

REGULATORY OVERVIEW

Set out below are summaries of certain aspects of French and EU laws and regulations which are relevant to our business and operations.

FRENCH AND EU LAWS AND REGULATIONS

The Package Travel Directive

On November 25, 2015, the new European Package Travel Directive ((EU) 2015/2302) was adopted. This new Directive has been transposed into French law by Ordinance No 2017-1717 of December 20, 2017 and a Decree No. 2017-1871 of December 29, 2017. It has been applicable since July 1, 2018. This Directive extends the protection of the Package Travel Directive of 1990 which first imposed liability on companies that sell package holidays for all components of the package holiday (including services to be provided by third parties such as airlines, hotel companies and local tour companies), to consumers who book other forms of combined travel (e.g., a self-chosen combination on a website of a flight plus car rental).

The 2015 Package Travel Directive broadens the concept of “package” and applies to (i) prearranged packages (ready-made holidays from a tour operator made up of at least two elements: transport, accommodation, car rental or other touristic services not intrinsically part of any of the three previous elements); (ii) customized packages (selection of components by the consumer and bought from a single business online or offline) and (iii) linked travel arrangements or “click-through packages” (if the consumer, after having booked one travel service on one website, is invited to book another service through a targeted link or similar and the second booking is made within 24 hours).

The Ordinance of December 20, 2017 maintains the strict liability regime of French professionals selling package holidays which is provided by article L. 211-16 of the French Tourism Code that was created pursuant to the French Law of July 13, 1992. According to this strict liability regime, the seller of packages is liable to consumers for the satisfactory performance of the services provided for in the contract, whether these services are performed by itself or by other travel service providers, without prejudice to the right to seek redress from them.

The 2015 Package Travel Directive has been amended by Directive (EU) 2026/1024 of April 29, 2026, which aims to strengthen the effectiveness of traveler protection and to simplify and clarify certain aspects of the existing regime. This amendment, which takes into account the lessons learned from the application of the 2015 Directive and the disruptions caused by the COVID-19 crisis, has introduced several notable changes to the regime. In particular, it has further clarified the organizer’s refund rights against travel service providers in cases of cancellation or non-provision of a service forming part of the package. Member States must transpose the amending Directive into national law by September 29, 2028. The transposing national provisions will apply from March 29, 2029.

Travel Agency Registration

Travel industry in France is mainly regulated by the French Tourism Code and applicable European Parliament’s and Council’s directives, in particular the “Package Travel Directive” mentioned immediately above.

The activity of an operator offering travel services is a regulated activity in France and as such travel operators established in France or wishing to set up their activity in France are required to be

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registered on a public register held by Atout France, a French agency whose main objective is to promote tourism in France and whose board is composed of representatives of the French government, local authorities and of professionals from the tourism industry. Atout France is notably in charge of (i) the registration of travel agents and other travel operators as well as (ii) the implementation of classification procedures and delivery of the classification of hotels and other types of accommodation.

All French based travel agencies and tour operators are required to register with Atout France, it being specified that such registration is subject to a small-amount fixed registration fee and the provision of (i) evidence of professional liability insurance, and (ii) a specific financial security (intended to refund all payments made by or on behalf of travelers in respect of travel package, linked travel arrangements and touristic services and the repatriation of travelers in the event of the operator’s default). This mandatory registration is only valid for three years and must be renewed before its expiration date.

Fire Safety Regulation

Establishments open to the public (*établissements recevant du public*, “ERP”) are all buildings, premises and enclosures in which persons are admitted, whether freely, upon payment of a fee or any other form of consideration, or by invitation. For these purposes, the “public” includes all persons admitted to the establishment in any capacity, in addition to the staff, who are not themselves considered as part of the public.

ERPs are classified into five categories based on the combined capacity of the public and staff (except for the 5th category, where only the public headcount is considered). The category determines the applicable safety and administrative requirements. The five categories are as follows: 1st category (above 1,500 persons), 2nd category (701 to 1,500 persons), 3rd category (301 to 700 persons), 4th category (300 persons and below, excluding establishments falling within the 5th category), and 5th category (establishments where the public headcount falls below the minimum threshold set by the safety regulations for each type of activity).

ERPs are also classified by type (identified by a letter) depending on the nature of their activity (e.g., hotels are “O” type and restaurant and bars are “N” type).

Any works leading to the creation, development or modification of an ERP are subject to a prior authorization granted by the mayor, or in some cases, by the prefect. The administrative authority verifies compliance with accessibility and, where justified by the capacity and nature of the establishment, fire safety regulations. The applicable regime depends on whether the works require a building permit:

- Where no building permit is required, a specific works authorization (*autorisation de travaux*) has to be obtained from the mayor (or, where applicable, the prefect);
- Where a building permit is required, it serves as the works authorization, subject to a specific dossier being filed.

