



**#2016  
NOTICE OF  
MEETING**

---

COMBINED GENERAL  
SHAREHOLDERS' MEETING

19 October 2016  
at 5 pm (CET)

# CONTENTS

<b>How to participate in the General Meeting?</b>	<b>1</b>
<b>Agenda</b>	<b>6</b>
<b>Brief overview of the SoLocal Group's situation in H1 2016</b>	<b>7</b>
<b>Explanation of the resolutions to be submitted to the Combined General Shareholders' Meeting of 19 October 2016</b>	<b>8</b>
<b>Draft resolutions to be submitted to the Combined General Shareholders' Meeting of 19 October 2016</b>	<b>9</b>
<b>Director whose appointment is proposed to the General Shareholders' Meeting</b>	<b>19</b>
<b>Five-year summary of financial results (Articles R. 225-81-3 and R. 225-83-6 of the French Commercial Code)</b>	<b>20</b>
<b>Board of Directors' report to the SoLocal Group's Combined General Shareholders' Meeting of 19 October 2016</b>	<b>21</b>
<b>Statutory auditors' reports</b>	<b>45</b>
<b>Request for documents</b>	<b>51</b>
<b>Request that documents be sent electronically</b>	<b>53</b>

*Informal translation from the French. For information purposes only.*

## **SOLOCAL GROUP**

A public limited company with share capital of €233,259,384  
Registered office: 204 Rond-point du Pont de Sèvres, 92649 Boulogne-Billancourt Cedex  
Nanterre Trade and Companies Register No. 552 028 425

# HOW TO PARTICIPATE IN THE GENERAL MEETING?

SoLocal Group's Combined General Shareholders' Meeting will be held on:

Wednesday, 19 October 2016

At 5 pm (Paris time)

Dock Pullman, 87 avenue des Magasins Généraux, 93 300 Aubervilliers

You can attend the Meeting personally or vote by post, by Internet (or electronically) or proxy.

Regardless of how you choose to participate, you must prove that you are a SoLocal Group shareholder.

## How to prove you are a shareholder?

- **If you hold registered shares:** Your shares must be registered in your name (whether managed by SoLocal Group or your financial intermediary) no later than the second business day prior to the General Meeting i.e. 17 October 2016 at 00:00 (Paris time).
- **If you hold bearer shares:** Have a shareholder certificate drawn up as soon as possible certifying that your shares were registered in the securities account held by your financial intermediary (bank, stockbroker or online broker), no later than the second business day prior to the General Meeting i.e. 17 October 2016 at 00:00 (Paris time). To be taken into account, this certificate must reach BNP Paribas Securities Services, the bank acting as the centralising agent for the SoLocal Group General Meeting, no later than 18 October 2016 at 3 pm (Paris time).

## How to obtain information?

- **By telephone:**  
On 0800 81 84 54 (Freephone number) if calling from France or on +33 (1) 55 77 35 00 if calling from abroad, from 9 am to 7 pm, Monday to Friday.
- **Over the Internet:**  
[www.solocalgroup.com](http://www.solocalgroup.com)
- **By e-mail:**  
[actionnaires@solocalgroup.com](mailto:actionnaires@solocalgroup.com)
- **By post:**  
SoLocal Group  
Relations actionnaires (Shareholder Relations)  
204 Rond-point du Pont de Sèvres  
92649 Boulogne-Billancourt Cedex

## How to vote?

If you are a SoLocal Group shareholder on the date of the Meeting, There are three ways in which you may exercise your voting right:

- **personally attend the General Meeting;**
- **grant a proxy to the Chairman of the Meeting** (the Chairman of the Board of Directors) or to a **third party;**
- **vote by post or electronically.**





# If you wish to attend the General Meeting personally

Shareholders wishing to attend the General Meeting in person may apply for an admission card as follows:

## ● Apply for an admission card by post

If you hold registered shares	If you hold bearer shares
(whether your shares are managed by SoLocal Group or your financial intermediary)	
<p><b>1</b> Tick <b>box A</b> on the paper form (see template on page 5).</p>	<p><b>1</b> Tick <b>box A</b> on the paper form (see template on page 5).</p>
<p><b>2</b> Date and sign at the bottom of the form.</p>	<p><b>2</b> Date and sign at the bottom of the form.</p>
<p><b>3</b> Return the form to BNP Paribas Securities Services using the postage-free envelope provided.</p>	<p><b>3</b> Return the form as soon as possible to the financial intermediary that holds your account (bank, stockbroker or online broker).</p>
<p>BNP Paribas Securities Services must receive your form no later than 18 October 2016 at 3 pm (Paris time).</p>	<p>Your financial intermediary will forward the form, together with a shareholder certificate certifying that the shares are registered to you, to:</p>
	<p><b>BNP Paribas Securities Services – CTS Assemblées</b>  <b>Grands Moulins de Pantin</b>  <b>9, rue du Débarcadère</b>  <b>93761 Pantin Cedex</b></p> <p>In order to be taken into account, the form and certificate must reach BNP Paribas Securities Services no later than 18 October 2016 at 3 pm (Paris time).</p>
<p><b>BNP Paribas Securities Services will send you your admission card</b></p>	<p><b>BNP Paribas Securities Services will send you your admission card</b></p>

How to participate in the General Meeting?



## ● Apply for an admission card via the Internet

Shareholders wishing to participate in the General Meeting in person may also apply for an admission card electronically as follows:

- For holders of (pure or managed) registered shares:

Holders of pure or managed registered shares may apply for an admission card via the Internet on the VOTACCESS secure platform via the Planetshares website accessible at <https://planetshares.bnpparibas.com>.

Access to the website is protected by username and password. Data exchanges are encrypted to ensure confidentiality. The Planetshares website will be available as of 3 October 2016. The option of applying for an admission card via the Internet will end on 18 October at 3pm (Paris time).

Holders of pure registered shares must access the Planetshares website with their usual access codes. Holders of managed registered shares must access the Planetshares website using their

username which can be found in the top right-hand corner of their voting form. Shareholders who no longer have their username and/or password may contact Freephone number 0 800 818 454 made available to them.

After logging on, holders of registered shares should following the instructions given on screen to access the VOTACCESS platform and to apply for an admission card.

- For holders of bearer shares:

Holders of bearer shares should find out whether their account keeper is connected to the VOTACCESS platform or not.

If account keeper is connected to the VOTACCESS platform, you must identify yourself on your account keeper's Internet portal with your usual access codes. Then follow the instructions given on screen to access the VOTACCESS platform and apply for an admission card.

## ● If you do not have your admission card on the date of the Meeting.

If your admission card application has reached BNP Paribas Securities Services after 18 October 2016 or if you have not applied for your admission card:

- if you are a registered shareholder, you can attend the General Meeting by presenting an identity document at the counter set up for such purpose at the entrance to the Meeting;
- if you are a bearer shareholder, you can attend the General Meeting by presenting a shareholder certificate drawn up by your financial intermediary certifying that your shares were registered no later than 17 October 2016 at 00:00 (Paris time), together with an identity document, at the counter set up for such purpose at the entrance to the Meeting.



Notice of Meeting 2016 | SoLocal Group

# If you wish to vote by post or be represented by a proxy at the General Meeting

## ◆ With the paper form (see template on page 5)

To vote by post	To grant a proxy to the Chairman	To grant a proxy to another shareholder or to any other individual or legal entity of your choice
<p><b>1</b> Tick the "I vote by post" <b>box 1</b> and specify how you vote.</p> <p><b>2</b> If you wish to vote "no" on a resolution or if you wish to "abstain" (abstentions are counted as "no" votes), mark the box below the number of the appropriate resolution.</p> <p>Do not mark any box if you wish to vote "yes" on all resolutions.</p> <p><b>3</b> Date and sign at the bottom of the form.</p>	<p><b>1</b> Tick the "I grant a proxy to the Chairman" <b>box 2</b>.</p> <p><b>2</b> Date and sign at the bottom of the form.</p> <p><b>3</b> Do not mark any box.</p> <p><b>4</b> Your votes will be "for" draft resolutions submitted or approved by the Board of Directors, and "against" all other draft resolutions.</p>	<p><b>1</b> Tick the "I grant a proxy" <b>box 3</b>.</p> <p><b>2</b> Provide the identity (first and last name, address) of the person who will represent you.</p> <p><b>3</b> Date and sign at the bottom of the form.</p>
<b>You have voted</b>	<b>You have voted</b>	<b>You have voted</b>

### If you hold registered shares:

Return the form to BNP Paribas Securities Services using the postage-free envelope provided. BNP Paribas Securities Services must receive your form no later than 18 October 2016, 3pm (Paris time).

### If you hold bearer shares:

Return the form as soon as possible to the financial intermediary that holds your account (bank, stockbroker or online broker). Your financial intermediary will send the form, together with a shareholder certificate certifying that the shares are registered to you. The form and certificate must reach BNP Paribas Securities Services no later than 18 October 2016, 3 pm (Paris time).

**BNP Paribas Securities Services – CTS Assemblées**

**Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex**





## ● To vote or to appoint/revoke a proxy via the Internet

### ● For holders of (pure or managed) registered shares:

Holders of pure or managed registered shares may vote or appoint/revoke a proxy via the Internet on the VOTACCESS secure platform via the Planetshares website accessible at <https://planetshares.bnpparibas.com>.

This option is an additional means of participation offered to shareholders who may benefit from all the options available on the form. Access to the website is protected by username and password. Data exchanges are encrypted to ensure confidentiality. The Planetshares website will be available as from 3 October 2016. The option of voting or designating/revoking a proxy the Internet will end on 18 October 2016 at 3 pm (Paris time). However, in order to prevent potential congestion on the Internet site dedicated to voting prior to the General Shareholders' Meeting, shareholders are recommended not to wait until the day before the Meeting to vote.

