction agreement relating to a dispute in which the Company and/or its subsidiaries must pay or are likely to have to pay an amount above €100,000;
- **(xi)** carry out any intra-group restructuring such as a merger, spin-off, partial asset contribution, dissolution or creation of an entity;
- **(xii)** change any of the Group's accounting methods; and
- **(xiii)** carry out any significant transaction that does not form part of the Company's announced strategy.

No annual authorisation was given by the Board of directors to the Chief Executive Officer to give deposits, securities and guarantees to the tax and customs authorities and/or with respect to third parties on the Company's behalf, for a period not exceeding one year and, except in the case of guarantees given to tax and customs authorities, subject to the limitations of an overall ceiling set by the Board. Thus every guarantee, bond or security given by the Company with regard to commitments entered into by third parties must be authorised in advance by the Board in accordance with Article L.225-35 of the French Commercial Code.

Throughout the year ended 31 December 2016 and to date, the Company had and has no Deputy Chief Executive Officer.

2.6 Meetings and decisions of the Board of directors

The Board of directors meets as often as required in the interests of the Company, either at the head office or in any other place specified in the notice of meeting. Board meetings may be convened by the Chairman or any person delegated by the Chairman, by any means. If the Board has not met for more than two months, at least one-third of its members may ask the Chairman to call a meeting to consider a particular agenda. In the event of separation of the functions of Chairman of the Board of directors and Chief Executive Officer, as has been the case since 29 May 2013, the Chief Executive Officer may also ask the Chairman to call a Board meeting to consider a particular agenda.

Meetings are chaired by the Chairman of the Board of directors. In the event that the Chairman is absent, the Board is chaired either by a Vice-Chairman (if one has been appointed) or, in the absence of any Vice-Chairman, by one of its members appointed by the Board to chair the meeting.

The Board can only validly deliberate if at least half of its members are present. Decisions are taken by a majority of the votes of the members present or represented.

These internal regulations stipulate in particular that the Board must meet at least four times a year. A draft schedule of meetings is approved in October at the latest for the following year, to enable its members to attend. The Board also organises the use of video conferencing or telecommunications technology for Board meetings, and allows the directors who participate in Board meetings by such means to be considered as present for the purposes of calculating quorum and majority, subject to the limitations and conditions laid down by current legislation and regulations. Such participation via video conferencing or telecommunications is not applicable to Board meetings called in relation to the appointment, remuneration or dismissal of the Chairman, the appointment, remuneration or dismissal of the Chief Executive Officer, the approval of the annual financial statements, consolidated financial statements and the management report.

2.7 Meetings of the Board of directors in 2016

The Board met eight times in 2016 with meetings lasting two to three hours.

The main work carried out during 2016 related to:

- reviewing financial matters, namely approving the 2015 annual financial statements, 2016 half-year financial statements and 2016 budget, reviewing the 2015 Registration Document, approving the 2016 half-year financial report, and selecting the second Statutory Auditors for the 2017-2022 period;
- reviewing corporate governance and human resources, namely the remuneration of the Chief Executive Officer, gender balance on the Board, the self-assessment of the Board, the allocation of directors' fees, and annual deliberations on gender equality and equal pay;
- reviewing and validating business matters, namely monitoring the disposal plan of office properties, upgrading retail properties, refinancing bank maturities, and continuing to simplify the legal ownership structure;
- convening General Meetings and approving related reports (Board reports and the Chairman's report on internal control).

The Board's review of the Chief Executive Officer's performance takes place without the latter's presence, and he no longer takes part in the vote determining his remuneration.

Furthermore, pursuant to recommendation 16.2.2 of the AFEP-MEDEF Code, the Board will consider the succession plan for the Chief Executive Officer at a meeting in 2017.

In 2016, the average attendance rate of the Board's members was 94.3%. The following table shows the attendance of each Board member during the past year:

Members of the Board of directors	Attendance rate
François de Varenne	100%
Jacques Blanchard	100%
Gérard Aubert	100%
Brigitte Gauthier-Darcet	100%
Jean Guitton	88%
Valérie Ohannessian	100%
SCOR SE represented by Karina Lelièvre	75%

2.8 Assessment of the Board of directors in 2016

For the third consecutive year, the Company devised an assessment questionnaire based on the Board's working method and sent it to the directors in November 2016. This helped it to identify areas for improvement as well as those where progress has been made. The questionnaire covered the composition of the Board, its organisation, its operation and the composition and operation of both its committees (Audit Committee and Strategic Committee).

All the directors responded to the questionnaire and the Board dedicated an item on the agenda of its meeting of 8 December 2016 to present a summary of responses to the questionnaire and discuss the topic.

The main conclusions of the analysis were as follows: on a five-point scale (where five is highest), the directors gave scores of between 4.0 and 4.8. with an overall average score of 4.5 in 2016, the Board's assessment of its operation was higher than in 2015 (4.4).

In summary, the directors particularly praised the following positive points:

- compliance with the AFEP-MEDEF Code recommendations;
- gender balance;
- balance of profiles and skills;
- clear policy and compliance therewith regarding any conflicts of interests and the duties of the Board;
- relevance of the topics addressed regarding company issues and the Board's duties;
- progress in the Board's workings since the previous year, reflecting the inclusion of suggestions made during the 2015 assessment, in particular making meetings more efficient by devoting sufficient time to important topics, giving appropriate time to presentations and discussions, and enhancing the quality of deliberations.

The Board also discussed possible new improvements identified by directors, in particular reducing the time to produce meeting minutes, making relevant risk management information available, and introducing offsite work meetings.

2.9 Composition and duties of the Audit Committee

On 20 April 2009, the Board decided to establish an Audit Committee with the following duties:

- examine the financial statements and ensure the relevance and consistency of the accounting methods adopted to prepare the separate and consolidated financial statements;
- monitor:
  - the process used to prepare the financial information, and, where necessary, make recommendations to ensure its integrity,
  - the efficiency of the internal control, risk management and, where necessary, internal audit systems regarding the procedures for preparing and processing the accounting and financial information without jeopardising its independence,
  - the work of the Statutory Auditor by taking into account the remarks and conclusions of the High Council of Statutory Auditors following the controls carried out pursuant to Articles L. 821-9 et seq.;
- make recommendations on the Statutory Auditors to be proposed for appointment at the General Meeting; This recommendation, sent to the Board, is prepared in accordance with Article 16 of Regulation (EU) No. 537/2014; the Audit Committee must also make a recommendation when the reappointment of the Statutory Auditor(s) is being considered in accordance with Article L.823-3-1;
- ensure compliance by the Statutory Auditor with its independence conditions. Where necessary, it takes the necessary measures to apply para. 3 of Article 4 of Regulation (EU) No. 537/2014 and ensures compliance with the conditions referred to in Article 6 of said regulation;
- approve the provision of services other than certifying the financial statements referred to in Article L.822-11-2 of the French Commercial Code.

The Audit Committee regularly reports to the Board on its work. It also reports on the results of its duty to certify the financial statements and the way in which this duty contributed to the integrity of the financial information and the role it played in this process. It reports without delay on any difficulty encountered.