Prior to opening, an authorization to open the establishment to the public must be requested from the mayor (or, in certain cases, the prefect). The authorization may only be granted by way of decree (*arrêté*), after the safety commission has issued its opinion on the ERP’s compliance with applicable regulations.

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General Food Law and Beverage Selling Regulation

The food industry in France is governed by a combination of EU and French legislation.

At EU level, the cornerstone of food law is Regulation (EC) No 178/2002 of January 28, 2002 (the “General EU Food Law Regulation”), which lays down the general principles and requirements applicable to food and feed safety across all stages of production and distribution. It established the European Food Safety Authority (EFSA) as an independent scientific advisory body and created the Rapid Alert System for Food and Feed (RASFF) for the management of emergencies and crises. The General EU Food Law Regulation is supplemented by more specific EU rules covering, among other areas, food and feed hygiene, labeling, additives, food contact materials, quality and compositional requirements, drinking water, novel foods and GMOs. Official controls ensuring the application of food and feed law are governed by Regulation (EU) No 2017/625 of March 15, 2017, which replaced the previous framework under Regulation (EC) No 882/2004 with effect from December 14, 2019.

At French level, the French Consumer Code and various decrees set out specific food information requirements and food safety and hygiene rules applicable to establishments offering catering services. In addition, under the French Rural and Maritime Fishing Code, operators of establishments producing, handling or storing foodstuffs of animal origin or containing ingredients of animal origin (such as meat, dairy products, fishery products, eggs or honey) intended for human consumption are exempt from health registration (*agrément sanitaire*) but are required to file a prior notification before commencing their activity. This exemption applies to Club Med in respect of the catering services provided within its resorts.

The sale of alcoholic beverages is subject to a specific licensing regime under the French Public Health Code. The type of license required depends on whether beverages are served during mealtimes to eating customers only, or also outside mealtimes:

- Service outside mealtimes (or to non-eating customers) requires either:
 - a License III (“partial license”), covering fermented alcoholic beverages (e.g., beer, wine, cider and fruit-based beverages) containing up to 3% alcohol by volume, as well as wine-based and fruit-based liquors containing up to 18% alcohol by volume; or
 - a License IV (“full license”), covering the same beverages as License III plus rum and distilled spirits.
- Service during mealtimes only (to eating customers) requires either:
 - a Small Restaurant License (*petite license restaurant*), covering the same beverages as License III; or
 - a Restaurant License (*license restaurant*), covering the same beverages as License IV.

The grant of any of these licenses is conditional upon (i) obtaining an operating permit (*permis d’exploitation*), which requires prior completion of a training course covering, among other topics, the dangers of excessive alcohol consumption and the prohibition on selling alcohol to minors, and (ii) filing a prior notification with the competent local administrative authority at least 15 days before the opening, reopening or transfer of the establishment.

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Environmental Protection

In France, the environmental regulatory framework is primarily set out in the French Environmental Code, supplemented by EU legislation and sector-specific regulations. Since 2005, the French Environmental Charter (*Charte de l’environnement*), which has constitutional status, enshrines fundamental principles such as the right to live in a balanced and healthy environment, the precautionary principle and the “polluter pays” principle.

This framework covers, in particular, the regime applicable to environmental impact assessments, site protection, biodiversity, water management, waste management, *etc.*

Projects that are likely to have significant effects on the environment — including, depending on their scale, construction or extension of tourist accommodation facilities and associated infrastructure — must undergo an environmental impact assessment (*étude d’impact*) prior to obtaining the relevant administrative authorization. The scope and content of the assessment are determined by the nature, size and location of the project, and must cover, among other matters, the initial state of the environment, the foreseeable effects of the project on the environment and human health, and the measures envisaged to avoid, reduce or offset those effects. For projects below the mandatory threshold, the competent authority may still require an assessment on a case-by-case basis.

Some areas are subject to specific environmental protection measures. These include, in particular: Natura 2000 sites, which impose a specific habitats assessment (*évaluation des incidences Natura 2000*) for any project likely to affect the site; national parks (*parcs nationaux*) and national nature reserves (*réserves naturelles nationales*), within which activities, construction and development are strictly regulated or prohibited; regional nature parks (*parcs naturels régionaux*), which, while less restrictive, set out guidelines for sustainable development and may impose specific requirements through their charter; wetlands (*zones humides*), which are subject to specific protection, including restrictions on drainage, backfilling or development. The French Environmental Code also provides for a general regime of protected species (*espèces protégées*): any activity that may result in the destruction, disturbance or degradation of the habitats of protected animal or plant species requires a specific derogation from the competent authority.

The operation of holiday resorts is subject to regulations governing both water consumption and wastewater discharge, which may require the obtaining of specific permits.

The French Environmental Code also sets out general waste management obligations, including the duty to prevent, reduce, reuse and recycle waste.