Holders of pure registered shares must access the Planetshares website with their usual access codes. Holders of managed registered shares must access the Planetshares website using their username which can be found in the top right-hand corner of their voting form. Shareholders who no longer have their username and/or password may contact Freephone number 0 800 818 454 made available to them.

After logging on, holders of registered shares should following the instructions given on screen to access the VOTACCESS platform and to vote or to appoint/revoke a proxy. They will also be able to access the official documents of the General Meeting on that same website.

### For bearer shareholders:

You must ascertain whether the institution that holds your securities account is connected to the VOTACCESS platform and, if it is, whether access thereto is subject to specific conditions of use.

Only bearer shareholders whose account keeper is connected to the VOTACCESS platform may vote or appoint/revoke a proxy via the Internet. Failing this, the bearer shareholder must take measures to vote by post.

If the institution that holds your securities account is connected to the VOTACCESS website, you must identify yourself with the account keeper institution, using your customary access codes. Then, click on the icon on the line for your SoLocal Group shares and follow the instructions displayed onscreen to access the VOTACCESS website and vote or designate/revoke a proxy. You will also have the option, via this same site, of accessing the official documents of the General Meeting.

If the institution that holds your securities account is not connected to the VOTACCESS website, in accordance with Article R. 225-79 of the French Commercial Code, notice of the appointment or revocation of a proxy may also be given electronically by following the procedures below:

● You should send an email to: [paris.bp2s.france.cts.mandats@bnpparibas.com](mailto:paris.bp2s.france.cts.mandats@bnpparibas.com). This e-mail must contain the following information: the name of the relevant company, the date of the Meeting, the first and last name, address and bank details of the principal, as well as the first and last name and, if possible, the address of the proxy holder;

● You must request the financial intermediary that manages your securities account to send a written confirmation to Services Assemblées Générales de BNP Paribas Securities Services – CTS Assemblées Générales – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex.

Only notices appointing or revoking proxies may be sent to the e-mail address above. Any other request or notice about other matters will not be taken into account and/or processed.

In order for electronic appointments or revocations of proxies to be validly taken into account, the confirmations must be received no later than the day before the Meeting at 3 pm (Paris time). Appointments or revocations of proxies made using a paper form must be received no later than the day before the Meeting i.e. 18 October 2016 at 3 pm (Paris time).

The VOTACCESS dedicated secure website will be open on 3 October 2016.

# How to complete the form included with this document?

Do not send the form directly to SoLocal Group.

All operations in relation to the General Meeting are handled by BNP Paribas Securities Services, the bank acting as the centralizing bank for the SoLocal Group General Meeting.

**BNP Paribas Securities Services – CTS Services des Assemblées**  
**Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex**

**If you wish to attend the Meeting and receive your admission card: tick box A.**

**If you hold bearer shares,** send this form to the institution that holds your securities account, which will forward it, together with a shareholder certificate, to BNP PARIBAS SECURITIES SERVICES.

**IMPORTANT : avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please refer to instructions on reverse side.**  
**A** QUELLE QUE SOIT L'OPTION CHOISIE, NOIRCIER COMME CE CI ■ LA OU LES CASES CORRESPONDANTES, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, SHADE BOX (ES) LIKE THIS ■, DATE AND SIGN AT THE BOTTOM OF THE FORM.  
**B** J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

## SOLOCAL GROUP

A public limited company with share capital of 233,259,384 euros  
 Registered office: 204, Rond-Point du Pont de Sèvres, 92649 Boulogne-Billancourt Cedex  
 Nanterre Trade and Companies  
 Register No. 552 028 425

L'Assemblée générale mixte des actionnaires de SoLocal Group se tiendra  
**Wednesday, 19 October 2016, at 5 pm**  
**Dock Pullman, 87 avenue des Magasins Généraux, 93 300 Aubervilliers**

### CADRE RÉSERVÉ À LA SOCIÉTÉ / For Company's use only

Identifiant / Account  
 Nombre d'actions / Number of shares  
 Nominatif Registered  
 Porteur / Bearer  
 Vote simple Single vote  
 Vote double Double vote  
 Nombre de voix / Number of voting rights

### 1 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST

Cf. au verso renvoi (2) - See reverse (2)  
**Je vote OUI** à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en noirissant comme ceci ■ la case correspondante et pour lesquels je vote **NON** ou je m'abstiens.  
 I vote **YES** all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box - like this ■, for which I vote **NO** or I abstain.

	1	2	3	4	5	6	7	8	9	Oui / Non/No Yes / Abst/Abs		Oui / Non/No Yes / Abst/Abs	
10	<input type="checkbox"/>	A	<input type="checkbox"/>	F	<input type="checkbox"/>								
11	<input type="checkbox"/>	B	<input type="checkbox"/>	G	<input type="checkbox"/>								
12	<input type="checkbox"/>	C	<input type="checkbox"/>	H	<input type="checkbox"/>								
13	<input type="checkbox"/>	D	<input type="checkbox"/>	J	<input type="checkbox"/>								
14	<input type="checkbox"/>	E	<input type="checkbox"/>	K	<input type="checkbox"/>								
15	<input type="checkbox"/>												
16	<input type="checkbox"/>												
17	<input type="checkbox"/>												
18	<input type="checkbox"/>												
19	<input type="checkbox"/>												
20	<input type="checkbox"/>												
21	<input type="checkbox"/>												
22	<input type="checkbox"/>												
23	<input type="checkbox"/>												
24	<input type="checkbox"/>												
25	<input type="checkbox"/>												
26	<input type="checkbox"/>												
27	<input type="checkbox"/>												
28	<input type="checkbox"/>												
29	<input type="checkbox"/>												
30	<input type="checkbox"/>												
31	<input type="checkbox"/>												
32	<input type="checkbox"/>												
33	<input type="checkbox"/>												
34	<input type="checkbox"/>												
35	<input type="checkbox"/>												
36	<input type="checkbox"/>												
37	<input type="checkbox"/>												
38	<input type="checkbox"/>												
39	<input type="checkbox"/>												
40	<input type="checkbox"/>												
41	<input type="checkbox"/>												
42	<input type="checkbox"/>												
43	<input type="checkbox"/>												
44	<input type="checkbox"/>												
45	<input type="checkbox"/>												

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting  
 Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf...  
 Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote NO)  
 Je donne procuration (cf. au verso renvoi 4) à M., Mme ou Mlle, Raison Sociale... pour voter en mon nom / I appoint (see reverse (4)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être prise en considération, toute formule doit parvenir au plus tard :  
 In order to be considered, this completed form must be returned at the latest:  
 sur 1<sup>ère</sup> convocation / on 1st notification sur 2<sup>ème</sup> convocation / on 2nd notification  
 mardi 18 octobre 2016 à 15 heures / on Tuesday October 18<sup>th</sup> of 2016 at 3:00 pm (PARIS time)  
 à BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin – 93761 PANTIN Cedex.

### 2 JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE

cf. au verso renvoi (3)  
 I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING  
 See reverse (3)

### 3 JE DONNE POUVOIR A :

cf. au verso renvoi (4)  
 I HEREBY APPOINT see reverse (4)  
 M., Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name  
 Adresse / Address

**ATTENTION :** S'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.  
**CAUTION:** If it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)  
 - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
 Cf. au verso renvoi (1) - See reverse (1)

**Regardless of your choice, date and sign here.**

**Please write** your surname, first name and address. If this information is already supplied, please verify and correct if necessary.

Date & Signature

**To vote by post, tick box 1.**

**To be taken into account, your ballot must be received by BNP PARIBAS SECURITIES SERVICES no later than 18 October 2016 before 3 pm (CET).**

**If you are granting a proxy to the Chairman of the Meeting: tick box 2. Date and sign at the bottom of the form, without completing anything else.**

**If you are granting a proxy to a specific person: tick box 3 and write the contact details of that person.**

## Written questions

Written questions should be sent by registered letter with acknowledgment of receipt to the Company's registered office, marked for the attention of the Chairman of the Board of Directors at the latest, on the fourth business day prior to the date of the General Meeting.

Include a shareholder certificate certifying that your shares are registered with the Company in your name or are held in a bearer securities account held with a financial intermediary.

In accordance with the laws in force, a written question will be deemed to have been answered if it is included in the "Questions and Answers" section of the Company's website.

## Information and documents made available to shareholders

All documents and information required by Article R. 225-73-1 of the French Commercial Code may be viewed on the Company's website: <http://www.solocalgroup.com>, as from the twenty-first day before the Meeting, i.e. 28 September 2016.



# AGENDA

## Important note

This agenda is the one featuring in the notice of meeting for the Company's Combined General Shareholders' Meeting, published in the *Bulletin des Annonces Légales Obligatoires* issue 110 of 12 September 2016. The Company's shareholders attention is drawn to the possibility of an amendment to this agenda and to these draft resolutions following (a) requests for inclusion in the agenda of any points and draft resolutions submitted by the Company's shareholders in accordance with the law and (b) any amendments made by the Company's Board of Directors. The final text of the agenda shall feature in the notice of meeting for the Company's Combined General Shareholders' Meeting, which shall be published in the *Bulletin des Annonces Légales Obligatoires* before the Combined General Shareholders' Meeting on 19 October 2016.

## Ordinary items

- Board of Directors' management report;
- Board of Directors' report to this meeting;
- Report of the statutory auditors on the accounts for the year ended 31 December 2015;
- Special report of the statutory auditors on the agreements referred to in Article L225-38 of the French Commercial Code;
- Approval of the annual financial statements for the financial year;
- Approval of the consolidated financial statements for the financial year;
- Allocation of the net income for the financial year ended 31 December 2015, as reported in the annual financial statements;
- Agreements within the scope of Article L225-38 of the French Commercial Code;
- Authorisation to be granted to the Board of Directors to purchase or transfer SoLocal Group's shares;
- Non-binding vote on the components of the remuneration owed or granted to Mr Robert de Metz, Chairman of the Board of Directors, for the financial year ended 31 December 2015;
- Non-binding vote on the components of the remuneration owed or granted to Mr Jean-Pierre Remy, Chief Executive Officer, for the financial year ended 31 December 2015;
- Non-binding vote on the components of the remuneration owed or granted to Mr Christopher Pingard, Deputy Chief Executive Officer, for the financial year ended 31 December 2015;
- Appointment of Mrs Monica Menghini as Director;
- Renewal of the appointment of the statutory auditors and deputy statutory auditors;
- Ratification of the transfer of the registered office.