Since 29 May 2013, the Audit Committee has comprised the following members:

- Brigitte Gauthier-Darcet, independent director, Chairperson of the Audit Committee;
- Gérard Aubert, independent director;
- Jean Guitton, director.

Since Gérard Aubert joined the Audit Committee during the financial year 2012, the proportion of independent directors on the Committee has been two-thirds, as recommended by the AFEP-MEDEF Code.

Brigitte Gauthier-Darcet, Chairperson of the Audit Committee, has special expertise in finance and accounting. She also has more than 30 years of professional experience in engineering, construction, communications and investment. Having started her career at Serete, where she headed the finance department, Brigitte Gauthier-Darcet held a number of finance and senior management positions at Lagardère Active. She now oversees the support functions at CBRE France.

Gérard Aubert has special expertise in finance and real estate. He was Chairman of CB Richard Ellis France for over 20 years as well as a director of Eurosic and is currently, inter alia, Chairman of SASU Trait d'Union. In his capacity as independent director of M.R.M., he joined the Audit Committee in April 2012.

Jean Guitton is a real estate specialist. He joined the SCOR Group in 2000 and is Head of Real Estate. A Chartered Architect, he holds a Masters (DESS) degree in Urban Planning from the Paris Institute of Political Studies (IEP) and is an associate member of the French Institute of Property Appraisers. After a first experience as an urban planning architect, he successively held the positions of analyst, property appraiser, then Head of International at the Bourdais group. He pursued his career as Head of International Development at Pelege Entreprises, Head of Commercial Real Estate Programs at SMCI, and Head of Real Estate and Investor Relations at Sagitrans/Safitrans.

The Audit Committee is responsible for auditing the financial statements for financial years beginning on or after 1 January 2009. It is governed by internal regulations which were modified on 26 February 2014 and 23 February 2017. These internal regulations, appended to the Board's internal regulations, are available on the Company's website at www.mrminvest.com.

The Audit Committee's internal regulations stipulate that it may call on external experts, that it must have sufficient time to examine the financial statements, and that in order to examine the financial statements it shall receive a report from the Statutory Auditors highlighting the essential points not only of the results but also of the accounting methods chosen, and a report from Financial Management outlining the Company's exposure to risk and material off-balance sheet commitments.

2.10 The Audit Committee's work in 2016

The Audit Committee met six times during 2016 and its meetings, lasting two to three hours, mainly covered:

- monitoring the financial commitments of the Company and its subsidiaries;
- meeting with the Statutory Auditors and Financial Management regarding the preparation of the interim consolidated financial statements;
- meeting with the Statutory Auditors and Financial Management regarding the preparation of the annual separate and consolidated financial statements and in particular a presentation by the Statutory Auditors highlighting the essential points of the results of the statutory audit and of the accounting methods chosen;
- meeting with the Statutory Auditors and Financial Management regarding the internal control procedures and in particular a presentation by the Statutory Auditors on the results of their "interim" duties;
- meeting with independent appraisers for the Group's twice-yearly appraisal valuation of properties;
- reviewing the annual budget and monitoring the Group's 12-month cash flow forecast;
- approving the provision of services other than certifying the financial statements by the Statutory Auditors;
- steering the selection of the co-Statutory Auditors for the 2017-2022 period (including a tender process from seven firms, objective and predefined selection criteria, and a ratings grid).

In 2016, the average attendance rate of the Audit Committee members was 100%. The following table shows the attendance of each member of the Audit Committee during the past year:

Members of the Audit Committee	Attendance rate
Brigitte Gauthier-Darcet	100%
Gérard Aubert	100%
Jean Guitton	100%

2.11 Composition and duties of the Strategic Committee

On 29 May 2013, the Board decided to establish a Strategic Committee with the following duties:

- studying strategic issues involving the Group;
- supervising the execution of Group strategy by general management;
- reviewing any major investment, acquisition or disposal plans;
- supervising the drafting of a business plan and monitoring its implementation;
- examining the financing policy of the Company and its subsidiaries (including any plans to change, repay early, renegotiate or refinance the existing debt).

The Strategic Committee gives opinions and recommendations to the Board on matters within its competence.

The following Directors make up the Strategic Committee:

- François de Varenne, Chairman of the Board of directors;
- Jacques Blanchard, Chief Executive Officer;
- Jean Guitton.

2.12 The Strategic Committee's work in 2016

The Strategic Committee met 11 times during 2016 and its meetings, lasting two to three hours, mainly covered:

- approving the conditions for marketing the main rental properties and asset disposals;
- approving and monitoring planned investments above €1,000,000;
- preparing and approving the plan to sell office buildings;
- drafting and monitoring a three year business plan;
- managing bank debt;
- monitoring changes in the retail property market;
- drafting the financial communication policy;
- checking the work performed by the Head of Asset Management and CBRE Global Investors France;
- monitoring procedures related to disputes.

In 2016, the average attendance rate of the Strategic Committee members was 97.0%. The following table shows the attendance of each member of the Strategic Committee during the past year:

Members of the Strategic Committee	Attendance rate
François de Varenne	100%
Jacques Blanchard	100%
Jean Guitton	91%

2.13 Remuneration of corporate officers in 2016

2.13.1 Directors' fees

The Ordinary General Meeting of 2 June 2016 allocated a total of €40,000 for directors' fees for the year ended 31 December 2016.

At its meeting of 2 June 2016, as in previous years, the Board decided to use this amount to remunerate the attendance of the independent directors, within the following limits and changes, specifically linked to industry practice, as follows:

- remuneration of €1,000 per Board meeting attended by the independent director;
- remuneration of €1,000 per Audit Committee meeting attended by the independent director;
- remuneration of €2,000 per Committee meeting attended by the Chairperson (independent director) of the Committee in question;
- remuneration of €1,000 per independent director to be invested in Company shares.

Except for the last item, which is new and intended to promote compliance with the share ownership requirement imposed by the internal regulations, this remuneration is variable in full and based entirely on independent directors' attendance and participation in Board and Audit Committee meetings.

The table summarising the directors' fees paid to each non-executive corporate officer as recommended by the AFEP-MEDEF Code application guidelines of November 2016 and reproduced in the AMF registration document guide of 17 December 2013 can be found in section 4.4. of the 2016 Registration Document.

2.13.2 Remuneration of the Chief Executive Officer

Since 1 August 2013, Jacques Blanchard has been remunerated by the Company in his capacity as its Chief Executive Officer.

The tables summarising the remuneration prescribed by the AFEP-MEDEF Code can be found in section 4.4 of the 2016 Registration Document.

The Chief Executive Officer's remuneration in 2016 will be the subject of a resolution put to the next General Meeting to be held in 2017 to approve the financial statements for the year ended 31 December 2016 in accordance with the AFEP-MEDEF Code's new Say on Pay recommendations implemented in June 2013 and modified in November 2016. The principles and criteria used to determine, allocate and grant the components of the total remuneration and benefits in kind due to the Chief Executive Officer for 2017 will be the subject of a resolution in accordance with the new provisions introduced by the "Sapin 2" law.

