

EUTELSAT COMMUNICATIONS

Société anonyme with a share capital of 226 972 338 Euros
Registered office: 70, rue Balard, 75015 Paris
481 043 040 RCS Paris

ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING

OF 5 NOVEMBER 2015

**REPORT OF THE BOARD OF DIRECTORS ON THE DRAFT RESOLUTIONS SUBMITTED FOR
APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING**

Ladies, Gentlemen, Dear Shareholders,

The Board of Directors has called this ordinary and extraordinary general shareholders' meeting in order to submit the following draft resolutions for your approval:

1. Approval of the annual and consolidated financial statements for the financial year ended on 30 June 2015 (resolutions nos. 1 and 2)

Resolutions nos. 1 and 2 relate to the approval of the annual financial statements of the Company and of the consolidated financial statements of the Group for the financial year ended on 30 June 2015.

The Company's annual financial statements for the financial year ended on 30 June 2015 show a profit of 259,067,438.20 Euros (compared to 279,593,227.78 Euros for the previous financial year) while the consolidated financial statements show a consolidated net result of 370 235 thousand Euros (compared to 316,223,440 Euros for the previous financial year).

For more information on the Company's financial statements for the financial year ended on 30 June 2015 and on corporate operations during such financial year and since 1 July 2015, please refer to the annual and consolidated financial statements for such financial period, to the management report of the Board of Directors and to the reports of the Statutory Auditors on such financial statements, which have been made available to you as required by laws and regulations.

2. Approval of the related party agreements governed by Article L. 225-38 of the Commercial Code (resolution no. 3)

The special report of the Statutory Auditors describes the agreements governed by Article L. 225-38 of the Commercial Code. By virtue of **resolution no. 3**, the Board of Directors proposes that you acknowledge the conclusions of said report, the absence of any new agreement entered into during the financial year ended 30 June 2015 and not already submitted to the vote of the General

Shareholders' Meeting, and the agreements approved by the General Shareholders' Meeting in the past, which have continued during the financial year ended 30 June 2015. The Board of Directors points out that (i) no new agreements have been entered into during the financial year ended on 30 June 2015 and (ii) that the following regulated agreements, which were authorized during previous financial years, are still in force and continued to be performed in the course of the financial year:

- The agreement entered into in 2010 between the Company and a number of its subsidiaries allowing the Company to invoice back the shares purchased on the Euronext Paris regulated market in order to cover share allotments to be made under the Company's free share allotment plans in favour of the Eutelsat Group employees;
- The tax consolidation agreement entered into in 2007 between the Company and its French subsidiaries.

In accordance with Article L. 225-40-1 of the French Commercial Code, the Board of Directors has examined these two agreements during the meeting held on 29 July 2015.

3. Appropriation of results for the financial year ended on 30 June 2015, determination and payment of dividend, option for the payment of dividend in shares (resolutions nos. 4 and 5)

The purpose of **resolution no. 4** is to decide on the appropriation of results for the financial year ended 30 June 2015, which resulted in a profit of 259,067,438.20 Euros.

The Board of Directors proposes to distribute an amount of 1.09 Euros per share, i.e. a total amount of 247,399,848.42 Euros on the basis of the outstanding shares as at 30 June 2015 (including the treasury shares held by the Company that do not carry dividend rights), to be deducted from the distributable profit with the balance appropriated to "Retained earnings".

This dividend would be paid out on 10 December 2015, it being specified that if the Company holds treasury shares on the dividend payment date, the profit corresponding to the dividend due in respect of such shares shall be allocated to "Retained earnings".

The amount distributed, i.e. 1.09 Euro per share, shall be eligible for the 40% tax reduction for individuals whose tax residence is in France, as provided under Article 158-3-2° of the General Tax Code.

By voting **resolution no. 5**, it is proposed that, in accordance with articles L. 232-18 *et seq.* of the Commercial Code and article 24 of the articles of association, you decide that the payment of the full amount of the dividend referred to in resolution no. 4, i.e. 1.09 Euro per share, shall be payable in cash or in newly-issued shares of the Company, at the shareholder's option.

Each shareholder shall be required to exercise such option between 16 and 30 November 2015, included. If a shareholder fails to exercise the option within the requisite time period, such shareholder's dividend shall be paid in cash, as from 10 December 2015.

The issue price of the newly-issued shares to be delivered as payment of the dividend shall be equal to the average opening share price in the twenty (20) trading days prior to the General Shareholders' Meeting, less a 10% discount as authorized by applicable texts, and less the net dividend amount. As the case may be, the price shall be rounded up to the nearest eurocent.

The delivery of the shares to the shareholders who opted for a scrip dividend payment shall occur on the cash dividend payment date, i.e. on 10 December 2015. The newly-issued shares shall carry dividend rights as from 1 July 2015 and shall be fully-assimilated to the existing shares.

If the dividend amount in respect of which the option was exercised does not correspond to a whole number of shares, the shareholder shall receive the nearest lower whole number of shares, with a balance payment in cash.

4. Board of Directors (resolutions nos. 6 to 8)

Considering that Lord John Birt's term of office as a director is due to expire at the close of this General Shareholders' Meeting, the Board of Directors proposes that, by voting **resolution no. 6**, this General Shareholders' Meeting renew Lord John Birt's corporate office for a term of four (4) years expiring at the end of the Ordinary General Shareholders' Meeting called to examine the financial statements for the financial year ending on 30 June 2019, in accordance with article 14 of the articles of association.