## Extraordinary items

- Share capital decrease by reducing the par value of the shares;
- Delegation of authority to the Board of Directors to issue shares of the Company, with shareholders' preferential subscription rights preserved;
- Authorisation granted to the Board of Directors to increase the number of shares to be issued in the event of over-subscription to the issue, with shareholders' preferential subscription rights preserved, of Company' shares, pursuant to the sixteenth resolution submitted to the vote of the general meeting;
- Delegation of authority to the Board of Directors to proceed with the issue and allocation, free of charge, of warrants for shares in favour of the shareholders of the Company;
- Delegation of authority to the Board of Directors to issue mandatory convertible bonds (*obligations à option de conversion et remboursable en actions*), without shareholders' preferential subscription rights and reserved to a category of persons meeting specific criteria;
- Delegation of authority to the Board of Directors to issue new shares with warrants for shares attached (ABSA), without shareholders' preferential subscription rights and reserved to a category of persons meeting specific criteria;
- Delegation of authority to the Board of Directors to proceed with a share capital increase reserved to the members of the group savings plan of SoLocal Group;
- Amendment to article 12 of the by-laws relating to the Board of Directors;
- Powers for formalities.

# BRIEF OVERVIEW OF THE SOLOCAL GROUP'S SITUATION IN H1 2016

The summary of the situation of SoLocal Group during the financial year ended 31 December 2015 is included in Chapter 9 of the 2015 Reference Document, available at [www.solocalgroup.com](http://www.solocalgroup.com)

The summary explanation of SoLocal Group's situation during the first six-month period of 2016 is given in section II, "Progress in corporate affairs since the start of the current financial year", of the report of the Board of Directors which features on pages 21 et seq. of this document.

# EXPLANATION OF THE RESOLUTIONS TO BE SUBMITTED TO THE COMBINED GENERAL SHAREHOLDERS' MEETING OF 19 OCTOBER 2016

A presentation of the resolutions along with a summary presentation of the financial restructuring plan feature in the report of the Board of Directors on pages 21 et seq. of this document.

Explanation of the resolutions to be submitted to the Combined General Shareholders' Meeting of 19 October 2016



Notice of Meeting 2016 | SoLocal Group

# DRAFT RESOLUTIONS TO BE SUBMITTED TO THE COMBINED GENERAL SHAREHOLDERS' MEETING OF 19 OCTOBER 2016

## Important note

The wording of the draft resolutions is the one featuring in the notice of meeting for the Company's Combined General Shareholders' Meeting, published in the *Bulletin des Annonces Légales Obligatoires* issue 110 of 12 September 2016. The Company's shareholders attention is drawn to the possibility of an amendment to this agenda and to these draft resolutions following (a) requests for inclusion in the agenda of any points and draft resolutions submitted by the Company's shareholders in accordance with the law and (b) any amendments made by the Company's Board of Directors. The final text of the agenda shall feature in the notice of meeting for the Company's Combined General Shareholders' Meeting, which shall be published in the *Bulletin des Annonces Légales Obligatoires* before the Combined General Shareholders' Meeting on 19 October 2016.

## Ordinary matters

### First resolution

#### (Approval of the annual financial statements for the financial year ended 31 December 2015)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' management report, the Board of Directors' report to this meeting and the statutory auditors' report, approves the annual financial statements of SoLocal Group for the financial year ended 31 December 2015, comprising the balance sheet, the income statement and the notes to the financial statements, as submitted to it, as well as the transactions reported in said financial statements and summarised in said reports. The general meeting confirms the loss for that financial year, as reported in said financial statements.

The general meeting approves the total amount of costs and expenses within the scope of Article 39-4 of the French General Tax Code for the financial year ended 31 December 2015, which amounted to 76,820 euros, and acknowledges that the tax thereon amounts to 29,192 euros.

### Second resolution

#### (Approval of the consolidated financial statements for the financial year ended 31 December 2015)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having

reviewed the Board of Directors' management report, the Board of Directors' report to this meeting and the statutory auditors' report on the consolidated financial statements, approves the consolidated financial statements for the financial year ended 31 December 2015, comprising the consolidated balance sheet and the income statement, as well as the notes to the consolidated financial statements, as submitted to it, as well as the transactions reported in said financial statements and summarised in said reports.

### Third resolution

#### (Allocation of the net income for the financial year ended 31 December 2015, as reported in the annual financial statements)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' management report and the Board of Directors' report to this meeting,

- acknowledges that the loss for the financial year amounts to -1,785,324,772.73 euros;
- acknowledges, considering the positive retained earnings of 1,233,024,413.40 euros, the absence of distributable profit for the financial year ended 31 December 2015, and decides to allocate the entire loss of the financial year ended 31 December 2015 to the "retained earnings" account, resulting, after allocation, to a debit balance of 552,300,359.33 euros.

It is recalled that the dividends distributed for the past three financial years are as follows:

Financial year	Number of shares <sup>(1)</sup>	Dividend per share	Portion of dividend eligible for allowance <sup>(2)</sup>
2012	280,984,754	0	Not applicable
2013	280,984,754	0	Not applicable
2014	1,161,727,170	0	Not applicable

(1) Number of shares before the stock split of 26 October 2015.

(2) 40% tax credit provided for in Article 158, paragraph 3, sub-paragraph 2° of the French General Tax Code.

### Fourth resolution

#### (Agreements within the scope of Article L.225-38 of the French Commercial Code)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the statutory auditors' special report on the agreements within the scope of Article L.225-38 of the French Commercial Code, acknowledges the conclusions of that report and approves the agreements entered into during the financial year ended 31 December 2015, as described in that report.

### Fifth resolution

#### (Authorisation to be granted to the Board of Directors to purchase or transfer SoLocal Group's shares)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' report,

- terminates, with immediate effect, for the unused portion thereof the authorization granted by the combined general meeting of 11 June 2015 pursuant to its fifth resolution to purchase the Company's shares;

- authorises the Board of Directors, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, to purchase Company's shares, under the conditions set out below, and within the limit of 10% of the amount of the share capital:
  - the maximum purchase price shall not exceed 5 euros per share, being specified that, in the event of transactions on the share capital, in particular by capitalisation of reserves and allocation of free shares, and/or stock split or reverse stock split, this price shall be adjusted accordingly;
  - the maximum amount of funds allocated to the repurchase programme shall be 50,000,000 euros;
  - this authorisation shall be valid for a period of 18 months;
  - the purchases made by the Company pursuant to this authorisation shall not, under any circumstances, cause the Company to directly or indirectly hold at any time more than 10% of the shares comprising the share capital on the relevant date;
  - these shares may be purchased or transferred by any means, notably on the market or via multilateral trading facilities or over-the-counter, including by purchasing or transferring blocks of shares, or using derivative financial instruments traded on a regulated market, multilateral trading facilities or over-the-counter;
  - shares may be purchased or transferred at any time, except during the period of a tender offer for the Company's shares, in compliance with legal and regulatory provisions.

Such share purchases may be made with a view to any allocation permitted by law. The purposes of this share repurchase programme shall be:

- to undertake and comply with obligations associated with stock option programmes or other allocations of shares to employees of the Company or its affiliates, and, in particular, to allocate shares to employees of SoLocal Group in connection with (i) the Company's profit-sharing scheme and (ii) any share purchase plan, stock option plan or free allocation of shares (including any transfer of shares covered by Article L.3332-24 of the French Labour Code) for the benefit of all or some of the Company's employees and corporate officers, and to carry out any hedging operations relating to these transactions;
- to guarantee the liquidity of SoLocal Group's shares through a liquidity contract concluded with an investment service provider, in compliance with the code of ethics approved by the French Financial Markets Authority (AMF);
- to retain the shares and deliver them subsequently as an exchange or as payment in connection with potential external growth transactions;
- to undertake and comply with obligations relating to debt securities convertible into equity securities and, in particular, to deliver shares upon the exercise of rights attached to securities that confer an immediate or future right to shares by any means, and to carry out any transactions necessary to hedge the obligations of SoLocal Group with respect to such securities.

The general meeting grants full powers to the Board of Directors, with the right to sub-delegate, to decide the implementation and to implement this authorisation, if necessary to specify the terms and determines the procedures thereof, to place all stock market orders, to enter into all agreements, to draft all documents in particular information documents, to allocate and, if necessary, reallocate the shares purchased in accordance with the various purposes sought to be achieved, to carry out all formalities and file all declarations with all organizations and, in general, to take all necessary actions.

## Sixth resolution

### **(Non-binding vote on the components of the remuneration owed or granted to Mr Robert de Metz, Chairman of the Board of Directors, for the financial year ended 31 December 2015)**

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, consulted pursuant to the recommendation of section 24.3 of the Afep-Medef Code of June 2013, as amended in November 2015, which is the Company's code of reference pursuant to Article L.225-37 of the French Commercial Code, votes favourably on the components of the remuneration owed or granted to Mr Robert Metz in his capacity as Chairman of the Board of Directors for the financial year ended 31 December 2015, as presented in the Board of Directors' management report and in the 2015 reference document on page 98.