Fixed remuneration

Jacques Blanchard's basic gross fixed annual remuneration as Chief Executive Officer is €200,000, payable over 12 months, subject to the social security contributions applicable to his status as a corporate officer.

Jacques Blanchard's basic gross fixed annual remuneration has not changed since it was set at the Board's meeting of 29 May 2013.

Annual variable remuneration – Bonus

Jacques Blanchard may also be awarded variable remuneration in the form of a bonus set by the Board of up to 40% of his gross fixed annual remuneration, the payment of which is subject to achieving quantitative and/or qualitative targets set by the Board for the year in question.

If the targets for a given year are achieved, the bonus is paid in March of the following year.

With regard to 2016, the Board met on 25 February 2016 to review the performance and assess the targets reached by Jacques Blanchard in order to set the variable portion of his remuneration for 2015 and to set the targets for receiving his 2016 bonus.

Multi-year variable remuneration – Deferred bonus

If Jacques Blanchard completes his term of office as Chief Executive Officer, i.e. until the end of the Ordinary General Meeting to be held in 2017 to approve the financial statements for the year then ended, he may receive a maximum deferred gross bonus of €250,000, the breakdown and terms of which are as follows:

- a maximum amount of €150,000 gross in proportion to the achievement of a target Internal Rate of Return (IRR) of 10% per annum in the period beginning 29 May 2013 and ending 31 December 2016;
- a maximum of €100,000 gross paid on the basis of an average annual evaluation (i.e. rating of 1 to 5 from the Board regarding the achievement or not of annual targets as described in the section "Annual variable remuneration – Bonus") using the following method of calculation:

► INDIVIDUAL PERFORMANCE BASED ON THE PROGRESS OF WORK ON THE FOUR-YEAR BUSINESS PLAN – WEIGHTED OVER FOUR YEARS

Evaluation	Bonus paid
1	100%
2	75%
3	50%
4	25%
5	0%

Severance pay

In accordance with the principles set out at the Board's meeting of 29 May 2013, the Board at its meeting of 31 July 2013 approved severance pay to the Chief Executive Officer in the event of a forced departure before the end of his term of office, capped at his gross fixed annual remuneration, under the following conditions:

- In the event of the termination of his duties as Chief Executive Officer related to a change in control or strategy of the M.R.M. group ("Forced Departure"), Jacques Blanchard shall receive severance pay capped at €200,000, i.e. the amount of his gross fixed annual remuneration as Chief Executive Officer as set by the Board on 29 May 2013 (the "Benefit"). This compensation will be subject to prior verification of the Performance Requirement defined below.

  The Performance Requirement (the "Performance Requirement") shall be realised in a given financial year if one of the following criteria is matched consecutively during the two years immediately preceding the date of departure of the Chief Executive Officer:

1) the Internal Rate of Return of the M.R.M. group must be at least 5%; or
2) M.R.M.'s share price over the reference period must be no more than 10% below that of the IEIF SIIC France index.

In the event of a Forced Departure, the Board of directors will decide if the Performance Requirement is realised. If the Board observes the realisation of the Performance Requirement, the allowance shall be paid to the Chief Executive Officer as soon as possible.

In the case of a Forced Departure before the expiration of a period of two years after the taking of duties as Chief Executive Officer by Jacques Blanchard, the Performance Requirement will be considered realised if one of the above criteria is verified on the entirety of the duration of the mandate of Jacques Blanchard.

Apart from the assumption of a forced departure particularly, but without limitation, in case of the event of a revocation due to the Chief Executive Officer following a performance famously negative of the Company, or if the Chief Executive Officer left his functions on its own initiative to exercise a new position inside or outside the Group, no compensation of any kind whatsoever will be due to the Chief Executive Officer.

2.14 Participation of shareholders in the General Meeting

In accordance with Article L.225-37-8 of the French Commercial Code, the methods relating to shareholders' participation in the General Meeting are outlined in Article 16 of the Articles of Association.

2.15 Capital structure – Factors likely to have an impact in the event of a takeover bid

The information relating to the Company's capital structure and the information specified in Article L.225-100-3 of the French Commercial Code is published in the Board of directors' management report for the year ended 31 December 2016 and is included in section 3 of the 2016 Registration Document.

2.16 Resolutions concerning delegation of authority proposed at the General Meeting

None.

2.17 Management of conflicts of interest

The policy for managing conflicts of interest is included in section 4.3 of the 2016 Registration Document.

Given that the functions of Chief Executive Officer and Chairman of the Board are separate, and given that the Company took care to set out rules in the Board's internal regulations to prevent conflicts of interest, the Board found it unnecessary to appoint a Lead Director to handle conflicts of interest.

The rules to prevent and manage conflicts of interest set out in the internal regulations are as follows:

"Each Director has a duty of loyalty towards the Company. They can under no circumstances act for their own interest against that of the Company.

Each Director undertakes not to seek or accept from the Company or the Group or any third party, directly or indirectly, positions, benefits or situations likely to be considered as being of a nature to compromise their independence of analysis, judgement or action in the performance of their duties on the Board (a "Conflict of Interest"). They must also reject any direct or indirect pressure that may be exerted on them by other Directors, particular groups of shareholders, creditors, suppliers and any third party in general.

In this regard, they undertake to submit to the Board and the Audit Committee, in accordance with the procedure described in Appendix 1, any draft agreement, prior to its signature, falling under Article L.225-38 of the French Commercial Code.

They ensure their participation on the Board is not a source for them or the Company of a Conflict of Interest on a personal level and in terms of the professional interests they represent.

When in doubt regarding conflicts of interest, a director may consult the Chairman of the Board who will give them guidance on this point.

In the event of a known Conflict of Interest at the time a specific matter is submitted to the Board, the Director concerned must fully inform the Board before its meeting on this point and must abstain from participating in discussions and Board decisions on this point (they are in this instance excluded from the quorum and voting calculations).

Each Director also undertakes, in the event of a known general Conflict of Interest, to:

a) *notify the Chairman of the Board of it as soon as possible; and*
b) *if this situation has not ended within one (1) month following its notification, immediately resign from their office as Director."*

3. Internal control procedures

The Company and its subsidiaries, which are all included in the scope of consolidation, are subject to internal control.

3.1 Objectives of control procedures

The control procedures implemented by the M.R.M. group (i.e., the Company and all entities over which the Company directly or indirectly exercises control) aim to:

- ensure compliance with established values, strategies and objectives and ensure that management actions are consistent with the Company's corporate purpose and the strategic objectives defined by the Board in accordance with current laws and regulations, the Company's corporate interest and that of each of its subsidiaries;
- improve the efficiency of the Company's operations and enable the efficient use of resources;
- coordinate the successful communication of accounting, financial and management information between external parties and the management of the M.R.M. group companies; and
- prevent and manage risks associated with the M.R.M. group's activities, and the risks of errors or fraud, in particular in the fields of accounting and finance.

Internal control cannot however provide an absolute guarantee that the Company's objectives will be achieved.

3.2 Internal control parties

3.2.1 The Chief Executive Officer

The Chief Executive Officer is responsible for the communication and coordination of financial information between the various parties involved in pursuit of the defined strategy. This person ensures the quality of the internal control and risk management systems.