Finally, certain companies meeting specified size thresholds are subject to environmental reporting obligations under the Directive (UE) No 2022/2464 of December 14, 2022 (EU Corporate Sustainability Reporting Directive, or “CSRD”), which requires the disclosure of detailed information on, among other matters, the environmental impact of their activities. In addition, the French duty of vigilance legislation (*loi sur le devoir de vigilance*) of March 27, 2017 requires certain large companies to establish, publish and implement a vigilance plan identifying and preventing environmental, health and human rights risks arising from their activities, including those of their subcontractors and supplies.

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General Data Protection Regulation

The processing (collection, retention and transmission) of personal data — any information relating to an identified or identifiable individual — is subject to various prohibitions, limitations and procedures under European directives and regulations and under the national legislations governing privacy and the protection of personal data in most of the countries in which the Company and its subsidiaries carry out their activities. In particular, the European General Data Protection Regulation (EU) 2016/679 of 27 April 2016 (GDPR), applicable since 25 May 2018, sets out extensive requirements pertaining to the processing of personal data as well as rights for individuals (data subjects), including the right to the portability of their personal data. In France, the GDPR is supplemented by the French Data Protection Act (Law No. 78-17 of 6 January 1978, as amended, in particular by Law No. 2018-493 of 20 June 2018 and Order No. 2018-1125 of 12 December 2018). Under the GDPR, no personal data may be processed unless a lawful basis specified by the GDPR applies; business processes involving personal data must use the highest possible privacy settings by default (privacy by default) and data protection must be embedded into the design of such processes (privacy by design). Transfers of personal data outside the European Economic Area are permitted only subject to the safeguards provided for by the GDPR (adequacy decisions, standard contractual clauses or other approved transfer mechanisms).

Infringements of the GDPR may be sanctioned by administrative fines of up to EUR 20 million or 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher. Criminal penalties may also be imposed under French law, namely imprisonment of up to five years and/or a fine of up to EUR 300,000 for natural persons or up to EUR 1,500,000 for legal entities (Articles 226-16 through 226-24 of the French Criminal Code).

REGULATORY OVERVIEW – INTERNATIONAL SANCTIONS AND EXPORT CONTROLS

U.S. Sanctions

The U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) administers economic sanctions programs targeting countries, individuals and entities pursuant to Executive Orders issued under the International Emergency Economic Powers Act (“IEEPA”). As of the date of this document, Cuba, Iran, North Korea and the Crimea, Donetsk and Luhansk regions of Ukraine are subject to comprehensive U.S. embargoes. In addition, strict “near-comprehensive” sanctions are in place against certain countries, such as the Russian Federation.

Primary and Secondary Sanctions

Primary sanctions apply to “U.S. persons,” defined as any U.S. citizen, permanent resident, entity organized under U.S. law (including foreign branches), or any person within the United States. Primary sanctions also cover activities involving the U.S. financial system, including the clearing of U.S. dollar payments through U.S. intermediary financial institutions. Secondary sanctions may be imposed on non-U.S. persons when specifically designated, and are used to encourage alignment with U.S. foreign policy objectives even where no direct U.S. jurisdictional nexus exists.

SDN List and 50% Rule

OFAC maintains the Specially Designated Nationals and Blocked Persons (“SDN”) List. All assets of persons on the SDN List are blocked and U.S. persons are generally prohibited from engaging in transactions with them. Under OFAC’s 50% rule, an entity owned 50% or more, directly or indirectly, by one or more SDNs is treated as blocked even if not itself listed.

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Russia-Specific Restrictions

Executive Orders 14066, 14068 and 14071 (issued March–April 2022) prohibit: (i) new investment in Russia by a U.S. person, wherever located; (ii) the exportation, reexportation, sale, or supply of certain categories of services to any person located in Russia; and (iii) any approval, financing, facilitation, or guarantee by a U.S. person of a transaction by a foreign person that would be prohibited if performed by a U.S. person. OFAC defines “investment” as the commitment of capital for the purpose of generating returns or appreciation.

Pursuant to E.O. 14071, OFAC has issued determinations prohibiting U.S. persons from providing accounting, trust and corporate formation, management consulting, quantum computing, architecture and engineering, certain IT consultancy and cloud-based services, and other specified services to persons in Russia. E.O. 14071 does not establish a general prohibition on providing travel-arrangement or tourism services to persons located in Russia.

Penalties

Civil penalties for violations of OFAC sanctions may include fines of the greater of US\$377,700 per violation or twice the value of the underlying transaction. Criminal penalties may include fines of up to US\$1 million per violation and imprisonment for up to 20 years.

EU Sanctions

The EU maintains sanctions regimes including country-specific programs (e.g., Russia, Belarus, Iran, Syria) and thematic regimes targeting cyber-attacks, terrorism and human rights violations. EU sanctions are adopted by the Council of the European Union and implemented through directly applicable regulations enforced by Member States.