## Seventh resolution

### **(Non-binding vote on the components of the remuneration owed or granted to Mr Jean-Pierre Remy, Chief Executive Officer, for the financial year ended 31 December 2015)**

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, consulted pursuant to the recommendation of section 24.3 of the Afep-Medef Code of June 2013, as amended in November 2015, which is the Company's code of reference pursuant to Article L.225-37 of the French Commercial Code, votes favourably on the components of the remuneration owed or granted to Mr Jean-Pierre Remy in his capacity as Chief Executive Officer for the financial year ended 31 December 2015, as presented in the Board of Directors' management report and in the 2015 reference document on pages 99 and 100.

## Eighth resolution

### **(Non-binding vote on the components of the remuneration owed or granted to Mr Christopher Pingard, Deputy Chief Executive Officer, for the financial year ended 31 December 2015)**

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, consulted pursuant to the recommendation of section 24.3 of the Afep-Medef Code of June 2013, as amended in November 2015, which is the Company's code of reference pursuant to Article L.225-37 of the French Commercial Code, votes favourably on the components of the remuneration owed or granted to Mr Christophe Pingard in his capacity as Deputy Chief Executive Officer for the financial year ended 31 December 2015, as presented in the Board of Directors' management report and in the 2015 reference document on pages 101 and 102.

## Ninth resolution

### **(Appointment of Mrs Monica Menghini as Director)**

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, decides to appoint Mrs Monica Menghini as Director, for a term of four (4) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2019.

## Tenth resolution

### (Renewal of the appointment of a statutory auditor)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' report acknowledging the expiry of the term of office of Deloitte & Associés as statutory auditor at the close of this meeting, decides to renew the appointment of Deloitte & Associés as statutory auditor for a term of six (6) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2021.

## Eleventh resolution

### (Renewal of the appointment of a deputy statutory auditor)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' report acknowledging the expiry of the term of office of BEAS as deputy statutory auditor at the close of this meeting, decides to renew the appointment of BEAS as deputy statutory auditor for a term of six (6) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2021.

## Twelfth resolution

### (Renewal of the appointment of a statutory auditor)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after

having reviewed the Board of Directors' report acknowledging the expiry of the term of office of Ernst & Young Audit as statutory auditor at the close of this meeting, decides to renew the appointment of Ernst & Young Audit as statutory auditor for a term of six (6) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2021.

## Thirteenth resolution

### (Renewal of the appointment of a deputy statutory auditor)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' report acknowledging the expiry of the term of office of Auditex as deputy statutory auditor at the close of this meeting, decides to renew the appointment of Auditex as deputy statutory auditor for a term of six (6) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2021.

## Fourteenth resolution

### (Ratification of the transfer of the registered office)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' report, decides to ratify the transfer of the registered office decided by the Board of Directors at its meeting on 25 April 2016 and the subsequent amendment to article 4 of the Company's by-laws.

## Extraordinary matters

## Fifteenth resolution

### (Share capital decrease by reducing the par value of the shares)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed (i) the Board of Directors' report, (ii) the statutory auditors' special report prepared in accordance with Article L.225-204 of the French Commercial Code and (iii) the financial statements for the financial year ended 31 December 2015,

- acknowledges that, given the adoption of the first and third resolutions submitted to vote at this general meeting, the balance sheet of the Company as at 31 December 2015 after allocation of the earnings for the financial year ended on that date has resulted in "retained earnings" with a debit balance of 552,300,359.33 euros;
- decides to partially reduce the debit balance of the retained earnings account by allocating it as follows on reserves or premium accounts:
  - (i) allocation for an amount of 348,819,232.88 euros to the "share issue premium" account, the amount of which will thus be reduced to zero;
  - (ii) allocation for an amount of 5,619,695.08 euros to the "legal reserve" account, the amount of which will thus be reduced to zero; and
  - (iii) allocation for an amount of 18,283,923.79 euros to the "other reserves" account, the amount of which will thus be reduced to zero;

the balance of the "retained earnings" account being accordingly reduced from -552,300,359.33 euros to -179,577,507.58 euros;

- decides to proceed with a share capital decrease in a total amount of 229,371,727.60 euros, by reducing the par value of each share from six (6) euros (its current amount) to ten euro cents (€0.10);
- decides that the amount of such share capital decrease will be allocated:
  - (i) up to 179,577,507.58 euros to discharge the debit balance of the retained earnings account, which will be thus reduced to zero; and
  - (ii) for the remainder, i.e. 49,794,220.02 euros, to a special reserve account which will be entitled "special reserve from the share capital decrease decided on 19 October 2016";
- decides that the amounts on this special reserve account shall be unavailable and shall not be used for purposes other than discharge of potential losses of the financial year ended 31 December 2016 or of subsequent financial years;
- decides that the completion of this share capital decrease will be conditional upon the absence of objection from creditors of the Company within 20 calendar days as from the filing at the registry of the minutes of this general meeting or, if there is an objection, upon unconditional rejection of the objection(s) by the competent court or upon their waiver, by the repayment of receivables or the provision of sufficient guarantees by the Company, in accordance with Articles L.225-205 and R.225-152 of the French Commercial Code;
- acknowledges that, as a result of the share capital decrease under this resolution, the share capital will be reduced from 233,259,384 euros (its current amount) to 3,887,656.40 euros divided into 38,876,564 shares with a par value of ten euro cents (€0.10), each;

- decides, under the condition precedent of the completion of the share capital decrease under this resolution, to amend Article 6 "Share Capital" of the Company's by-laws as follows:

**"Article 6 - Share Capital**

The share capital amounts to 3,887,656.40 euros.

It is divided into 38,876,564 shares with a par value of ten euro cents (€0.10) each, fully paid-up and all of the same category."

- grants full powers to the Board of Directors, with the right to sub-delegate, under the conditions set by law and by this resolution, in order to:
  - acknowledge the completion of the aforementioned condition precedent and do, for this purpose, anything that it deems necessary and appropriate in order to waive any objections that would be made to the aforementioned share capital decrease that is envisaged;
  - acknowledge the final completion of the aforementioned share capital decrease and amend the Company's by-laws;
  - more generally, carry out all formalities.

## Sixteenth resolution

### (Delegation of authority to the Board of Directors to issue shares of the Company, with shareholders' preferential subscription rights preserved)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed the Board of Directors' report, voting in accordance with Articles L.225-129 *et seq.* of the French Commercial Code, including Article L.225-129-2, after having acknowledged that the share capital is fully paid-up,

- delegates to the Board of Directors, with the right to sub-delegate, under the conditions set by law, for a period of 12 months as from the date of this meeting, its authority to decide to issue, with shareholders' preferential subscription rights preserved, shares of the Company;
- decides that the subscription price of the shares issued pursuant to this resolution shall be equal to one (1) euro per new share, corresponding to a nominal value of ten euro cents (€0.10) and a premium of ninety euro cents (€0.90) (after taking into account the share capital decrease which is the subject matter of the fifteenth resolution);
- decides that the total nominal amount of share capital increase of the Company (issue premium excluded) resulting from issues carried out pursuant to this resolution shall not exceed 40,000,000 euros; it is specified that this limit may be increased to 46,000,000 euros under the conditions provided by the seventeenth resolution submitted to this meeting (subject to its approval);
- decides that subscriptions shall be paid in cash or by set-off with certain, due and payable receivables against the Company and that they shall be paid-up in full upon subscription;
- decides that shareholders shall have, in proportion to the number of shares they hold, a preferential subscription right to shares issued pursuant to this resolution and the shareholders will be granted a right to subscribe on a reducible basis to the shares issued pursuant to this resolution, which shall be exercised in proportion to their subscription rights and within the limit of their requests;
- decides that, if subscriptions for new shares made on a non-reducible basis and on a reducible basis do not absorb the entire issue, the Board of Directors may use the following rights or some of them, in the order of its choice: (i) limit the issue to the amount of subscriptions received provided that this amount reaches at least three quarters of the decided issue, (ii) distribute freely all or part of the unsubscribed shares, or (iii) offer to the public all or part of the unsubscribed shares, on the French and/or international and/or foreign markets;

- grants full powers to the Board of Directors, with the right to sub-delegate, under the terms set by law and by this resolution, to implement this delegation, and in particular to:
  - decide the issue and, if necessary, postpone it;
  - set, within the above limits, the final amount of the issue pursuant to this resolution, and the maximum number of shares to be issued;
  - determine the dates of opening and closing of the subscription period;
  - determine the number of subscription rights to be allocated to the shareholders of the Company depending on the number of existing shares of the Company which will be recorded on their securities account;
  - as the case may be, establish a statement of receivables, in accordance with Article R.225-134 of the French Commercial Code;
  - as the case may be, obtain from the statutory auditors a report certifying as true the statement of receivables established by the Board of Directors, in accordance with Article R.225-134 of the French Commercial Code;
  - collect from the Company's shareholders the subscription for the new shares;
  - as the case may be, allocate under the conditions set by this resolution, the unsubscribed shares;
  - make any adjustments to take into account the effect of transactions on the share capital of the Company, in particular in case of change of the par value of the share, share capital increase upon exercise of securities giving access to the share capital of the Company or by incorporation of reserves, free allocation of shares, stock split or reverse stock split, distribution of reserves or any other assets, amortization of capital, or any other transaction involving equity, and set the terms which, as the case may be, will ensure the preservation of the rights of holders of securities giving or possibly giving access to the share capital of the Company;
  - close, if necessary in advance, the subscription period or extend its duration;
  - acknowledge the full payment of all shares issued and, accordingly, the final completion of the capital increase resulting therefrom;
  - carry out the corresponding publication and filing formalities relating to the completion of the share capital increase resulting from the issue of new shares and amend the Company's by-laws accordingly;
  - enter into any agreement for the completion of the share capital increase under this resolution;
  - if necessary, charge the costs of the share capital increase on the related premiums amount and deduct the sums necessary to fund the legal reserve;
  - arrange for the admission to trading of the new shares on the regulated market of Euronext Paris;
  - do whatever may be necessary to carry out the capital which is the subject matter of this resolution; and
  - carry out all formalities resulting therefrom.