The Chief Executive Officer, the Chairman of the Board of directors and the Board of directors oversee the companies in the M.R.M. group in general and make sure that their legal, contractual, financial, fiscal and administrative obligations are fulfilled so that the Company is managed in the best and most efficient way.

In order to carry out his duties successfully, the Chief Financial Officer makes sure he is informed by the Head of Asset Management and CBRE Global Investors France about all matters relating to the M.R.M. group's buildings, takes any steps necessary to collect such information, approves the decisions taken, and alerts the competent bodies of the potentially unfavourable consequences of decisions left unresolved.

The Chief Executive Officer oversees the actions of the Head of Asset Management and CBRE Global Investors France and is responsible for preparing and presenting the general budget and business plan setting out the objectives and strategy in the short- and medium-term.

The Board of directors' annual management report to the General Meeting identifies and describes the management of the main risks that could impact the Company's activities and those of the M.R.M. group.

3.2.2 The Audit Committee

The Audit Committee monitors the processes used to prepare the separate and consolidated financial statements and assesses the validity of the methods selected to process significant transactions. It reports to the Board of directors.

This work is performed in conjunction with the work of the Statutory Auditors. It focuses primarily on the methods used to establish and examine the financial statements.

To perform its duties, the Audit Committee mainly:

- hears every person it may wish to, in particular the Chief Executive Officer, Financial Management, the Head of Asset Management and the Statutory Auditors;
- interviews accounting managers or property appraisers within the M.R.M. group;
- checks the existence of internal procedures used to maintain, prepare and check the financial statements and the existence of internal control systems and risk management systems; and
- verifies significant transactions when these could give rise to a conflict of interest.

In particular, the Audit Committee hears the Statutory Auditors on:

- their plan and methodology for auditing the financial statements;
- the main choices made in preparing the financial statements and, where possible, alternative options to accounting choices made by the Company, indicating, in the latter case, the accounting treatment they prefer;
- the examinations, verifications and tests they completed;
- the main risks not reflected in the financial statements (in particular, market risks and significant off-balance sheet commitments);

- the main problems encountered when performing their duties; and
- any limitations placed on their audits.

The Audit Committee examines the main areas of risks and uncertainties on the separate and consolidated financial statements (including the interim statements) identified by the Statutory Auditors, their auditing approach and any difficulties encountered in the execution of their assignment.

The Audit Committee also examines the methods used to ensure the reliability of the accounting and financial information provided to shareholders and the market. The examination process differs depending on whether the financial information distributed is periodic or permanent information.

The examination of the methods used to ensure the reliability of the periodic financial information occurs in the context of the examination of the methods used to prepare and check the financial statements. This examination will in principle be conducted prior to any official announcement by the Company.

The speed at which the permanent information must be distributed usually prevents prior examination by the Audit Committee of the information distributed by the Company. This examination is therefore almost always conducted *a posteriori*.

3.2.3 The Financial Management

The Chief Financial Officer is responsible for:

- gathering operational, financial and accounting information to prepare the activity reports and annual, interim, quarterly and monthly regulatory information, if necessary;
- coordinating and supervising the work of the different parties involved (e.g. chartered accountants, property managers, lawyers, consultants) with a view to establishing said reports;
- supervising the preparation of the separate and consolidated financial statements, within the given deadlines, in accordance with the laws and accounting standards in force, in particular with IFRS;
- ensuring that the Company's financial and accounting information is comprehensive and consistent;
- establishing and monitoring the Group's bank financing;
- participating in communications for investors and the financial markets (press releases, presentation of results, management of the Internet portal, etc.).

Concerning the administrative and Financial Management of the Company and the entities it owns, the Chief Financial Officer is responsible for:

- managing the cash and banking transactions of these entities;
- supervising the preparation of all tax and social security returns and legal disclosures of the Company and its subsidiaries;
- managing the administration of the entities and coordinating the work of various external consultants and auditors;
- conducting internal control assessments of the Company and its subsidiaries;
- informing the Audit Committee of the results of these internal control assessments;
- and, more generally, managing the relationship with third parties involved in the areas for which the Chief Financial Officer is responsible.

If necessary, the Chief Financial Officer participates in raising capital and similar transactions.

The Chief Financial Officer follows the instructions provided or authorised by the Board of directors, under the supervision of the Chief Executive Officer, and generally, must comply with all instructions provided to him.

As part of the Company's restructuring in 2015 to manage its property assets, on 18 May 2015 the Finance Department hired a financial controller to, inter alia, strengthen the Group's management procedures, monitor Directors' asset management reports, monitor the Group's investment budgets, and measure the Group's real estate and financial performance.

3.2.4 The Head of Asset Management

On 17 August 2015, the Company recruited a Head of Asset Management. The creation of this position is part of the new organisation of the Company, which decided in 2015, to move partially in-house the asset management of its properties in order to strengthen control of its operations and costs, and to optimally enhance the value its retail portfolio.

Reporting to the Chief Executive Officer, the Head of Asset Management oversees the management of six shopping centres owned by the Group and is responsible for:

- studying the potential upgrade of retail properties, the compatibility of forthcoming upgrades with expected profitability requirements, and proposed upgrade projects;
- implementing asset upgrade projects and managing all tasks involving marketing, project management, development, restructuring, legal and administrative authorisation;

- managing providers working on the operational management of assets (property managers, brokers), external consultants and partners (joint owners, lawyers, notaries) by directly working on significant negotiations;
- handling relations with local authorities;
- in conjunction with the Finance Department, drawing up and monitoring cash flow forecasts per asset for end-of-period accounting formalities and the financial reporting to executive management and the Strategic Committee; and
- providing all information necessary for appraisers in charge of half-yearly valuation estimates of the Company's property assets.

3.2.5 CBRE Global Investors France

As part of the Company's restructuring in 2015 to manage its property assets, a new protocol was agreed between the Group and CBRE Global Investors France to allow property asset management consulting services hitherto provided by CBRE Global Investors France for all the Group's properties to continue to be provided exclusively for office assets and the independent store retail portfolio.

Under the terms of this agreement, CBRE Global Investors France advises the Company and its subsidiaries with regard to its office properties and independent store retail properties on:

- preparing, validating and implementing value-enhancement strategies;
- property and rental management;
- the property rental policy; and
- disposals.

The agreement between CBRE Global Investors France and M.R.M. and its subsidiaries provides for and organises the information and reporting obligations to which CBRE Global Investors France is subject in carrying out its duties, along with its delegated powers of signature and expenditure commitments.

A liaison form process was implemented to formalise decisions related to the Company.

CBRE Global Investors France, the Chief Executive Officer, the Head of Asset Management and the Chief Financial Officer hold discussions on a daily basis and meet regularly to:

- track developments in the conduct and implementation of the upgrade strategies applicable to property assets, update the management objectives and commercial strategy, and approve and update the different budgets for the coming year;
- coordinate the participation of the Chief Executive Officer in key negotiations or with elected representatives;
- select the advisers and agents responsible for the disposal of assets, follow up on the progress of negotiations, and approve the terms and conditions of the transfer agreements.