Russia and Crimea Measures

EU sanctions against Russia are principally implemented through (i) Council Regulation (EU) No. 269/2014 – asset freeze measures on designated individuals and entities; (ii) Council Regulation (EU) No. 833/2014 – sectoral restrictions including export controls; and (iii) Council Regulation (EU) No. 692/2014 (the “EU Crimea Regulation”) – separate restrictions concerning Crimea and Sevastopol.

Key measures include (i) asset freezes requiring that all funds and economic resources owned, held or controlled by designated persons be frozen; (ii) restrictions on export, supply and transfer of specified goods, software and technology to Russia; (iii) restrictions on provision of certain professional services to Russia, including tourism services (from 24 October 2025), engineering services and IT consultancy services; (iv) restrictions on new investment in specified sectors (energy, mining); (v) a “best efforts” obligation on EU companies to ensure their non-EU subsidiaries do not undermine EU sanctions; and (vi) prohibitions under the EU Crimea Regulation on investments, specified trade and services involving Crimea, services directly related to tourism activities in Crimea, and calls by cruise ships at specified Crimean ports.

Jurisdictional Scope

EU sanctions apply where there is an EU nexus: (i) within EU territory; (ii) on board any aircraft or vessel under Member State jurisdiction; (iii) to any EU national; (iv) to any legal person incorporated under Member State law; and (v) to any legal person in respect of any business conducted in whole or in part within the EU.

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Penalties

Violations are enforced at Member State level. Pursuant to Directive (EU) 2024/1226, Member States must establish criminal offences and penalties for sanctions violations, with serious violations subject to maximum imprisonment of at least five years.

UK Sanctions

UK sanctions are implemented under the Sanctions and Anti-Money Laundering Act 2018. UK sanctions against Russia are principally implemented through the Russia (Sanctions) (EU Exit) Regulations 2019 (the “UK Russia Regulations”).

Key Measures

The UK Russia Regulations impose (i) asset freeze measures on designated individuals and entities; (ii) restrictions on capital-markets dealings, lending, banking and payment services, investment and related financial services; (iii) restrictions on investments in Russia by UK persons, including acquisitions of ownership interests in land or entities and establishment of joint ventures; (iv) restrictions on investments in and imports from Russia-controlled Ukrainian territory, including Crimea; and (v) infrastructure- and tourism-related service restrictions.

Jurisdictional Scope

UK sanctions apply to all persons within the territory and territorial sea of the United Kingdom and to all UK persons wherever they are in the world. UK persons include British nationals and all bodies incorporated or constituted under UK law. The UK’s Office of Financial Sanctions Implementation (“OFSI”) has indicated that a UK nexus can arise through UK companies working overseas, transactions using UK clearing services, actions directed from within the UK, or financial products purchased on UK markets.

Penalties

For financial sanctions violations, civil penalties may be imposed up to the greater of £1 million or 50% of the value of the transaction. Criminal penalties include unlimited fines and up to seven years’ imprisonment. For trade sanctions violations, criminal penalties may include unlimited fines and up to 10 years’ imprisonment.

U.S. Export Controls

The Export Administration Regulations (the “EAR”), 15 C.F.R. § 730 et seq., are administered by the U.S. Department of Commerce, Bureau of Industry and Security (“BIS”) and control the export, reexport and transfer (in-country) of “dual-use” commodities, software and technology.

Scope and Applicability

The EAR applies to all items “subject to the EAR,” including U.S.-origin items, items physically located in the United States, and certain foreign-made items incorporating controlled U.S.-origin content. The U.S. asserts jurisdiction over items subject to the EAR located anywhere in the world. Depending on the destination country, end-user, end use, and the classification of the item on the Commerce Control List (“CCL”), transferring, exporting or reexporting an item subject to the EAR may require a U.S. export license unless a license exception is available.

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Russia-Specific Controls

Effective February 24, 2022, BIS imposed license requirements for exports, reexports and transfers to Russia of all items on the CCL. U.S.-origin items designated as EAR99 are generally not controlled except in specified circumstances, including items listed in designated Supplements to Part 746, certain EAR99 enterprise software, and items intended for military end users or military end use. BIS has also issued Russia-specific Foreign Direct Product (“FDP”) rules covering certain foreign-made items produced using U.S.-origin software or technology that are intended for Russia, Belarus or Crimea.

Penalties

Violations of the EAR may result in civil penalties of up to US\$374,474 per violation or twice the value of the underlying transaction, as well as denial of export privileges. Criminal penalties may include fines of up to US\$1 million per violation and imprisonment for up to 20 years. BIS may also designate violators on the Denied Persons List, effectively barring them from participating in U.S. export transactions.