It is reminded that Mr. Jean-Paul Brillaud's term of office as director is also due to expire at the close of this General Shareholders' Meeting. The Board of Directors has decided not to propose the renewal of his term of office.

Considering the notification dated as of 7 July 2015 sent by Bpifrance Participations, legal entity member of the Board of Directors, which states that Mr. Jean d'Arthuys is to be replaced in his functions as permanent representative of Bpifrance Participations at the Company's Board of Directors as from the first meeting of the Board of Directors held further to this General Shareholders' Meeting, it is proposed that, by voting this **resolution no. 7**, Mr. Jean d'Arthuys be appointed as director for a term of four (4) years, as from such date, expiring at the close of the ordinary shareholders' meeting held to approve the financial statements for the financial year expiring on 30 June 2019, in accordance with article 14 of the articles of association.

In **resolution no. 8**, it is proposed that this General Shareholders' Meeting appoint Ms. Ana Garcia Fau as director for a term of four (4) years expiring at the close of the ordinary shareholders' meeting held to approve the financial statements for the financial year expiring on 30 June 2019.

The information relating to applicants or Directors, whose appointment or renewal is submitted to the vote of this General Shareholders' Meeting, are set out in the **Annex** to this report.

If the aforementioned draft resolutions are adopted, the Board of Directors will comprise ten (10) members and its membership will, in terms of "desirable balance", be compliant with the recommendations set forth in the June 2013 AFEP-MEDEF Code of corporate governance for listed companies (the "**AFEP-MEDEF Code**"), which is the Company's code of reference pursuant to article L. 225-37 of the Commercial Code:

- in terms of male-female parity: as from November 2015, the proportion of female directors within the Company will be 40%, whereas the Code recommends a proportion of 20% until November 2016, and only 40% thereafter, and
- in terms of proportion of independent directors: as from November 2015, this proportion will stand at 60%, i.e. above the 50% proportion recommended by the Code for non-controlled companies.

5. Statutory auditors (resolutions no. 9 and 10)

Considering that the terms of office of Ernst & Young et autres and Auditex as principal statutory auditor and substitute statutory auditor, respectively, are due to expire at the close of this General Shareholders' Meeting, it is proposed that, by voting **resolutions no. 9 and 10**, this General Shareholders' Meeting renew their terms of office for a term of six (6) years, i.e. until the ordinary shareholders' meeting held to approve the financial statements for the financial year ended on 30 June 2021.

6. Consultation on the individual remuneration items of the executive corporate officers (resolutions nos. 11 and 12)

In accordance with the AFEP-MEDEF Code, the Board of Directors hereby presents the items of remuneration due or allocated to Mr. Michel de Rosen, Chairman and Chief Executive Officer, on the one hand, and to Mr. Michel Azibert, Deputy Chief Executive Officer, on the other hand, in respect of the financial year ended on 30 June 2015.

Detailed information on each of the foregoing items of compensation (including the reasons for their evolution compared to the previous financial year and the ex-post achievement of the objectives), together with the description of the general compensation policy, are set forth in the management report.

	Mr. Michel de Rosen Chairman and Chief Executive Officer	Mr. Michel Azibert Deputy Chief Executive Officer
Fixed portion		
Amount / principle	400,000 Euros Evolution compared to the previous financial year: 0%	346,080 Euros Evolution compared to the previous financial year: 5%, by decision of the Board of Directors dated as of 30 July 2014, in order to reflect (i) the enlarged functions of Michel Azibert, who took over direct responsibility for the Group's commercial and development activities effective 23 June 2014, in addition to his functions as Deputy Chief Executive Officer, and (ii) the results of an external benchmark study of the corporate officers' salaries compared to the French market and the satellite sector
Annual variable portion		
Amount / principle	350,000 Euros	259,560 Euros
Criteria used to establish this variable portion	<p>The annual variable portion may vary between 0 and 105 % of the fixed portion:</p> <ul style="list-style-type: none"> • i.e. a maximum amount of 420,000 Euros for Michel de Rosen • i.e. a maximum amount of 363,384 Euros for Michel Azibert, being said that the increase of the maximum percentage of the variable portion (from 70% of the fixed portion for the previous financial year to 105% was decided by the Board of Directors of 30 July 2014 for the reasons set forth above. <p>The annual variable portion is calculated on the basis of qualitative and quantitative objectives:</p> <ul style="list-style-type: none"> - Pre-determined and precisely defined qualitative objectives (which are described in the management report): <ul style="list-style-type: none"> • 48% (i.e. a maximum amount of 200,000 Euros) for Michel de Rosen • 33.33% (i.e. a maximum amount of 121,128 Euros) for Michel Azibert 	