The Chief Executive Officer intervenes directly in the negotiations and the signature of agreements with lessors or purchasers when he deems necessary.

3.2.6 The property managers

The property managers manage the receipts and expenditures relating to the properties, in accordance with the accounting regulations in force in France. They are responsible for the electronic recording of payments, payment reminders, settlements, disputes and their results, so that the Head of Asset Management and/or CBRE Global Investors can have access to clear and up-to-date information. Property managers are also responsible for property and facilities management of the Company's buildings. In particular, they draw up budgets for operating charges and works and rebill these to tenants.

As part of the Company's restructuring in 2015 regarding the asset management of its properties, the services entrusted to property managers were extended as of 1 April 2015 to include operational asset management for a number of retail assets. As regards the relevant retail assets, property managers work alongside the Chief Executive Officer and the Head of Asset Management to draft and update upgrading plans and their implementation. The property managers have implemented an operational manager who liaises with various departments (rental management, property management, facility management, marketing) and coordinates their interventions.

The agreements between the property managers and the M.R.M. group subsidiaries provide for and organise the information and reporting obligations to which the property managers must adhere in performing their duties.

Whenever necessary, the property managers provide the Head of Asset Management and/or CBRE Global Investors France with the information required to prepare tax and social security returns. Every month, the information required to ensure that the accounting records are properly maintained is sent to the Financial Management as soon as possible. This information is reviewed by Financial Management, which may approach the property managers directly for further details or clarifications.

The Head of Asset Management, CBRE Global Investors and the property managers meet as often as necessary to evaluate the management of the properties. At such meetings, the property managers provide a management report on the activity, any significant events that have occurred and the proposed actions in the following months.

3.3 Risk mapping

The following are the main risks to which the Company could be exposed:

3.3.1 Business risks

- Tougher economic environment;
- Increasingly competitive environment;
- Unfavourable developments in applicable laws and regulations, in particular as regards commercial leases and SIICs (REITs);
- Non-renewal of leases and failure to vacate properties;
- Non-payment of rent;
- Dependence on certain tenants;
- Failure of IT tools and information systems;
- Damaging financial impacts from the acquisition of certain property assets;
- Damaging financial impacts from the disposal of certain property assets;
- late completion or non-completion of planned investments;
- Inaccurate valuation of the Company's property assets;
- Labour-related risks;
- Dependence on service providers involved in managing the Company's property assets.

3.3.2 Company risks

- Lack of liquidity of the Company's shares.

3.3.3 Legal risks

- Proceedings or litigation likely to have a significant impact on earnings.

3.3.4 Financial risks

- Interest rate risk;
- Liquidity risk;
- Risks associated with the pledging of property assets to banks;
- Financial risks from the effects of climate change.

These risks and related hedging policies are presented in detail in section 2 of the 2016 Registration Document. Measures taken by the Company to reduce the financial risks from the effects of climate change by implementing a low-carbon strategy in all areas of its business are described in section 4 "Information on corporate social responsibility" in the 2016 management report.

3.4 Preparing and monitoring the accounting and financial information provided to shareholders

The preparation of the separate and consolidated financial statements is entrusted to chartered accountants working closely with the Chief Executive Officer, the Chief Financial Officer, the Audit Committee and the members of the Board of directors. The main options to be adopted in terms of the choice of accounting methods are discussed in advance between the chartered accountants, the Statutory Auditors, Executive and Financial Management, the Audit Committee and, if necessary, the Board of directors.

The preparation of the accounting and financial information distributed to shareholders relies on the collaboration between the Chief Executive Officer, the Chief Financial Officer, the Audit Committee, the Board of directors (if necessary), and the external parties involved (chartered accountants and Statutory Auditors).

The Chairman of the Board of directors, the Chief Financial Officer, the Audit Committee and the Board of directors are responsible for the preparation and monitoring of the accounting and financial information provided to the shareholders, in collaboration with the chartered accountants and under the supervision of the Statutory Auditors.

Regular meetings are organised between the Chief Executive Officer, the Chief Financial Officer and the chartered accountants in the context of the preparation of financial information.

3.5 Monitoring the effectiveness of the internal control and risk management systems

The Audit Committee questions the Chief Financial Officer and the Statutory Auditors on the internal procedures used to collect, record, report and review the information necessary to prepare the separate and consolidated financial statements or to prepare the press releases issued to the market.

The Committee evaluates the methods used to ensure permanent improvement, reliability and review of the application of these procedures.

It reports annually to the Board of directors on the evaluation of these procedures. It is informed of the Chief Financial Officer work schedule.

In accordance with Article L.225-235 of the French Commercial Code, the Statutory Auditors present you with their observations on the internal procedures described above relating to the preparation and processing of accounting and financial information in a report attached to this report.

Paris, 23 February 2017

François de Varenne

Chairman of the Board of directors

4.6 Statutory Auditors' report on the report prepared by the Chairman of the Board of Directors

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

To the Shareholders,

In our capacity as Statutory Auditors of M.R.M. SA, and in accordance with Article L.225-235 of the French Commercial Code ("Code de commerce"), we hereby report 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 31 December 2016.

It is the Chairman's responsibility to prepare, and submit to the Board of directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L.225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information; and
- to attest that this report contains the other disclosures required by Article L.225-37 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

1. Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L.225-37 of the French Commercial Code.

2. Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the French Commercial Code.

Paris-La Défense and Lyon, on 3 April 2017

The Statutory Auditors

French original signed by

For KPMG Audit FS 1	For RSM Rhône-Alpes
Isabelle Goalec	Gaël Dhalluin
Partner	Partner

4.7 Statutory Auditors' report on regulated agreements and commitments

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

To the Shareholders,

As Statutory Auditors of your Company, we hereby present our report on regulated agreements and commitments.

It is our responsibility to inform you, on the basis of the information provided to us, of the terms and conditions, the purpose, and the benefits to the Company of the agreements and commitments of which we were informed or became aware during our engagement. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether any other agreements and commitments exist. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code *(Code de Commerce)*, to assess the merit of these agreements and commitments with a view to approving them.

In addition, it is our responsibility to inform you, where appropriate, in accordance with Article R. 225-31 of the French Commercial Code, of the agreements and commitments that were approved in prior years and continued to apply during the period.

We performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* for such engagements. Our work entailed verifying that the information provided is consistent with the documents from which it was derived.

Agreements and commitments submitted for the approval of the general meeting of shareholders

Agreements and commitments authorized during the period

In accordance with article L. 225-40 of the French Commercial Code *(Code de commerce)*, we have been advised of certain related party agreements and commitments which received prior authorization from your Board of directors.

Pledge of shares and guarantee at first request

- With: SCOR SE.
- Date of authorization: Board of directors of the 8 December 2016.
- Person concerned: SCOR SE shareholder with more than 10% of the voting rights of your company and member of the Board of directors.
- Nature and purpose: Following the one year extension of the intra-group loan agreement between SCI Noratlas and SCOR SE, your company renewed the collateral and guarantees previously granted to SCOR SE. These collateral and guarantees consist in a pledge of securities of the company SCI Noratlas and a guarantee at first request. The term of the guarantee is still one month after the date of maturity of the intra-group loan, now 15 February 2018, for a maximum amount of €24,200,000.
- Terms and conditions: This agreement had no impact in the financial statements of the previous financial year.
- Justification of the benefit for the Company: Your Board considered that it was in the interest of the Company that the loan due by the SCI Noratlas to SCOR SE be repaid using the disposal of the building named Nova (held by the SCI Noratlas) rather than using a new bank loan.

