

Decree no. 2-16-411 of 19 Shaabane 1437 (26 May 2016) authorizing the Deposit and Management Fund (CDG), the Crédit immobilier et hôtelier (CIH) and the Crédit agricole du Maroc (CAM) to acquire a stake in the capital of the Casablanca Stock Exchange.

The Head of the Government,

EXPLANATORY STATEMENT:

The Deposit and Management Fund (CDG), the Crédit immobilier et hôtelier (CIH) and the Crédit agricole du Maroc (CAM) are requesting the authorization required pursuant to the provisions of article 8 of law no. 39-89 authorizing the transfer of public companies to the private sector, as amended and completed, in order to acquire a 25%, 3% and 3% stake in the capital of the Casablanca Stock Exchange respectively.

This project is part of a memorandum of understanding between the State, the Moroccan Capital Market Authority (e.g. the Securities Ethics Council) and shareholders (brokerage firms, banks, insurance companies, the CDG and Casablanca Finance City Authority). The memorandum concerns, essentially, the new statutory scheme of the company managing the Casablanca Stock Exchange, which shall be transformed into a holding company whose main purpose is to manage the cash market and acquire stakes in the future market institutions to be created, in particular the company managing the futures market and the clearing house.

In addition, the memorandum provides for the distribution of the capital of the Stock Exchange among the aforementioned shareholders in order to ensure a balanced distribution of powers between the various categories of shareholders within the board of directors of the Stock Exchange, given the essential role it plays in determining the main orientations.

Indeed, this project aims in particular to streamline equity transactions on the stock exchange and to involve the main players of the capital market in the design of its development strategy, through the improvement of good governance structures and decision-making processes and the establishment of foundations for efficiency and performance.

According to the new composition of the Stock Exchange, brokerage firms holding almost 100% of the shares shall lose a large part of their shares. Their share shall thus be reduced to 20%. Banks shall, on the other hand, obtain 39% of the capital divided between BMCE

Bank, Banque Populaire Centrale and Attijariwafa Bank groups with 8% each, and 3% each for the other banks including the CIH. The insurance companies, for their part, shall obtain an 11% stake, whereas the share of Casablanca Finance City Authority shall be 5% of the capital of the Stock Exchange. The CDG shall obtain a 25% share of which it plans to sell 20% at a later date, maintaining only 5%. In addition, an international strategic partner shall obtain a 20% share.

The share price was set by the Moroccan Capital Market Authority at MAD 1547 on the basis of a valuation of the company's equity following the incorporation of its reserves at MAD 294,237,000.

Considering that the opening of the Casablanca Stock Exchange is an essential step in the process of reforming the capital market sector that institutional players have integrated into;

Considering article 8 of law no. 39-89 authorizing the transfer of public enterprises to the private sector, enacted by the Dahir no. 1-90-01 of 15 Ramadan 1410 (11 April 1990), as amended and completed;

On the proposal of the minister of economy and finance,

HEREBY DECREES:

ARTICLE ONE. -The Deposit and Management Fund (CDG), Crédit immobilier et hôtelier (CIH) and Crédit agricole du Maroc (CAM) are authorized to acquire up to 25%, 3% and 3% stake respectively in the capital of the Casablanca Stock Exchange.

ARTICLE TWO - The minister of economy and finance shall be responsible for the implementation of this decree, which shall be published in the *Official Gazette*.

Done in Rabat, on 19 Shaabane 1437 (26 May 2016).

ABDEL-ILAH BENKIRAN

For countersignature:

*The Minister of Economy
and Finance,*

MOHAMED BOUSSAID.

The text in Arabic was published in the general edition of the "Official Gazette" no. 6469 of 23 Shaabane 1437 (30 May 2016).