	<p>- Quantitative objectives:</p> <ul style="list-style-type: none"> • Group quantitative objectives (Revenues account for 30%, EBITDA¹ accounts for 40% and Consolidated Net Results account for 30%): 52% (i.e. a maximum amount of 220,000 Euros) for Michel de Rosen • Group quantitative objectives: 33.33% (i.e. a maximum amount of 121,128 Euros) for Michel Azibert • Specific quantitative objectives related to the functions of Group Chief Commercial and Development Officer (a description of which is set forth in the management report): 33.33% (i.e. a maximum amount of 121,128 Euros) <p><i>With regards to the quantitative objectives, the amount granted in respect of each criterion is calculated on a straight-line basis, by direct reference to the level reached against the budget, between</i></p> <ul style="list-style-type: none"> - 100% of the target bonus if the budget is reached, - 60% of the target bonus if the disclosed financial objectives are achieved, - 50% of the target bonus in case of a 1.5% under-performance as compared to the disclosed financial objectives, - no bonus is granted in case of under-performance compared to the minimum level described above. <p>For the financial year ended on 30 June 2015, the variable portion represented:</p> <ul style="list-style-type: none"> • 87.6% of the fixed portion for Michel de Rosen (88.4% of the qualitative objectives and 78.7% of the quantitative objectives were achieved) • 75% of the fixed portion for Michel Azibert (78.4% of the quantitative objectives, and 78.7% of the qualitative objectives, as well as 57.1% of the specific commercial quantitative objectives, were achieved)
Multi-year variable portion	
Amount / principle	N/A
Exceptional compensation	
Amount / principle	N/A
Stock options, performance shares and other long-term compensation items	
• Performance shares	
Amount / allotment principle	<p><u>Free share allotment plans in respect of which shares have vested during the financial year</u></p> <p>On 28 July 2011, the Board of Directors decided, on the basis of resolution no. 23 of the General Shareholders' Meeting of 9 November 2010, to allot the following maximum number of performance shares:</p> <ul style="list-style-type: none"> • 52,000 shares to Michel de Rosen • 32,000 shares to Michel Azibert <p>On 29 July 2014, considering the achievement of the performance objectives</p>

¹ EBITDA is defined as operating results before amortization allowances, asset depreciations and other operating income / (charges).

	<p>determined by the Board, the Board finally allotted:</p> <ul style="list-style-type: none"> • 5,341 shares to Michel de Rosen (i.e. less than 0.01% of the Company's share capital), valued at 240,246 Euros in the consolidated financial statements as at the date of the allotment • 3,287 shares to Michel Azibert (i.e. less than 0.01% of the Company's share capital) valued at 147,854 Euros in the consolidated financial statements as at the date of the allotment <p><u>Free share allotment plans in respect of which the vesting period is in progress</u></p> <p>On 8 November 2012, the Board of Directors decided, on the basis of resolution no. 32 of the General Shareholders' Meeting of 8 November 2011, to allot the following maximum number of performance shares:</p> <ul style="list-style-type: none"> • 20,900 shares to Michel de Rosen (i.e. less than 0.01 % of the Company's share capital), valued at 35,948 Euros in the consolidated financial statements for the financial year ended (pending allotment) • 12,900 shares to Michel Azibert (i.e. less than 0.01 % of the Company's share capital), valued at 22,188 Euros in the consolidated financial statements for the financial year ended (pending allotment) <p>The shares in respect of such plan shall finally vest as from 9 November 2015.</p>
<p>Performance conditions for allotment</p>	<p>The allotment of performance shares under the plans is subject to the achievement of 4 objectives: EBITDA, ROCE¹, EPS² and TSR³, each accounting for 25% in the allotment. They are set for a period of 3 years.</p> <p>The number of finally vested shares <i>is calculated on a straight-line basis, by reference to the level reached for each objective, between:</i></p> <ul style="list-style-type: none"> - the minimum (Floor) - no share is allotted if performance is below this level, and - the maximum (exceptional Over-performance).
<p>• New long-term compensation</p>	
<p>Amount / allotment principle</p>	<p><u>Current long-term cash incentive plans</u></p> <p>1) On 13 February 2014, the Board of Directors decided to establish a long-term compensation plan in the form of cash bonuses in favour of certain Group managers in France and of all employees in France and abroad.</p> <p>These bonuses will be paid out on 1 September 2016 and their amount shall be equal to the share price in the 20 trading days preceding 1 September 2016 multiplied by the number of phantom shares allotted to each beneficiary.</p> <p>The maximum number of phantom shares to be allotted under this plan stands at:</p> <ul style="list-style-type: none"> • 22,999 shares for Michel de Rosen (i.e. less than 0.01% of the Company's share capital), i.e. 520,000 Euros, i.e. 130% of the fixed portion (on the basis of a price of 22.61 Euros per share, being the average share price in the 20 trading • 14,578 shares for Michel Azibert (i.e. less than 0.01% of the Company's share capital), i.e. 329,600 Euros, i.e. 100% of the fixed portion (on the basis of the same price per share)

¹ ROCE is return on capital employed = operating result / (shareholders' equity + net debt – goodwill).

² EPS is the Group net earnings per share.

³ TSR is the rate of return on a share over a given period, including the dividends received and the capital gain earned (and therefore the evolution in the trading price).