This resolution may not be implemented until after, and subject to, the prior completion of the share capital decrease referred to in the fifteenth resolution. The ceilings set or referred to in this resolution have been determined after taking into account the effect of said share capital decrease, and are independent from the ceilings set in the other resolutions submitted to vote at this meeting. The Board of Directors may not, without the prior authorisation of the general meeting, make use of this delegation as from the filing by a third party of a tender offer for the securities of the Company and until the end of the offer period.

## Seventeenth resolution

### (Authorisation granted to the Board of Directors to increase the number of shares to be issued in the event of over-subscription to the issue, with shareholders' preferential subscription rights preserved, of Company's shares pursuant to the sixteenth resolution submitted to the vote of the general meeting)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed the Board of Directors' report, voting in accordance with Articles L.225-135-1 and R.225-118 of the French Commercial Code, subject to the approval by this general meeting of the sixteenth resolution:

- authorises the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 12 months as from the date of this meeting, in the event of over-subscription to any issue decided pursuant to the sixteenth resolution above, to increase, under the conditions set by Article L.225-135-1 of the French Commercial Code, the number of shares to be issued, at the same price as that decided for the initial issue and up to a maximum of 15% of the amount of the initial issue; it being specified that the increase in the number of securities to be issued may only be used to serve requests for subscription on a reducible basis made by shareholders and/or assignees of preferential subscription rights;
- decides that in case of implementation of this option to increase the number of shares to be issued, as provided under this resolution, the ceiling of the total nominal amount of the Company's share capital increase (share premium excluded) resulting from the issue carried out under the sixteenth resolution will be increased by 15% and, thus, increased from 40,000,000 euros to 46,000,000 euros;
- decides that this authorisation granted to the Board of Directors shall be implemented at the latest within thirty days of the closing of the subscription period of the initial issue; if the Board has not used it within this period, it shall be void;
- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law and by this resolution, to implement this delegation.

This resolution may not be implemented until after, and subject to, the prior completion of the share capital decrease referred to in the fifteenth resolution. It is specified that the ceilings set or referred to in this resolution have been determined after taking into account the effect of said share capital decrease.

## Eighteenth resolution

### (Delegation of authority to the Board of Directors to proceed with the issue and allocation, free of charge, of warrants for shares in favour of the shareholders of the Company)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed (i) the Board of Directors' report and (ii) the statutory auditors' special report, voting in accordance with Articles L.225-127 et seq., Articles L.228-91 and L.228-92 of the French Commercial Code,

- delegates to the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 12 months as from the date of this meeting, its authority to decide, in one single time, the issue and the allocation, free of charge, of warrants for Company's shares in favor of the Company's shareholders;
- decides that the total nominal amount of the Company's share capital increase resulting from the issue carried out pursuant to this resolution shall not exceed a maximum nominal amount of 3,887,656.40 euros corresponding to the issue of a maximum of 38,876,564 warrants for shares ("**shareholders' Warrants**") (on the basis of the number of Company's shares as at 1<sup>st</sup> September 2016). This ceiling shall be increased, if applicable, by the nominal amount (i) of shares that would be issued between

1<sup>st</sup> September 2016 and the date of issue and allocation of the shareholders' Warrants, excluding, however, if any, the shares that would be issued under other delegations submitted to vote at this meeting, and (ii) of additional shares to be issued in order to preserve (in accordance with laws and regulations and, if applicable, contractual provisions providing for other adjustments) the rights of holders of shareholders' Warrants;

- decides that the shareholders' Warrants shall be allocated free of charge to all the Company's shareholders at the latest on the date of completion of the share capital increase with preferential subscription rights preserved referred to in the sixteenth resolution, at the ratio of one (1) shareholders' Warrant for each share of the Company;
- decides that the shareholders' Warrants allocated to the Company in respect of the shares held by the Company on the relevant date shall be cancelled immediately;
- decides that each shareholders' Warrant shall give the right to subscribe to one (1) new share of the Company for a strike price of 1.50 euro (i.e. 10 euro cents par value and 1.40 euro of share premium, after taking into account the share capital decrease which is the subject matter of the fifteenth resolution), without prejudice to any subsequent adjustments, in accordance with laws and regulations and contractual provisions;
- decides that the shareholders' Warrants shall be allocated free of charge to all shareholders justifying an account registration of their securities on the relevant date;
- decides that the shares issued upon exercise of shareholders' Warrants shall be fully paid-up upon subscription;
- acknowledges, in accordance with Article L.225-132 paragraph 6 of the French Commercial Code, that the decision to issue the shareholders' Warrants entails the waiver by the shareholders of their preferential subscription right to the Company's shares to which the shareholders' Warrants give right;
- decides that the shares issued upon exercise of shareholders' Warrants shall bear right to dividends as from their issue date and shall, upon issue, be completely assimilated to the existing shares and subject to all the provisions of the by-laws and to the decisions of the general meeting;
- decides that the shareholders' Warrants shall be freely tradable and, for this purpose, a request for admission to trading on the regulated market of Euronext Paris shall be made;
- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law and by this resolution, to implement this delegation, and in particular to:
  - determine the characteristics, amount and terms of the issue of the shareholders' Warrants carried out pursuant to this resolution, as well as the terms and conditions of exercise (including the exercise period, which may not be less than 2 years and greater than 5 years) of the shareholders' Warrants;
  - carry out the issue and free allocation of the shareholders' Warrants and the share capital increases in connection with their exercise;
  - determine, considering the legal provisions, the terms under which the Company shall be entitled, if necessary, to suspend the exercise of the shareholders' Warrants;
  - receive the payments resulting from the exercise of the shareholders' Warrants;
  - acknowledge the share capital increases upon exercise of the shareholders' Warrants;
  - make to the Company's by-laws the amendments resulting from the share capital increases upon exercise of shareholders' Warrants;
  - make any adjustments required, in accordance with laws and regulations and, if applicable, contractual provisions providing for other adjustments, and set the terms ensuring, if applicable, the preservation of the rights of the holders of shareholders' Warrants;

- take all measures and carry out all formalities required for the admission to trading on the regulated market of Euronext Paris of the shareholders' Warrants and the new shares issued upon exercise of such warrants;
- set the conditions under which the Company shall have, as the case may be, the right to purchase or exchange on the stock exchange or otherwise, at any time or during specific periods, the shareholders' Warrants, in accordance with legal provisions;
- as the case may be, charge the cost of the issues on the related premiums amount and deduct the sums necessary to fund the legal reserve;
- carry out all formalities, in particular publication formalities, required for the issue and free allocation of the shareholders' Warrants and for the issue of the shares upon exercise of such warrants, and more generally do whatever may be necessary.

This resolution may not be implemented until after, and subject to, the prior completion of the capital reduction referred to in the fifteenth resolution. The ceilings set or referred to in this resolution have been determined after taking into account the effect of said share capital decrease, and are independent from the ceilings set in the other resolutions submitted to this meeting. The Board of Directors may not, without the prior authorisation of the general meeting, make use of this delegation as from the filing by a third party of a tender offer for the securities of the Company and until the end of the offer period.

## Nineteenth resolution

### **(Delegation of authority to the Board of Directors to issue mandatory convertible bonds (obligations à option de conversion remboursables en actions), without shareholders' preferential subscription rights and reserved to a category of persons meeting specific criteria)**

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed (i) the Board of Directors' report, (ii) the statutory auditors's special report on the suppression of the shareholders' preferential subscription rights pursuant to the provisions of Article L.225-138 of the French Commercial Code and established in accordance with the provisions of Article L.225-135 of the French Commercial Code, voting in accordance with the provisions of Articles L.225-129 to L.225-129-6, L.225-138 and L.228-91 *et seq.* of the French Commercial Code, after having acknowledged that the share capital is fully paid-up,

- delegates to the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 12 months as from the date of this general meeting, its authority to issue, without shareholders' preferential subscription right, mandatory convertible bonds ("MCB");
- decides that the nominal value of each MCB shall be two (2) euros;
- decides that the number of MCB to be issued pursuant to this resolution shall be determined on the basis of the total amount "X" of cash subscriptions (excluding any subscription by set-off of receivables) to the share capital increase with shareholders' preferential subscription right preserved that would be decided pursuant to the sixteenth and seventeenth resolutions above, by applying the following calculation formula:
  - (i) if X is greater than or equal to 300,000,000, the number of MCB to be issued shall be equal to zero; or
  - (ii) if X is equal to zero, the number of MCB to be issued shall be 100,000,000; or
  - (iii) if X is greater than zero and strictly less than 300,000,000, the number of MCB to be issued shall be the result of the following formula:  