The original agreement was authorized by your Board on 14 January 2016 and approved by the Shareholder's meeting on 5 July 2016.

Agreements and commitments already approved by the Shareholders' Meeting

We have been informed of the following agreement, already approved by the Shareholder Meeting in previous years, remained in force, but was not applied during the fiscal year:

Severance pay of the Chief Executive Officer

- With: Jacques Blanchard.
- Person concerned: Jacques Blanchard, Chief Executive Officer of your company.
- Nature and purpose: The Board of directors authorized on 31 July 2013 the payment of a severance pay for the benefit of the Chief Executive Officer in the event of a forced departure before the end of his mandate.
- Terms and conditions: In case of the end of his general manager duties related to a change of controls or strategy of the M.R.M. group (a "Forced Departure"), Jacques Blanchard will receive a severance pay limited to an amount of €200,000, i.e. one time his fixed gross annual remuneration as Chief Executive Officer as decided by the Board of directors of 29 May 2013 (the "Allowance"). This Allowance will be subject to prior verification of the Performance Condition defined below.

The Performance Condition (the "Performance Condition") will be carried out in respect of an exercise given if one of the following criteria is matched consecutively during the two years immediately preceding the date of departure of the Chief Executive Officer:

1) The Internal Rate of Return of the M.R.M. group must be at least 5%; or
2) The evolution of the M.R.M.'s stock on the reference period must not be below than ten per cent of the evolution of the IEIF SIIC France index.

In the event of a forced departure, the Board of directors will decide if the Performance Condition is realized. If the Board observes the realization of the Performance Condition, the allowance shall be paid to the Chief Executive Officer as soon as possible. In the case of a Forced Departure before the expiration of a period of two years after the taking of duties as Chief Executive Officer by Jacques Blanchard, the Performance Condition will be considered as completed if one of the above criteria is verified on the entirety of the duration of the mandate of Jacques Blanchard.

Apart from the assumption of a Forced Departure particularly, but without limitation, in case of the event of a revocation due to the Chief Executive Officer following a performance famously negative of the Company, or if the Chief Executive Officer left his functions on its own initiative to exercise a new position inside or outside the Group, no compensation of any kind whatsoever will be due to the Chief Executive Officer.

Paris-La Défense and Lyon, on 3 April 2017

The Statutory Auditors

French original signed by

For KPMG AUDIT FS I	For RSM Rhône-Alpes
Isabelle Goalec	Gaël Dhalluin
Partner	Partner

4.8 Statutory Auditors

Permanent Statutory Auditors

KPMG Audit FS I SAS

Tour Eqho

2, avenue Gambetta

CS 60055

92066 Paris-La Défense

Represented by Isabelle Goalec.

Date first appointed: Combined General Meeting of 9 June 2011.

Date term of office ends: General Meeting called to approve the financial statements for the year ended 31 December 2016.

Following a tender process, the next General Meeting will be asked to appoint Mazars as Permanent Statutory Auditor, in replacement of KPMG Audit FS I, for a period of six financial years until the end of the Ordinary General Meeting to be called in 2023 to approve the financial statements for the year ending 31 December 2022.

RSM Rhône-Alpes

2 bis, rue Tête d'Or

69006 Lyon

Represented by Gaël Dhalluin.

Date first appointed: Ordinary General Meeting of 29 June 2005.

Date term of office ends: General Meeting called to approve the financial statements for the year ended 31 December 2016.

Following a tender process, the next General Meeting will be asked to appoint RSM Paris as Permanent Statutory Auditor, in replacement of RSM Rhône-Alpes, for a period of six financial years until the end of the Ordinary General Meeting to be called in 2023 to approve the financial statements for the year ending 31 December 2022.

Deputy Statutory Auditors

KPMG Audit FS II SAS

Tour Eqho

2, avenue Gambetta

CS 60055

92066 Paris-La Défense

Represented by Malcolm McLarty.

Date first appointed: Combined General Meeting of 9 June 2011.

Date term of office ends: General Meeting called to approve the financial statements for the year ended 31 December 2016.

The next General Meeting will be asked to note the decision not to reappoint KPMG Audit FS II as Deputy Statutory Auditor pursuant to Article L.823-1 of the French Commercial Code as amended by Law 2016-1691 of 9 December 2016 and subject to the approval of the 20th resolution of said meeting.

Roland Carrier

2 bis, rue Tête d'Or

69006 Lyon

Date first appointed: Ordinary General Meeting of 29 June 2005.

Date reappointed: Combined General Meeting of 9 June 2011.

Date term of office ends: General Meeting called to approve the financial statements for the year ended 31 December 2016.

The next General Meeting will be asked to note the decision not to reappoint or replace Roland Carrier as Deputy Statutory Auditor pursuant to Article L.823-1 of the French Commercial Code as amended by Law 2016-1691 of 9 December 2016 and subject to the approval of the 21st resolution of said meeting.

4.9 Fees paid to the Statutory Auditors

► FINANCIAL YEARS 2016 AND 2015

	KPMG				RSM			
	Amount excluding VAT		%		Amount excluding VAT		%	
(in thousands of euros)	N	N-1	N	N-1	N	N-1	N	N-1
Auditing, certifying and examining the separate and consolidated financial statements[(a)(b)]:								
• Issuer	72.5	85.5	52%	52%	48.1	56.6	100%	100%
• Fully consolidated subsidiaries	57.5	71.5	42%	43%	-	-	-	-
Other services directly associated with duties as a Statutory Auditor[(c)]:								
• Issuer	8.0	8.0	6%	5%	-	-	-	-
• Fully consolidated subsidiaries								
SUB-TOTAL	138.0	165.0	100%	100%	48.1	56.6	100%	100%
Other services provided by the network to fully consolidated subsidiaries[(d)]:								
• Legal, tax and social	-	-	-	-	-	-	-	-
• Other	-	-	-	-	-	-	-	-
SUBTOTAL	-	-	-	-	-	-	-	-
TOTAL	**138.0**	**165.0**	**100%**	**100%**	**48.1**	**56.6**	**100%**	**100%**

(a) For the period in question, these are services provided during an accounting year and recognised in the income statement.

(b) Including the services of independent experts or members of the Statutory Auditor's network that the Statutory Auditor may call upon in the certification of the financial statements.

(c) This heading includes diligence and directly related services provided to the issuer or its subsidiaries:

- *by the Statutory Auditor pursuant to the provisions of Article 10 of the Code of professional conduct;*
- *by a member of the network pursuant to the provisions of Articles 23 and 24 of the Code of professional conduct.*

(d) These are non-auditing services provided pursuant to the provisions of Article 24 of the Code of professional conduct by a member of the network to the subsidiaries of the issuer whose financial statements are certified.