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	<p>days prior to the allotment)</p> <p>The theoretical number of shares used shall be determined by reference to certain performance objectives, which are described below.</p>	
	<p>2) On 11 February 2015, the Board of Directors decided to establish a long-term compensation plan in the form of cash bonuses in favour of certain Group managers in France and of all employees in France and abroad.</p> <p>These bonuses will be paid out on 1 September 2017 and their amount shall be equal to the share price in the 20 trading days preceding 1 September 2017 multiplied by the number of phantom shares allotted to each beneficiary.</p> <p>The maximum number of phantom shares to be allotted under this plan stands at:</p> <ul style="list-style-type: none"> • 20,775 shares for Michel de Rosen i.e. less than 0.01% of the Company's share capital), i.e. 520,000 Euros, i.e. 130% of the fixed portion (on the basis of a price of 25.03 Euros per share, being the average share price in the 20 trading days prior to the allotment) • 13,827 shares for Michel Azibert i.e. less than 0.01% of the Company's share capital), i.e. 346,080 Euros, i.e. 100% of the fixed portion (on the basis of the same price per share) <p>The theoretical number of shares used shall be determined by reference to certain performance objectives, which are described below.</p>	
Performance conditions for allotment	<p>1) The plan set up by the Board on 13 February 2014 provides for 4 objectives: EBITDA, ROCE, EPS and absolute TSR, each accounting for 25% in the allotment. They are set for a period of 3 years.</p>	
	<p>2) The objectives were modified as part of the plan set up by the Board on 11 February 2015, for reasons described in more detail in the management report. There are 3 objectives: EBITDA, ROCE and relative TSR calculated by comparison to a synthetic index, each accounting for one third in the allotment. They are set for a period of 3 years.</p>	
Signing bonus or severance indemnities		
Amount / principle	N/A	
Directors' fees		
Amount / principle	N/A: Michel de Rosen waived his entitlement to directors' fees	N/A: Michel Azibert is not a director
Supplementary retirement scheme		
Amount / principle	N/A	
Benefits in kind		
Amount / principle	N/A	5,418 Euros for the benefit of a company car

The detailed standardised presentation of the Company executive corporate officers' compensation, drawn up in accordance with the AFEP-MEDEF Code and the recommendations of the *Autorité des marchés financiers* ("AMF"), is set forth in the management report.

The Board of Directors seeks the favourable consultative opinion of this General Shareholders' Meeting in relation to the aforementioned compensation items due or allocated to Mr. Michel de Rosen, Chief Executive Officer (under **resolution no. 11**) and Mr. Michel Azibert, Deputy Chief Executive Officer (under **resolution no. 12**) in respect of the financial year ended on 30 June 2015.

The voting conditions applicable to ordinary resolutions shall apply to the consultative opinion submitted to you.

In accordance with the AFEP-MEDEF Code, it is reminded that if the General Shareholders' Meeting expresses a negative opinion, the Board of Directors, further to an opinion from the Governance, Selection and Remuneration Committee, would be required to deliberate on this topic in the course of a future session and would promptly publish a release on the Company's website setting forth the action it intends to undertake further to such opinion.

7. Authorisation given to the Board of Directors to purchase shares of the Company and, as the case may be, to cancel such shares (resolutions nos. 13 and 14)

The General Shareholders' meeting that approved the financial statements for the previous financial year authorized the Board of Directors to purchase shares of the Company, during a period of eighteen (18) months as from the date of the General Shareholders' Meeting, which authorization will thus expire during the 2015-2016 financial year.

By virtue of **resolution no. 13**, the Board of Directors proposes that this General Shareholders' Meeting renew such authorization for a maximum period of eighteen (18) months as from the date of this General Shareholders' Meeting.

The maximum purchase price per share would be set at 50 Euros, and the maximum total amount of funds allocated to share buy-backs would be set at 400 million Euros.

Shares could be purchased with a view to a) retaining shares with a view to subsequently remitting them as a means of payment or exchange in the context of external growth transactions, b) stimulating the market under a liquidity contract; c) remitting the shares at the time of the exercise of rights attached to securities conferring access to the Company's share capital, and to carry out any hedging operations associated with such securities; ; d) allotting or selling shares to employees or eligible corporate officers of the Company or of the Group, including in connection with the allotment of performance shares, sharing in the fruits of the company's expansion, the stock option plan or any employee savings plan; e) cancelling all or a part of the repurchased shares and reducing the share capital accordingly, and f) implementing any market practice that has been approved either by the law or by the AMF.

The draft resolutions submitted to your approval expressly provide that the acquisition, sale, exchange or transfer of the shares may not be effected during a public offer period even if the offer is a cash-only offer on the shares of the Company.

During the financial year ended on 30 June 2015, the buy-back program has been used in connection with the liquidity contract that complies with the charter of ethics issued by the "AMAFI". The Board of Directors already decided that, in the event of adoption of the new programme, which is submitted to you, the liquidity contract will be maintained.

By virtue of **resolution no. 14**, the Board of Directors requests an authorization from this General Shareholders' Meeting, deciding in accordance with the rules for extraordinary shareholders' meetings, with full powers of sub-delegation, to reduce the share capital by cancelling all or a part of the common shares purchased by the Company under a buy-back programme, which reduction shall be limited to 10% of the share capital in any given period of twenty-four (24) months, on one or more occasions.

Such authorization would be granted to the Board of Directors for a maximum period of eighteen (18) months as from the date of this General Shareholders' Meeting.

8. Delegation of authority to the Board of Directors to increase the share capital (resolutions nos. 15 to 23)

The General Shareholders' Meeting that approved the financial statements for the financial year ended on 30 June 2013 had granted the Board of Directors delegations of authority to increase the share capital through the issue of common shares and/or securities conferring access to common shares of the Company, for a period of twenty-six (26) months as from the date of the General Shareholders' Meeting, which delegations will thus expire during the 2015-2016 financial year.