$$100,000,000 - X/3$$
 (rounded up to the nearest unit);
- decides that in any event, the number of MCB to be issued pursuant to this resolution shall not exceed 100,000,000;
- decides that the MCB shall be issued at par, in euros, that they shall not bear interest and shall have a five (5) year maturity;
- decides that the subscription to the MCB shall be paid-up by set-off with certain, due and payable receivables against the Company and that the MCB shall be paid-up in full upon subscription;
- decides that the final issue date of the MCB shall correspond to the date of issuance of the statutory auditors's report in lieu of depositary's certificate, in accordance with the provisions of Article L.225-146 paragraph 2 of the French Commercial Code;
- decides to withdraw the shareholders' preferential subscription right with respect to the issue of the MCB, and to reserve the subscription of all the MCB in favour of the financial creditors holding receivables against the Company under the credit agreement dated 24 October 2006, as subsequently amended (the "Credit Agreement"), up to a portion of their receivables, said creditors constituting a category of persons meeting specified criteria within the meaning of Article L. 225-138 of the French Commercial Code;
- decides:
  - (i) that the MCB shall constitute direct subordinated, general, unconditional, lowest rank subordinated and unsecured commitments of the Company, ranking equally among themselves and *pari passu* with all other present or future, lowest rank subordinated commitments of the Company, and shall be subordinated to (i) all present or future equity securities and equity loans, issued or granted by the Company, (ii) all ordinary subordinated bonds of the Company, and (iii) all unsubordinated obligations of the Company;
  - (ii) that the obligation of the Company to repay the principal and other sums due under the MCB shall not be guaranteed and shall not be secured;
  - (iii) that in the event that a judgment ordering the liquidation of the Company would be given by a competent court, or in the event of a total sale of the business as a result of the opening of receivership proceedings, or if the Company is liquidated for any other reason, the payment of the Company's creditors shall be made in the following order of priority (subject, in each case, to full payment of creditors of higher rank): (a) non-subordinated creditors of the Company, (b) subordinated creditors of the Company, (c) lenders under equity loans granted to the Company and holders of equity securities issued by the Company, and (d) subordinated creditors of lowest rank of the Company;
  - (iv) that the MCB shall benefit from a higher rank than the different classes of shares issued by the Company, whether ordinary or preference shares, being however specified that in case of judicial or conventional liquidation of the Company or, subject to applicable laws and regulations, safeguard or receivership proceedings, pursuant to the provisions of Title IV, Book VI of the French Commercial Code, the MCB shall be redeemed by allocation of new shares of the Company;
- decides that the MCB shall be redeemable:
  - (i) in full on the fifth (5th) anniversary of their issue date (i) either by delivery of one (1) new share of the Company per MCB (subject to adjustments, as the case may be), (ii) or, at the option of the Company, by payment for each MCB of an amount equal to the par value of the MCB, i.e. two (2) euros; or
  - (ii) in full, at any time upon request of the majority of the holders of MCB (representing at least 50% of the outstanding MCB on the date of request), by delivery of one (1) new share of the Company per MCB (subject to adjustments, as the case may be); or
  - (iii) at any time upon request of any holders of MCB, up to the number of MCB that he/she/it owns, by delivery of one (1) new share of the Company per MCB (subject to adjustments, as the case may be);

- acknowledges that consequently:
  - (i) the maximum total number of new shares that may be issued upon redemption of the MCB shall be 100,000,000 (subject to adjustments, as the case may be);
  - (ii) the total nominal amount of share capital increase resulting from the redemption of the MCB shall not exceed 10,000,000 euros (corresponding to 100 million shares with a par value of 0.10 euro each) (after taking into account the share capital decrease which is the subject matter of the fifteenth resolution);

it being specified that the maximum total number of new shares to be issued under redemption of the MCB and the above total nominal amount of share capital increase resulting from the redemption of the MCB do not take into account any adjustments that may be necessary in the event of transactions on the share capital referred to in Articles L.228-98 *et seq.* of the French Commercial Code;

- acknowledges that, in accordance with Article L.225-132 paragraph 6 of the French Commercial Code, the decision to issue the MCB entails the waiver by the shareholders of their preferential subscription right to Company's shares to which the MCB give right in case of redemption in shares;
- decides that the shares that would be issued upon redemption of the MCB shall bear the right to dividends as from their issue date and shall, upon issue, be completely assimilated to the existing shares and subject to all the provisions of the by-laws and to the decisions of the general meeting;
- decides that the MCB shall be freely tradable and, for this purpose, a request for admission to trading on the regulated market of Euronext Paris shall be made;
- decides that in the event of a share capital increase, absorption, merger, spin-off or issue of new shares or securities giving access to the share capital of the Company, or other financial transactions with preferential subscription rights or reserving a priority subscription period to the Company's shareholders, the Company shall be entitled to suspend the redemption of the MCB for a period of up to three months or any other deadline set by the applicable regulations;
- decides that the issue of the MCB pursuant to this resolution shall be decided only if (i) the issue of Company's shares, with shareholders' preferential subscription rights preserved, pursuant to the sixteenth resolution and (ii) the issue and allocation, free of charge, of the shareholders' Warrants, pursuant to the eighteenth resolution, have been completed;
- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law and by this resolution, to implement this delegation, and in particular to:
  - carry out the issue referred to in this resolution and, if necessary, postpone it;
  - determine the number of MCB to be issued pursuant to the above formula, the list of beneficiaries within the category of persons referred to above and the number of MCB to be subscribed by each of them;

- determine all the characteristics of the MCB and the terms of the issue (including the events of early repayment); it being specified that the terms of adjustment in case of transactions on the share capital shall be consistent with those described in the Board of Directors's report to this meeting;
- set the date for completion of the issue of the MCB;
- establish a statement of receivables in accordance with Article R.225-134 of the French Commercial Code;
- obtain from the statutory auditors a report certifying as true the statement of receivables established by the Board of Directors, in accordance with Article R.225-134 of the French Commercial Code;
- receive subscriptions and acknowledges these subscriptions by way of set-off with certain, due and payable receivables against the Company;
- set the conditions under which the Company shall have, as the case may be, the right to purchase or exchange on the stock exchange or otherwise, at any time or during specific periods, the MCB, in accordance with legal provisions;
- determine and make all adjustments to take into account the effect of transactions on the share capital of the Company;
- acknowledge the completion of shares capital increases resulting from the issue of the shares upon redemption of the MCB and amend the by-laws of the Company accordingly;
- proceed to any action, as the case may be, for the admission, as the case may be, to trading on the regulated market of Euronext Paris of the MCB and the shares issued upon redemption of the MCB;
- as the case may be, charge the cost of the issues on the related premiums amount and deduct the sums necessary to fund the legal reserve;
- in general, enter into any agreement, in particular to ensure the success of the contemplated issues, take any measures and carry out any formalities required for the issue, listing and financial servicing of securities issued pursuant to this delegation and the exercise of the rights attached thereto.

This resolution may not be implemented until after, and subject to, the prior completion of the share capital decrease referred to in the fifteenth resolution. The ceilings set or referred to in this resolution have been determined after taking into account the effect of said share capital decrease, and are independent from the ceilings set in the other resolutions submitted to this meeting. The Board of Directors may not, without the prior authorisation of the general meeting, make use of this delegation as from the filing by a third party of a tender offer for the securities of the Company and until the end of the offer period.

## Twentieth resolution

### (Delegation of authority to the Board of Directors to issue new shares with warrants for shares attached (ABSA), without shareholders' preferential subscription rights and reserved to a category of persons meeting specific criteria)

The shareholders, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed (i) the Board of Directors' report and (ii) the statutory auditors' special report on the suppression of the shareholders' preferential subscription rights pursuant to the provisions of Article L.225-138 of the French Commercial Code and established in accordance with the provisions of Article L.225-135 of the French Commercial Code, voting in accordance with the provisions of Articles L.225-129 to L.225-129-6, L.225-135 and L.225-138 et seq. of the French Commercial Code, after having acknowledged that the share capital is fully paid-up,

- delegates to the Board of Directors, with the right to sub-delegate, under the conditions set by law, for a period of 12 months as from the date of this meeting, its authority to decide to issue, without shareholders' preferential subscription right, shares with warrants for Company's shares attached ("**ABSA**");
- decides that the total amount of the share capital increase of the Company to be carried out pursuant to this resolution (excluding share capital increase upon exercise of the warrants for shares attached to the shares issued pursuant to this resolution), as well as the number of ABSA to be issued pursuant to this resolution, shall be determined by applying the following formula, on the basis in particular of the total amount "X" of cash subscription (excluding any subscription by set-off of receivables) to the share capital increase with shareholders' preferential subscription right preserved that would be decided pursuant to the sixteenth and seventeenth resolutions above (the "**Rights Issue**"):
 

The total amount of the ABSA issue (issue premium included) shall be equal to: A + B

Where

"A" shall be equal to 75,000,000 euros

"B" shall be equal to the result of the following calculation:

(a) amount in principal of the outstanding debt under the Credit Agreement on the relevant date (referred to as "Y")

Less

(b) X – 20,000,000 euros if X is comprised between 20,000,000 euros and 460,000,000 euros (in case the extension option provided for by the seventeenth resolution is used), or zero if X is strictly less than 20,000,000 euros

Less

(c) portion of Y used by the Company's financial creditors to subscribe by set-off of receivables to the Rights Issue

Less

(d) 400,000,000 euros

Less

(e) the nominal amount of the MCB possibly issued or to be issued pursuant to the nineteenth resolution

Less

(f) 75,000,000 euros

The total amount of the ABSA issue (issue premium included) shall be equal to: A + B

Where

"A" shall be equal to 75,000,000 euros

"B" shall be equal to the result of the following calculation:

(a) amount in principal of the outstanding debt under the Credit Agreement on the relevant date (referred to as "Y")

Less

(b) X – 20,000,000 euros if X is comprised between 20,000,000 euros and 460,000,000 euros (in case the extension option provided for by the seventeenth resolution is used), or zero if X is strictly less than 20,000,000 euros

Less

(c) portion of Y used by the Company's financial creditors to subscribe by set-off of receivables to the Rights Issue

Less

(d) 400,000,000 euros

Less

(e) the nominal amount of the MCB possibly issued or to be issued pursuant to the nineteenth resolution

Less

(f) 75,000,000 euros

Plus

(g) the portion of the amount of the Rights Issue exceeding the amount of the initial issue and arising from the use of the extension option provided for by the seventeenth resolution (as the case may be)

(rounded down to the nearest multiple of the subscription price per ABSA, determined according to the below);