4.10 Transactions with related parties

4.10.1 Regulated agreements

See para. 5 of the management report presented in section 3.6 of this Registration Document and the Statutory Auditors' special report on regulated agreements and commitments presented in section 4.7 of this Registration Document.

4.10.2 Other agreements with related parties

None.

5. SIGNIFICANT CONTRACTS

M.R.M. and some of its subsidiaries are bound to CBRE Global Investors by a property asset management consultancy agreement.

For reference, CBRE Global Investors, the Company's majority shareholder until 29 May 2013, managed property transactions for the Company's subsidiaries under agreements signed with them between 2004 and 2007 before they were consolidated by the M.R.M. Group.

CBRE Global Investors' scope of action and fee structure were first amended on 29 May 2013 in line with the M.R.M. Group's change in strategic direction in 2013 to focus on holding and managing retail property assets while planning the gradual disposal of its office building assets.

On 15 April 2015, the agreement of 29 May 2013 was terminated and a new agreement was signed.

Under the agreement of 15 April 2015, amended on 4 May 2016 and 4 January 2017, the duties and responsibilities carried out until then by CBRE Global Investors for the entire property portfolio of M.R.M., with an initial expiry date of 31 May 2016, will be (i) continued for office properties and those parts of the retail portfolio classified as independent stores only, and (ii) extended to 30 June 2017 for office properties and to 30 September 2017 for independent store retail properties.

The duties and responsibilities of CBRE Global Investors, as an advisor in the management of the aforementioned assets, are as follows:

- to advise the Company on (i) preparing, validating and implementing property valuation strategies, (ii) day-to-day property management policy, and (iii) property rental policy;
- to submit an annual Business Plan;
- to assist the Company in preparing the investment budgets for properties;
- to assist the Company in negotiating the property manager's contract, and to supervise the property manager and ensure they carry out their duties properly;
- to supervise the property manager in the day-to-day management of the properties, ensure the quality of the service providers used, and ensure the successful provision of maintenance and works;
- to supervise the property manager with regard to property rentals and making sure tenants fulfil all their contractual obligations, and ensure that a procedure for collecting and issuing receipts for rental payments is put in place and monitored;
- with regard to the marketing of properties, to:
  - select estate agents, and negotiate and sign, on behalf of the subsidiaries, mandates to market rental properties based on assumptions made in the Business Plan, particularly in terms of remuneration and asking price,
  - assist the Company and its subsidiaries in negotiating and signing property leases,
  - monitor tenant relations and lease renegotiations and renewals;
- to fine-tune leases and their riders using standard leases, ensuring completeness and consistency with the schedule of works agreed with the tenant;
- to ensure that the Company fulfils its contractual obligations under the terms of such leases;
- to monitor disputes with tenants and companies;
- to supervise the quarterly preparation and update of detailed inventories of properties' fixtures and fittings and to check these inventories;
- to supervise the technical management provided by the property manager and to ensure, if necessary by calling on qualified professionals, that regulatory requirements are met in terms of safety, environmental standards, protection from hazardous materials (asbestos compliance testing, ICPE listing as an environmentally-sensitive installation) and the fight against illegal work;
- to monitor and manage procedures to obtain environmental certificates for properties;
- to advise the Company in negotiating and monitoring insurance policies covering the properties;
- to keep leases, files and records concerning the properties and to keep up-to-date a list of documents per asset using external companies where appropriate;
- to assist the Company in preparing half-yearly property appraisals by providing it with up-to-date inventories, an updated summary of CAPEX commitment, a progress report of ongoing discussions with prospective clients, and all the information in their possession usually required by experts.

CBRE Global Investors' duties and responsibilities in terms of providing advice and assistance in relation to property disposals, are as follows:

- to suggest a property disposal process to the Company and then organise and supervise it;
- to select estate agents, to negotiate, on behalf of the subsidiaries, mandates to sell properties based on conditions validated by the Company following consultation with agents, particularly in terms of remuneration and agency fees;
- to advise the Company on its choice of external advisors (in particular, legal counsel);
- to create property details and set up a data room;
- to help the Company in negotiating the contractual documentation relating to the disposal of properties or subsidiaries;
- to assist the Company in its relations with the purchaser after the sale as regards the marketing follow-up by the purchaser of vacant premises as part of the Company's rental guarantee and follow-up of the lifting of potential sequestration proceedings.

CBRE Global Investors is remunerated as follows: (i) asset management fees, and (ii) disposition fees.

As regards asset management fees:

- ***Until 31 December 2016, these were calculated as the sum of:***
  - 8.5%, on a quarterly basis, excluding taxes, of the rents excluding taxes received by the Company or its subsidiaries in respect of leased properties (gross rents received minus unrecoverable property expenses or property expenses not recovered), given that charges pertaining to vacant properties are not included in this calculation;
  - 0.025%, on a quarterly basis, excluding taxes, of the gross asset value, given that the gross asset value corresponds to the latest expert property appraisal published excluding transfer taxes.
- ***From 1 January 2017, asset management fees for independent store retail properties will be calculated as the sum of:***
  - 8.5%, on a quarterly basis, excluding taxes, of the rents excluding taxes received by the Company or its subsidiaries in respect of leased properties (gross rents received minus unrecoverable property expenses or property expenses not recovered), given that charges pertaining to vacant properties are not included in this calculation;
  - 0.025%, on a quarterly basis, excluding taxes, of the gross asset value, given that the gross asset value corresponds to the latest expert property appraisal published excluding transfer taxes,
- ***While asset management fees for office properties will be calculated as the sum of:***
  - 4.0%, on a quarterly basis, excluding taxes, of the rents excluding taxes received by the Company or its subsidiaries in respect of leased properties (gross rents received minus unrecoverable property expenses or property expenses not recovered), given that charges pertaining to vacant properties are not included in this calculation;
  - 0.025%, on a quarterly basis, excluding taxes, of the gross asset value, given that the gross asset value corresponds to the latest expert property appraisal published excluding transfer taxes.

These asset management fees are payable quarterly, in arrears.

As regards disposition fees:

- ***Until 31 December 2016, these were calculated as the sum of:***
  - 1.0%, excluding taxes, of the net sale price (excluding transfer taxes, costs and legal and brokerage fees, and net of any fees for which the seller is liable and any rent guarantees, or, where appropriate, net of the contractual value of the properties used to calculate the share price of the Company which, directly or indirectly, owns such properties).
- ***From 1 January 2017, they will be calculated as the sum of:***
  - 1.0%, excluding taxes, of the net sale price for retail properties and 0.5%, excluding taxes, of the net sale price for office properties (excluding transfer taxes, costs and legal and brokerage fees, and net of any fees for which the seller is liable and any rent guarantees, or, where appropriate, net of the contractual value of the properties used to calculate the share price of the Company which, directly or indirectly, owns such properties).

These disposition fees are payable on the date of the actual sale of the properties or the actual transfer of the holdings or shares in the Company which, directly, or indirectly, owns such properties.