The Board of Directors proposes, by virtue of **resolutions nos. 15 to 23**, that this General Shareholders' Meeting renew the delegations of authority that allow the Board of Directors to increase the share capital through the issue of common shares and/or securities conferring access to the share capital of the Company, for a maximum period of twenty-six (26) months as from the date of this General Shareholders' Meeting.

The purpose of these resolutions is to provide the Company and its Group with a certain degree of financial flexibility in the implementation of share capital increases to complete a number of financial transactions in relation to the share capital of the Company, and thus to be able to take advantage of the opportunities offered by the financial markets. Such new delegations would terminate the unused fraction of, and would be substituted for, the delegations previously granted by the General Shareholders' Meeting that approved the financial statements for the financial year ended on 30 June 2013, and having the same purpose.

The Board of Directors reminds this General Shareholders' Meeting that Law no. 2014-384 of 29 March 2014 aimed at winning back the real economy (known as the "Florange Law") put an end, effective 1 July 2014, to the principle of neutrality of the board of directors during a public offer period, such that the board is now free to make any decision (including pursuant to a delegation from the shareholders' meeting) likely to cause an offer to fail, subject to the powers expressly devolved to the shareholders' meeting. In the interest of the shareholders, the Board proposes to expressly provide for the suspension, during a public offer period, of the delegations and authorizations granted to the Board with a view to increasing the share capital under **resolutions 16 to 23**. The Board specifies that this suspension proposal does not apply to the delegation of authority and authorization granted to the Board to increase the share capital in connection with a long-term employee and executive officer incentivization policy under **resolutions no. 24 and 25**, to the extent commonly used as an employee and executive officer compensation mechanism, and provided further that the relevant amounts are not such as to affect the development or outcome of the offer.

The Board of Directors informs you that (i) the nominal amount of all share capital increases carried out pursuant to the resolutions submitted to this General Shareholders' Meeting would be limited to an amount of 44 million Euros for all share capital increases carried out under resolutions nos. 16 to 18 and 21 to 24 (the "**Overall Maximum Share Capital Increase Amount**"), and that (ii) the nominal amount of all share capital increases with cancellation of the preferential subscription right carried out under resolutions no. 17, 18 and 21 to 24 submitted to this General Shareholders' Meeting would be limited to an amount of 22 million Euros (the "**Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right**") and would be deducted from the Overall Maximum Share Capital Increase Amount defined above. The maximum nominal amount of any share capital increases carried out under resolution no. 15 (by capitalization of reserves, profits, premiums or other monies the capitalization of which is permitted) stands at an amount of 44 million Euros which, considering the nature of this resolution, is unrelated to and separate from the aforementioned maximum amount.

The nominal amount of all debt securities issued pursuant to resolutions nos. 16 to 18, 21 and 22 submitted to the General Shareholders' Meeting would be limited to an amount of one (1) billion Euros for each of these resolutions, and to an overall maximum amount of one (1) billion Euros (the "**Overall Maximum Debt Securities Issue Amount**"). Such maximum amount would be independent of the amount of debt securities issues decided or authorized by the Board under Articles L. 228-40, L. 228-92

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last para. and L. 228-93 last para. of the Commercial Code or in accordance with the terms of article L. 228-36-A of the Commercial Code.

Under such delegations, the Board of Directors would decide the features, terms and conditions of each issue, would set the issue price of the issued securities (with or without issue premium), the conditions for the paying-up of the securities, their dividend entitlement date, which may be retroactive and, in the event of an issue of securities conferring access to common shares, the terms according to which such securities would confer access to common shares of the Company.

In particular, it would be entitled to define the redemption terms of the securities issued, especially as concerns subscription warrants. The Board of Directors would also have the broadest powers to take all measures required by the issues or following their completion, to acknowledge the completion of share capital increases and to amend the articles of association accordingly.

The share capital increases resulting from all of the resolutions could be subscribed to in cash or by capitalization of receivables.

All authorizations which, if implemented, would result in the issue of securities conferring access to the share capital, would act as a waiver by the common shareholders of their preferential right to subscribe to the common shares to be allotted by virtue of the issued securities.

Where the resolutions grant the Board of Directors powers of sub-delegation, such sub-delegation shall be in favour of the Chairman and CEO or, in agreement with the CEO, in favour of one or more (as the case may be) deputy CEO(s).

As the case may be, the Board of Directors would, pursuant to legal provisions, as and when it makes use of the authorizations, draw up a supplementary report describing the final terms of the relevant issue. Such report, together with the report of the Statutory Auditors, would be at your disposal at the registered office of the Company, and you would be informed of such reports at the next General Shareholders' Meeting.

Since it proposes that you grant these delegations, the Board of Directors wishes to clarify the scope of the resolutions submitted for your approval.

- In **resolution no. 15**, the Board of Directors requests a delegation of authority from this General Shareholders' Meeting, deciding in accordance with the quorum and majority rules for ordinary general shareholders' meetings in accordance with Article L. 225-130 of the Commercial Code, to increase the share capital by capitalization of reserves, profits, issue premiums or of any other monies the capitalization of which is permitted, up to a maximum nominal amount of 44 million Euros, it being specified that such maximum amount is unrelated to and separate from the Overall Maximum Share Capital Increase Amount as defined above. The share capital increases resulting from this resolution could be carried out, at the Board of Directors' option, by means of a free allotment of new shares, or of an increase of the nominal value of the existing shares.