- acknowledges that, in any event, the total nominal amount of share capital increase of the Company (issue premium excluded) resulting from the issue carried out pursuant to this resolution (excluding share capital increase upon exercise of the warrants for shares attached to the shares issued pursuant to this resolution) shall not exceed 8,150,000 euros;
- decides that the subscription price of each ABSA shall be equal to the result of the following formula (rounded down to the nearest euro cent):  $[A + B] \text{ divided by } [A + (B/50)]$ ;
- decides that in any event, the subscription price shall not be less than two euros and fourteen cents (€2.14) per ABSA (10 euro cents of par value and 2.04 euros of issue premium), or greater than four euros and seventy-three cents (4.73) per ABSA (10 euro cents of par value and 4.63 euros of issue premium) (in both cases, after taking into account and subject to completion of the share capital decrease which is the subject matter of the fifteenth resolution);
- decides that the subscription to the ABSA shall be paid-up in full by set-off with certain, due and payable receivables against the Company and that the ABSA shall be paid in full upon subscription;
- decides that the date of final completion of the share capital increase resulting from the subscription and full payment of the issued ABSA shall correspond to the date of issuance of the statutory auditors' report in lieu of depositary's certificate, in accordance with the provisions Article L.225-146 paragraph 2 of the French Commercial Code;
- decides to withdraw the shareholders' preferential subscription right with respect to the issue of the ABSA, and to reserve the subscription of all the ABSA in favour of the financial creditors holding receivables against the Company under the credit agreement dated 24 October 2006, as subsequently amended (the "Credit Agreement"), up to a portion of their receivables, said creditors constituting a category of persons meeting specified criteria within the meaning of Article L.225-138 of the French Commercial Code;
- decides that the shares issued shall bear the right to dividends as from their issue date and shall, upon issue, be completely assimilated to the existing shares and subject to all the provisions of the by-laws and to the decisions of the general meeting;
- decides that to each new share issued pursuant to this resolution shall be attached a number of warrants for Company's shares ("creditors' Warrants") equal to B/2 divided by the number of ABSA issued (the result of this division being rounded to the nearest tenth);
- decides that, in any event, the total number of shares to which all the creditors' Warrants issued pursuant to this resolution shall give the right to subscribe shall not exceed 155,000,000;
- decides that each creditors' Warrants shall give right to subscribe to one (1) new Company's share for a strike price of two (2) euros (i.e. 10 euro cents par value and 1.90 euro of share premium, after taking into account the share capital decrease which is the subject matter of the fifteenth resolution), without prejudice to any subsequent adjustments, in accordance with laws and regulations and contractual provisions;

- decides accordingly that the total nominal amount of additional share capital increase of the Company resulting from the exercise of the creditors' Warrants which would be issued pursuant to this resolution shall not exceed 15,500,000 euros. This ceiling shall be increased, as the case may be, by the par value of shares to be issued in order to preserve (in accordance with laws and regulations and, as the case may be, contractual provisions providing for other cases of adjustment) the rights of the holders of creditors' Warrants;
- decides that the shares issued upon exercise of the creditors' Warrants shall be fully paid-up upon subscription;
- acknowledges that, in accordance with Article L.225-132 paragraph 6 of the French Commercial Code, the decision to issue the ABSA entails the waiver by the shareholders of their preferential subscription right to Company's shares to which the creditors' Warrants give right;
- decides that the shares which would be issued upon exercise of the creditors' Warrants shall bear the right to dividends as from their issue date and shall, upon issue, be completely assimilated to the existing shares and subject to all the provisions of the by-laws and to the decisions of the general meeting;
- decides that the creditors' Warrants shall be freely tradable and, for this purpose, a request for admission to trading on the regulated market of Euronext Paris shall be made;
- decides that in the event of a share capital increase, absorption, merger, spin-off or issue of new shares or securities giving access to the share capital, or other financial transactions with preferential subscription rights or reserving a priority subscription period to the Company's shareholders, the Company shall be entitled to suspend the exercise of the creditors' Warrants for a period of up to three months or any other deadline set by the applicable regulations;
- decides that the issue of ABSA pursuant to this resolution shall be decided only if (i) the issue of Company's shares, with shareholders' preferential subscription rights preserved, pursuant to the sixteenth resolution and (ii) the issue and allocation, free of charge, of the shareholders' Warrants, pursuant to the eighteenth resolution, have been completed;
- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law and by this resolution, to implement this delegation, and in particular to:
  - decide the share capital increase and, as the case may be, to postpone it;
  - determine the total nominal amount of the share capital increase of the Company to be carried out and the number of ABSA to be issued by applying the calculation formula provided for to such effect in this resolution;
  - determine the subscription price per ABSA, by applying the calculation formula provided to such effect in this resolution;
  - determine the number of creditors' Warrants attached to each ABSA, by applying the calculation formula provided to such effect in this resolution;
  - set the terms of the issue of ABSA carried out pursuant to this resolution, as well as the characteristics and conditions of the ABSA issued; it being specified that the terms of adjustment in case of transactions on the share capital shall be consistent with those described in the Board of Directors's report to this meeting;

- determine the characteristics and conditions of the creditors' Warrants (including the exercise period which shall not exceed 5 years);
- determine the list of beneficiaries within the category defined above, and the final number of ABSA to be subscribed by each of them within the limit of the maximum number of ABSA determined as indicated above, and determine the final amount of the resulting share capital increase;
- establish a statement of receivables in accordance with Article R.225-134 of the French Commercial Code;
- obtain from the statutory auditors a report certifying as true the statement of receivables established by the Board of Directors, in accordance with Article R.225-134 of the French Commercial Code;
- determine the dates of opening and closing of the subscription period;
- receive from the final beneficiaries the subscription to the ABSA;
- close, as the case may be in advance, the subscription period or extend its duration;
- acknowledge the full payment of all the ABSA issued and, accordingly, the final completion of the share capital increase resulting therefrom;
- carry out the corresponding publication and filing formalities relating to the completion of the share capital increase resulting from the issue of the ABSA and amend the Company's by-laws accordingly;
- as the case may be, charge the cost of the issue on the related premiums amount and deduct the sums necessary to fund the legal reserve;
- arrange for the admission to trading of the new shares and creditors' Warrants on the regulated market of Euronext Paris;
- set the conditions under which the Company shall have, as the case may be, the right to purchase or exchange on the stock exchange or otherwise, at any time or during specific periods, the creditors' Warrants, in accordance with legal provisions;
- do whatever may be necessary to carry out the capital increase pursuant to this resolution; and
- carry out all formalities resulting therefrom.

The Board of Directors may perform, as necessary and outside of the above ceilings, a share capital increase for a nominal amount corresponding to the shares to be issued under any potential adjustments in accordance with applicable laws and regulations and, as the case may be, the specific contractual provisions providing for other cases of adjustment, to preserve the rights of the holders of securities or other instruments giving access to the share capital of the Company.

This resolution may not be implemented until after, and subject to, the prior completion of the share capital decrease referred to in the fifteenth resolution. The ceilings set or referred to in this resolution have been determined after taking into account the effect of said share capital decrease, and are independent from the ceilings set in the other resolutions submitted to this meeting. The Board of Directors may not, without the prior authorisation of the general meeting, make use of this delegation as from the filing by a third party of a tender offer for the securities of the Company and until the end of the offer period.

## Twenty-first resolution

### (Delegation of authority to the Board of Directors to proceed with a share capital increase reserved to the members of the group savings plan of the SoLocal Group)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed (i) the Board of Directors' report and (ii) the statutory auditors' special report, voting in accordance with Articles L.225-129-6, L.225-138 I and L.225-138-1 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labour Code,

- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 26 months as from the date of this meeting, to decide to increase the share capital, on its sole decisions, in one or more installments, at the time it will deem fit, by issuing shares reserved to the employees and former employees who are members of the savings plan of the SoLocal Group.

The ceiling of the nominal amount of the share capital increase, whether immediate or deferred, resulting from the issue carried out pursuant to this delegation (including by incorporation of reserves, profits or premiums under the conditions and limits set by the aforementioned Articles of the French Labour Code) shall be 50,000 euros.

The general meeting decides to withdraw in favour of these employees and former employees the shareholders' preferential subscription rights to the shares to be issued pursuant to this delegation.

The general meeting decides to set the discount offered under the company savings plan at 20% of the average opening prices of SoLocal Group's share quoted on the regulated market of Euronext Paris during the 20 trading days preceding the day of the decision setting the opening date of the subscriptions, it being specified that the Board of Directors may reduce this discount as it will deem fit.

The Board of Directors shall have full powers, with the right to sub-delegate under the conditions set by law, for the purpose of implementing this resolution and in particular to:

- decide that the issues may be made directly to the beneficiaries or through collective bodies;
- establish, among the entities likely to be included in the scope of the company savings plan, the list of companies or groups whose employees and former employees may subscribe to the issued shares;
- determine the nature and the terms of the share capital increase;
- set the seniority conditions which shall be met by the beneficiaries of the new shares issued under the share capital increase made pursuant to this resolution;
- acknowledge the completion of the share capital increase;
- determine, if applicable, the amounts to be incorporated in the share capital within the limit set above, the equity entry/entries from which they shall be drawn and the dividend entitlement date of these shares;

- if necessary, charge the cost of the capital increase on the related premiums amount and deduct the sums necessary to fund the legal reserve;
- take all measures to complete the capital increases, to carry out the formalities resulting therefrom, including relating to the listing of the issued securities, and amend the by-laws accordingly to reflect these capital increases, and generally do all that may be necessary.

It is specified that the ceiling set by this resolution has been determined after taking into account the effect of the share capital decrease referred to in the fifteenth resolution, and is independent from the ceilings set in the other resolutions submitted to this meeting.

## Twenty-second resolution

### (Amendment to article 12 of the by-laws relating to the Board of Directors)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed the Board of Directors' report, decides, in order to further specify the procedure for the election of the director representing the employees, to replace the last three paragraphs of article 12 of the Company's by-laws by the following four paragraphs:

*"The vote is expressed by electronic means and/or on paper.*

*In case of vote on paper, the vote takes place on one day, at the workplace and during business hours. However, the following persons can vote by correspondence:*

- employees who are expected to be absent on voting day;
- employees who, because of the nature or the conditions of their work, happen to be away from the polling station to which they have been assigned;
- employees working on sites which do not have a polling station.