Until 31 December 2016, the remuneration paid to CBRE Global Investors on the transfer of ownership shall be supplemented, where appropriate, at the end of the rent guarantee period, by 1% of the portion of said guarantee not used by the purchaser, and/or, where appropriate, on payment by the purchaser of any price supplement, by 1% of said supplement. From 1 January 2017, this will be supplemented, where appropriate, at the end of the rent guarantee period, by 0.5% of the portion of said guarantee not used by the purchaser, and/or, where appropriate, on payment by the purchaser of any price supplement, by 0.5% of said supplement.

The acquisition of property assets does not result in the payment of fees.

The obligations of CBRE Global Investors are set out below:

- to perform its duties conscientiously and with due diligence in the best interest of the Company and in accordance with (i) standard professional practice, and (ii) professional standards of property asset management;
- to act in accordance with (i) current legislation and regulations, and (ii) the authorisations and licences granted to it in order to provide its services;
- to devote the time and allocate all the resources needed to successfully fulfil its obligations under the agreement, and to designate appropriate resources and skills with a view to fulfilling its duties;
- to notify the Company promptly of any change to the team set up by it to manage the properties, to recruit a team with an equivalent level of experience so that continuity of the mission and quality of performance is ensured, and to introduce said new team to the Company as soon as possible.

Services charged to M.R.M. subsidiaries totalled €1 million in 2016 compared with €1.1 million in 2015 and €1.6 million in 2014 and break down as follows:

(in millions of euros and excluding VAT)	2016	2015	2014
Asset management fees	0.7	0.9	1.4
Consultancy fees for sales	0.3	0.2	0.2
TOTAL	**1.0**	**1.1**	**1.6**

Termination

In the six months prior to the expiry of the agreement, the parties shall come together to discuss the possible renewal of the contract. The contract shall be automatically terminated:

- upon expiry of the contractual term should the parties fail to agree to renew the contract. In this case, the contract shall be terminated without compensation for either party;
- in the event of failure by one or the other party to fulfil its obligations under this document should such default not be remedied within 30 calendar days of formal notice to comply, served by registered letter with acknowledgement of receipt, without the need for any prior legal formality and without prejudice to any damages claimed against the defaulting party;
- in the event of the sale of the last property owned by the Company or its subsidiary, or in the event of the sale of the entity which, directly or indirectly, owns the last property;
- in the event of a change in control of one party and the exercise of the option by the other party, subject to a notice period of six months and the payment of compensation of 20% of the fees outstanding for the remainder of the contract term.

In the event of termination for whatever reason, the Company agrees to pay CBRE Global Investors any and all sums owing under the contract on the termination date.

6. INFORMATION ON INVESTMENTS

The list of entities included in the M.R.M. group's scope of consolidation appears in section 3.1 of the notes to the consolidated financial statements for the year ended 31 December 2016 in section 3.7 of this Registration Document.

The Group's subsidiaries are also presented in section 1.5 "Group ownership structure" of this Registration Document.

7. PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Jacques Blanchard

Chief Executive Officer.

8. FINANCIAL CALENDAR

11 May 2017	Financial information for Q1 2017
1 June 2017	Combined General Meeting of Shareholders
28 July 2017	2017 half-year results
9 November 2017	Financial information for Q3 2017

9. DOCUMENTS ACCESSIBLE TO THE PUBLIC

Copies of this Registration Document are available free of charge from the Company and on its website (www.mrminvest.com) and the AMF's website (www.amf-france.org).

All legal and financial documents that must be made available to shareholders, in accordance with applicable regulations, may be viewed at M.R.M.'s head office: 5, avenue Kléber, Paris (75016), France.

In particular, the following documents can be viewed:

(a) the issuer's Articles of Association;

(b) any reports, letters and other documents, historical financial information, and valuations and declarations prepared by an expert at the issuer's request, some of which are included or referred to in the Registration Document;

(c) historical financial information of the issuer and its subsidiaries for each of the two financial years preceding the publication of the Registration Document.

Regulated information pertaining to the Company can be accessed on its website at http://ir.finance.mrminvest.com.

All the regulated information issued by M.R.M. in accordance with Articles 221-1 et seq. of the AMF's General Regulation can be found there.

STATEMENT BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

10.

10.1 Person responsible for the Registration Document

Jacques Blanchard, Chief Executive Officer of M.R.M.

10.2 Statement by the person responsible for the Registration Document

Having taken all reasonable steps for this purpose, I hereby certify that the information contained in this Registration Document is, to the best of my knowledge, true and that it does not contain any omissions likely to alter its scope.

I also certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and provide a fair view of the asset portfolio, financial position and results of the Company and its consolidated entities and that the management report (included in section 3.6) presents a fair view of changes in the business, results and financial position of the Company and its consolidated entities as well as a description of the main risks and uncertainties facing these.

I have received a letter from the Statutory Auditors confirming that they have completed their work and stating that they have verified the information relating to the financial position and the financial statements provided in this Registration Document, which they have read in full.

The historical financial information presented in this document is the subject of Statutory Auditors' reports included on pages 102 and 114.

The separate and consolidated historical financial information for the year ended 31 December 2015 is available on M.R.M.'s website at www.mrminvest.com and was filed with the AMF. These financial statements were the subject of the Statutory Auditors' reports included on pages 103 and 115 of the 2015 Registration Document.

The separate and consolidated historical financial information for the year ended 31 December 2014 is available on M.R.M.'s website at www.mrminvest.com and was filed with the AMF. These financial statements were the subject of the Statutory Auditors' reports included on pages 100 and 113 of the 2014 Registration Document.

Jacques Blanchard

Chief Executive Officer

11.

CROSS-REFERENCE TABLE

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1.	**Persons responsible**	
1.1.	Person responsible for the Registration Document	10.1
1.2.	Certification by the person responsible for the Registration Document	10.2
2.	**Statutory Auditors of the accounts**	
2.1.	Name and address of the Statutory Auditors	4.8
2.2.	Statutory Auditors that have resigned, been removed or have not been reappointed	N/A
3.	**Selected financial information**	
3.1.	Selected financial information for each financial year of the period covered	1.2.2
3.2.	Selected financial information for interim periods	N/A
4.	**Risk factors**	**2**
5.	**Information about the issuer**	
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5.1.2.	*Place and number of registration*	*3.1.2*
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5.2.2.	*Principal current investments*	*N/A*
5.2.3.	*Principal future investments to which management bodies have made a firm commitment*	*N/A*
6.	**Overview of businesses**	
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6.1.2.	*New products or services launched on the market and that have been advertised*	*N/A*
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6.4.	Dependence on patents or licences, on industrial or commercial or financial contracts, or on new manufacturing processes	N/A
6.5.	Factors on which any declaration made by the issuer concerning its competitive position is based	N/A
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9.2.2.	*Basis of and significant changes in revenue*	*N/A*
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No.	INFORMATION	SECTIONS
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11.	**Research and development, patents and licences**	**N/A**
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13.	**Profit forecasts or estimates**	**N/A**
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18.	**Principal shareholders**	
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(d)	Reconciliation of the number of shares in circulation on the opening and closing dates of the financial year	
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To facilitate the reading of this Document, the cross-reference table below organises the information, in this Registration Document, making up the annual financial report that must be published by listed companies in accordance with Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF's General Regulation.

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