In the event of a share capital increase carried out by means of a free allotment of shares, the Board of Directors would be entitled to decide that the fractional allotment rights are not negotiable or transferable, and that the corresponding shares are to be sold, with the amounts resulting from such sale being allotted to the holders of the rights, in accordance with the provisions of the law.

- In **resolution no. 16**, the Board of Directors proposes that this General Shareholders' Meeting delegate its authority to the Board of Directors to decide to issue common shares of the Company and/or securities conferring access by any means, immediately or in the future, to common shares of the Company, subject to the common shareholders' preferential subscription right, up to a maximum nominal amount of 44 million Euros, it being understood that such amount would be deducted from the Overall Maximum Share Capital Increase Amount.

The issue price of the common shares and/or securities would be determined by the Board of Directors simultaneously with its decision to proceed with the issue, it being specified that the price of the securities conferring access to common shares would be such that the amount immediately

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received by the Company plus, as the case may be, the amount subsequently received by the Company, would be at least equal, for each common share issued by virtue of the issue of such securities, to the nominal value of the common share of the Company.

The holders of common shares would be able to exercise their irreducible preferential subscription rights in accordance with the provisions of the law.

The Board of Directors would further have the option to grant the holders of common shares a right to subscribe to the common shares or securities issued on a reducible basis, which right would be exercisable in proportion to their subscription rights and up to the amounts stated in their requests.

In the event that the subscriptions do not take up the full amount of an issue of common shares or of securities conferring access to the share capital of the Company, the Board of Directors would be entitled to use one or more of the following options, in any order it deems appropriate:

(i) limit the amount of the issue to the amount of subscriptions received (provided that the same amounts to at least three quarters of the issue decided),

(ii) freely allocate all or a part of the unsubscribed securities, or

(iii) offer all or a part of the unsubscribed securities to the public.

- In **resolution no. 17**, the Board of Directors requests a delegation of authority from this General Shareholders' Meeting to issue common shares and/or securities conferring access, by any means, immediately or in the future, to common shares of the Company, with cancellation of the shareholders' preferential subscription right, up to a maximum nominal amount of 22 million Euros, it being reiterated that such amount would be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.

The securities issued with cancellation of the preferential would be proposed as part of a public offering, it being stated that the Board of Directors could grant the common shareholders a priority right to subscribe to all or a part of the issue, on an irreducible basis and, as the case may be, on a reducible basis, for a period of time that may not be less than three (3) trading days, as required by the provisions of the laws and regulations currently in force.

In the event that the subscriptions do not take up the full amount of an issue of common shares and/or of securities conferring access to the share capital of the Company, the Board of Directors would be entitled to use one or more of the following options, in any order it deems appropriate:

(i) limit the amount of the issue to the amount of subscriptions received (provided that the same amounts to at least three quarters of the issue decided),

(ii) freely allocate all or a part of the unsubscribed securities, or

(iii) offer all or a part of the unsubscribed securities to the public.

Subject to resolution no. 19, the price of the common shares would be at least equal to the minimum amount provided by the laws and regulations in force at the time of implementation of resolution no. 17, which currently provide for a price at least equal to the weighted average share price during the last three (3) trading days preceding the setting of the price, reduced, as the case may be, by a maximum discount of 5%, and adjusted, as the case may be, to take account of the difference in dividend entitlement date.

In respect of securities, subject to resolution no. 19, the price would be such that the amount immediately received by the Company plus, as the case may be, the amount subsequently received by the Company, is at least equal, for each common share issued by virtue of the issue of such securities, to the amount of the issue price of the common shares, determined in accordance with the preceding paragraph, as adjusted, as the case may be, to take account of the difference in dividend entitlement date.

- With a view to complying with the AMF position of 6 July 2009, which requires a special resolution to be adopted where the General Shareholders' Meeting delegates its authority to the Board of Directors to increase the share capital, with cancellation of the preferential subscription rights, as part of a private placement under section II of Article L. 411-2 of the Monetary and Financial Code, the Board of Directors by virtue of **resolution no. 18**, requests a delegation of authority from this General Shareholders' Meeting to issue common shares and/or securities conferring access to common shares of the Company, by any means, immediately or in the future, with cancellation of the preferential subscription right, having the same characteristics as those described in resolution no. 17, as part of a public offering. In particular, the terms relating to the price described above in resolution no. 17 would also apply to issues carried out under resolution no. 18.
- In **resolution no. 19**, the Board of Directors proposes that this General Shareholders' Meeting, in accordance with the provisions of Article L. 225-136 of the Commercial Code, authorize it up to 10% of the share capital over any given period of twelve (12) months, to set the issue price (i) in the event of the issue of common shares or of any securities conferring access to common shares of the Company, carried out with cancellation of the preferential subscription right pursuant to resolutions nos. 17 and 18, or (ii) in the event of the issue of common shares, carried out with cancellation of the preferential subscription right, further to the issue by the Company's subsidiaries of securities conferring access to common shares of the Company pursuant to resolution no. 23 to an amount that is at least equal, at the Board of Directors' option, (a) to the average price weighted by the trade volume of the share during the trading day preceding the setting of the issue price or (b) the average price weighted by the trade volume of the share during the trading day at the time the issue price is set, in both cases reduced, as the case may be, by a maximum discount of 5%.

Such delegation would provide the Board of Directors with greater flexibility in the determination of the issue price for smaller share capital increases carried out with cancellation of the preferential subscription right, thereby increasing the chances of success of the relevant transaction.

- In **resolution no. 20**, the Board of Directors requests an authorization from this General Shareholders' Meeting, in accordance with the provisions of Article L. 225-135-1 of the Commercial Code to raise the amount of an initial capital increase, carried out with or without preferential subscription rights, pursuant to resolutions nos. 16 to 18, if the Board of Directors notes that there is greater demand for subscription, in accordance with the provisions of the law. This option would be granted up to 15% of the amount of the initial share capital increase and at the same price as in the initial issue. The additional nominal amount of the share capital increase would be deducted from the overall nominal share capital increase amount and, as the case may be, from the sub-maximum nominal amount of share capital increases with cancellation of the preferential subscription right amount, provided in the resolution by virtue of which the additional issue was decided.
- In **resolution no. 21**, the Board of Directors proposes that this General Shareholders' Meeting delegates its authority to the Board of Directors to issue common shares and/or securities conferring access to common shares of the Company, with cancellation of the preferential subscription rights, in France or abroad, as consideration for securities tendered in an exchange offer, or a combined share and cash offer, initiated by the Company for the securities of another company listed on a regulated market, in accordance with the terms and subject to the conditions set forth in Article L. 225-148 of the Commercial Code. The maximum nominal amount of the share capital increases resulting from this resolution would be set at 22 million Euros, which amount would be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.
- In **resolution no. 22**, the Board of Directors proposes that this General Shareholders' Meeting, in accordance with the option granted under Article L. 225-147 of the Commercial Code, delegate its power to the Board of Directors to issue common shares and/or securities conferring access to common shares of the Company, immediately or in the future, with cancellation of the preferential subscription rights, as consideration for contributions made to the Company and comprising shares or securities conferring access to the share capital, up to a statutory, maximum nominal capital increase amount of 10% of the share capital of the Company. On the basis of the share capital as at 30 June 2015, the maximum nominal amount of the share capital increases resulting from the

implementation of this resolution would thus stand at 22 million Euros, it being specified that such amount would be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.

- In **resolution no. 23**, the Board of Directors requests a delegation of authority from this General Shareholders' Meeting to issue common shares of the Company by virtue of the issue of securities issued by subsidiaries of the Company conferring access to common shares of the Company, with cancellation of the preferential subscription rights, up to a maximum nominal amount of 22 million Euros, which amount would be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.

Such decision would act as (i) an express authorization by the shareholders' meeting of the share capital increase(s) resulting from this delegation of authority and (ii) a waiver by the shareholders of their preferential right to subscribe to the common shares of the Company allotted by virtue of the securities issued by the subsidiaries in favor of the holders of securities issued by the subsidiaries, it being specified that the shareholders of the Company would not have any preferential right to subscribe to such securities.

The issue of such securities would be decided by the Extraordinary General Shareholders' Meeting of the relevant subsidiary or, as the case may be, by the Board of Directors of the relevant subsidiary acting pursuant to a delegation of authority granted by the Extraordinary General Shareholders' Meeting of such subsidiary, with the agreement of the Company's Board of Directors, and the issue of the common shares of the Company to be allotted by virtue of such securities would be decided by the Board of Directors simultaneously, on the basis of this authorization.

9. Delegation of authority and authorization granted to the Board of Directors to increase the share capital as part of a long-term employee and executive officer incentivization policy (resolutions nos. 24 and 25)

The General Shareholders' Meeting of 7 November 2013 had granted the Board of Directors a delegation of authority to increase the share capital through the issue of common shares and/or securities conferring access to the share capital of the Company with cancellation of the preferential subscription rights, reserved for the members of a Company or Group savings plan, for a period of twenty-six (26) months as from the date of the General Shareholders' Meeting, which delegation will thus expire during the 2015-2016 financial year.

As part of its long-term Group employee and executive officer incentivization policy, the Board of Directors proposes, by virtue of **resolution no. 24**, that this General Shareholders' Meeting renew such delegation, for a maximum period of twenty-six (26) months as from the date of this General Shareholders' Meeting.

The General Shareholders' Meeting of 8 November 2011 had granted the Board of Directors an authorization to proceed with the free allotment of common Company shares to the eligible Company and Group employees and executive officers, which was valid for a period of thirty-eight (38) months and which expired during the 2014-2015 financial year. Because of the Board's decision of 13 February 2014 to establish a long-term incentivization plan in the form of cash bonuses in favour of certain Group managers in France and of all employees in France and abroad, rather than in the form of the free share allotments, the Board did not submit a proposal to renew this authorization to the General Shareholders' Meeting of 7 November 2014.

In order for the Company to enjoy utmost flexibility in connection with its long-term Group employee and executive officer incentivization policy, and to benefit from the relevant new provisions of law of 10 July 2015 on economic growth, activity and equal opportunities, the Board of Directors, by virtue of resolution no. 25, proposes that this General Shareholders' Meeting grant such authorization for a maximum period of thirty-eight (38) months as from the date of this General Shareholders' Meeting.

- In **resolution no. 24**, the Board of Directors proposes, pursuant to Article L. 225-129-6 of the Commercial Code, that this General Shareholders' Meeting delegate its authority to the Board of Directors, in accordance with Article L. 225-138 I and II of the Commercial Code and Articles L. 3331-1 *et seq.* of the Labour Code, to issue shares and/or securities conferring access to the share capital of the Company, with cancellation of the preferential subscription rights, reserved for the members of Company savings plan and, as the case may be, of a savings plan established by French or foreign companies affiliated to the Company, in accordance with the terms of Article L. 225-180 of the Commercial Code and of Article L. 3344-1 of the Labour Code, or by the free allotment of common shares and/or securities conferring access to the share capital, up to a maximum nominal amount of 2 million Euros, which shall be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.

In **resolution no. 25**, the Board of Directors proposes that this General Shareholders' Meeting authorize the Board of Directors to freely allot Company shares, in accordance with the terms and conditions of articles L. 225-197 *et. Seq.* of the Commercial Code, to the eligible Company and Group employees and executive officers. The aggregate number of freely-allotted shares would be limited to 0.5% of the share capital as at the date of the Board of Directors' decision to proceed with the free allotment, provided always that such maximum amount is separate and distinct from the Overall Maximum Share Capital Increase Amount. Pursuant to the provisions of Law of 10 July 2015 on economic growth, activity and equal opportunities, the grant of shares to the beneficiaries shall become final, upon expiry of a minimum vesting period determined by the Board of Directors of one (1) year, it being noted that the Board will be entitled to decide the existence and duration of a holding period of the shares by the beneficiaries, and that, in any event, the aggregate period of vesting and holding shall not be less than two (2) years.

10. Powers to carry out formalities (resolution no. 26)

In **resolution no. 26**, the Board of Directors invites this General Shareholders' Meeting to grant full powers to the bearer of an original, copy or extract of the minutes of the General Shareholders' Meeting to carry out all publicity formalities associated with the holding of this General Shareholders' Meeting.

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It is in this context that your approval is sought on all of the resolutions submitted by the Board of Directors.

The Board of Directors

Annex

Information on the applicants or Directors, whose appointment or renewal is submitted to the vote of the General Shareholders' Meeting

LORD JOHN BIRT (DoB: 10 December 1944 – 70 years old), a British national, is a member of the House of Lords. He served as Director General of the BBC (1992-2000) then as a Strategy Adviser to the British Prime Minister, Tony Blair (2000-2005). He was also Chairman of Waste Recycling Group (2006), Infinis Ltd (2006-2007) Maltby Capital Ltd (2007-2010) and Paypal Europe (2010-2014). He worked as an adviser to McKinsey (2000-2005) and Capgemini (2005-2010). He is currently Chairman of Terra Firma's Investor Advisory Board and Chairman of Host Europe Group. Lord Birt is a graduate of Oxford University.

BPIFRANCE PARTICIPATIONS (SINCE 12 JULY 2013, PREVIOUSLY FONDS STRATÉGIQUE D'INVESTISSEMENT) is currently represented at the Company's Board of Directors by Mr **JEAN D'ARTHUYS** (DoB: 20 November 1966 – 48 years old), a French national. A graduate of the HEC School of management, he built up his career in the media and digital industries, mainly within the M6 Group, and later in the investment sector. Jean was in charge of business development and strategy between 1996 and 1999 at Groupe M6, where he was appointed as an Executive Board Member in 1999. He served as Executive Director of business development and Head of digital TV operations of the Group before serving as CEO of Paris Première and W9 TV channels. A valued expert in the media and digital sectors, he served as Director of TPS, Sportfive and Newsweb. An experienced manager, he headed the *Girondins de Bordeaux* football club. Between 2007 and 2010, he was a partner at PAI Partners private equity firm, focusing on the media, Internet and telecom sectors. In 2010, he joined the Executive Committee of the Fonds Stratégique d'Investissement (renamed Bpifrance Participations, in the context of the formation of the group Bpifrance further to a series of contributions leading to an equal shareholding of Caisse des Dépôts et Consignations and the French State in BPI-Groupe, which is itself the sole shareholder of Bpifrance Participations) in charge of investment.

ANA GARCIA FAU (DoB: 3 November 1968 – 46 years old), a Spanish national. A graduate in Economics, Business Administration and Law by the Universidad Pontificia Comillas (ICADE) in Madrid. She holds an MBA from the Massachusetts Institute of Technology (MIT) in Boston, USA. She began her career in management consulting at McKinsey&Co. in Madrid and at the M&A department of Goldman Sachs in London. She built up her career at the Telefónica Group, serving as Corporate Development Officer and Chief Financial Officer of TPI-Páginas Amarillas (yellow Pages & digital businesses) from 1997 until 2006. She was responsible for the international expansion of the company, business development and strategy, holding in parallel Board Member positions at Telfisa in Madrid, Publiguías in Chile, TPI Brazil, Telinver in Argentina and TPI Perú, amongst others. In 2006 she was appointed CEO of Yell for the Spanish and Latinamerican business (2006-2014), and expanding her role to the US Hispanic market, based in Houston-Texas. In 2013 she was appointed Chief Global Strategy Officer of hibu (former Yell Group) responsible for partnerships and the digital strategy. Since its IPO in June 2014 she serves as Non-executive director of Merlin Properties, a leading real state company in Spain (Reit) and is a member of its Audit & Control Committee. She has also served as member of the Professional Advisory Board of ESADE Business School in Madrid (2012-2013), as member of the Board of Trustees of several Foundations in Spain (2010-2014). During 2011 and 2012 she was as well President of the European Professional Women Network in Spain.