*In case of voting by electronic means and/or on paper, the terms for the organization and the conduct of the election of the director representing the employees which are not provided for by applicable laws and regulations or by these by-laws are adopted by the Board of Directors or upon delegation by the Chief Executive Officer.*

*In the event of vacancy, for any reason whatsoever, of the director representing the employees' seat that cannot be replaced in accordance with Article L.225-34 of the French Commercial Code, the Board of Directors, regularly composed of the remaining members, shall be able to validly meet and deliberate before the election of the new director representing the employees."*

## Twenty-third resolution

### (Powers for formalities)

The general meeting grants full powers to the bearer of an original, copy or extract of the minutes of this meeting to carry out all legal and administrative formalities and comply with all filing and publication requirements in accordance with the laws in force.

# DIRECTOR WHOSE APPOINTMENT IS PROPOSED TO THE GENERAL SHAREHOLDERS' MEETING

Since 2015 **Monica Menghini** has been Associate Chief Executive Officer for Strategy at Dassault Systèmes with the aim of defining the business strategy around the brand equity. Joining Dassault Systèmes in 2009, she successively held the posts of Director of the consumer goods and general public products sectors, Associate Chief Executive Officer responsible for industries and Associate Chief Executive Officer responsible for industries, marketing and corporate communications. Between 2001 and 2009, Monica Menghini was Chief Executive Officer at Saatchi & Saatchi for Europe, the Middle East and Africa where she supervised the development of the brand equity for the international accounts of the Group

agencies and a network dedicated to marketing the distribution of the customer path, then Chief Executive Officer of the partnership project between Dassault Systèmes and the Publicis Group, aiming to implement digital modelling and collaboration solutions for the marketing department. She began her career with Procter & Gamble where she contributed to the creation, management and growth of 20 local and international brands (between 1988 and 2001). A former professional volleyball player, Monica Menghini holds a law degree from the University of La Sapienza (Rome) where she also obtained a master's degree in economics and a master's degree in behavioural psychology.

Name	Date of Birth	Position	Number of shares of which the proxy holder is the registered holder or bearer	Expiry date of the office	Other positions and principal officers held in all companies over the last 5 years
Monica Menghini	27 May 1962	Director	In course of acquisition	General Shareholders' Meeting to be held in 2020	Associate Chief Executive Officer for Strategy of Dassault Systèmes  Offices no longer held: None

# FIVE-YEAR SUMMARY OF FINANCIAL RESULTS (ARTICLES R. 225-81-3 AND R. 225-83-6 OF THE FRENCH COMMERCIAL CODE)

Units for figures (other than share capital, all amounts are in thousands of euros)	2011	2012	2013	2014	2015
<b>1. Share capital and outstanding shares at year-end</b>					
a) Share capital	56,196,951	56,196,951	56,196,951	232,345,434	233,259,384
b) Number of outstanding ordinary shares	280,984,754	280,984,754	280,984,754	1,161,727,170	38,876,565
<b>2. Key financial figures</b>					
a) Annual revenues, net of tax	10,563	10,233	10,345	9,071	13,047
b) Earnings before tax, profit-sharing, depreciation, amortisation and provisions	125,881	125,723	77,276	(142,015)	(152,278)
c) Corporate income tax	(63,300)	(55,410)	(57,839)	(56,153)	14,089
d) Employee profit-sharing	-	-	-	-	-
e) Earnings after tax, depreciation, amortisation and provisions	187,724	166,731	(51,438)	(132,193)	(1,785,325)
f) Earnings distributed in n+1*	-	-	-	-	-
<b>3. Key financial figures per share (in euros)</b>					
a) Earnings after tax & profit-sharing but before depreciation, amortisation and provisions	0.67	0.64	0.48	-0.07	-4.28
b) Earnings after tax, profit-sharing, depreciation, amortisation and provisions	0.67	0.59	-0.18	-0.11	-45.92
c) Dividend per share paid in n+1*	0.00	0.00	0.00	0.00	0.00
<b>4. Personnel</b>					
a) Average number of salaried employees during the year	38	38	45	43	43
b) Total payroll	8,645	7,342	8,721	7,536	8,107
c) Benefit payment	3,465	4,163	4,216	5,791	3,997

\*Or submitted to the General Meeting for the last fiscal year (before deduction of treasury shares).

# BOARD OF DIRECTORS' REPORT TO THE SOLOCAL GROUP'S COMBINED GENERAL SHAREHOLDERS' MEETING OF 19 OCTOBER 2016

The Management Report on the annual financial statements for the financial year ended 31 December 2015 features in Chapter 20.3 of the 2015 Reference Document, available at [www.solocalgroup.com](http://www.solocalgroup.com).

## Resolutions put to the shareholders' vote

### Important note

This report of the Board of Directors has been drawn up based on the agenda and draft resolutions published in the notice of the Company's combined general shareholders' meeting that appeared in *Bulletin des Annonces Légales Obligatoires* no. 110 of 12 September 2016. The Company's shareholders' attention is drawn to the possibility of an amendment to this agenda and to these draft resolutions following (a) requests for inclusion in the agenda of any points and draft resolutions submitted by the Company's shareholders in accordance with the law and (b) any amendments made by the Company's Board of Directors. In such event, a supplement to this report of the Board of Directors will be made available to the Company's shareholders before the mixed general shareholders' meeting to be held on 19 October 2016.

<b>Resolutions falling within the competence of the ordinary general shareholders' meeting</b>	<b>22</b>
Approval of the company financial statements and consolidated accounts for the financial year ended 31 December 2015	22
Appropriation of net income for the financial year ended 31 December 2015	22
Approval of the agreements referred to in Article L.225-38 of the French Commercial Code	23
Authorisation to be granted to the Board of Directors to buy or transfer SoLocal Group shares	23
Non-binding vote on the items of remuneration owed or granted to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard for the financial year ended 31 December 2015	23
Appointment of Mrs Monica Menghini as director	23
Renewal of the statutory auditors' office	24
Ratification of transfer of the registered office	24
<b>Resolutions falling within the competence of the extraordinary general shareholders' meeting</b>	<b>24</b>
I. Restructuring of the Company's financial debt	24
Capital decrease by decreasing the par value of the shares	25
Delegation of authority to the Board of Directors to issue Company shares, with shareholders' pre-emptive subscription rights maintained	26
Authorisation granted to the Board of Directors to increase the number of shares to be issued in the event of oversubscription to the issue, with shareholders' pre-emptive subscription rights maintained, pursuant to the previous resolution	26
Delegation of authority to the Board of Directors to proceed with the issue and allocation, free of charge, of warrants for shares in favour of the Company shareholders	26
Delegation of authority to the Board of Directors to issue mandatory convertible bonds (obligations à option de conversion et remboursables en actions), without shareholders' pre-emptive subscription rights and reserved for a category of persons meeting specific criteria	27
Delegation of authority to the Board of Directors to issue new shares with warrants for shares attached (ABSA), without shareholders' pre-emptive subscription rights and reserved for a category of persons meeting specific criteria	28
Delegation of authority to the Board of Directors to proceed with a restricted capital increase for members of the SoLocal Group's group savings plan	29
II. Progress of company business since the start of the current financial year	30
III. Amendment to the Articles of Association	32
Amendment to Article 12 of the Articles of Association on the Board of Directors	32

Ladies and Gentlemen,

We have called you to this combined general shareholders' meeting, in accordance with the provisions of the law and our Company's Articles of Association, to ask you to decide on the following in particular:

- approval of the company financial statements and consolidated accounts for the financial year ended 31 December 2015;
- allocation of the net income for the financial year ended 31 December 2015;
- approval of the agreements referred to in Article L.225-38 of the French Commercial Code;
- authorisation to be granted to the Board of Directors to buy or transfer SoLocal Group shares;
- appointment of Mrs Monica Menghini as director;
- renewal of the statutory auditors' office;
- ratification of transfer of the registered office;
- capital decrease by decreasing the par value of the shares;
- delegation of authority to the Board of Directors to issue Company shares, with shareholders' pre-emptive subscription rights maintained;
- authorisation granted to the Board of Directors to increase the number of shares to be issued in the event of oversubscription to the issue, with shareholders' pre-emptive subscription rights maintained, pursuant to the previous resolution;

- delegation of authority to the Board of Directors to proceed with the issue and allocation, free of charge, of warrants for shares in favour of the Company's shareholders;
- delegation of authority to the Board of Directors to issue mandatory convertible bonds (obligations à option de conversion et remboursables en actions), without shareholders' pre-emptive subscription rights and reserved for a category of persons meeting specific criteria;
- delegation of authority to the Board of Directors to issue new shares with warrants for shares attached (ABSA), without shareholders' pre-emptive subscription rights and reserved for a category of persons meeting specific criteria;
- delegation of authority to the Board of Directors to proceed with a restricted capital increase for members of SoLocal Group's group savings plan; and
- amendment to Article 12 of the Articles of Association on the Board of Directors.

You will also be asked to cast your non-binding vote on those items of remuneration owed or granted to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard for the financial year ended 31 December 2015.

The required notices have been duly sent to you and all the documents and items provided for by the regulations in force have been made available to you within the legal periods.

## **Resolutions falling within the competence of the ordinary general shareholders' meeting (1<sup>ST</sup> TO 14<sup>TH</sup> RESOLUTIONS)**

### **Approval of the company financial statements and consolidated accounts for the financial year ended 31 December 2015**

#### **(1<sup>ST</sup> AND 2<sup>ND</sup> RESOLUTIONS)**

Pursuant to the 1<sup>st</sup> and 2<sup>nd</sup> resolutions, we propose that you approve the company financial statements (1<sup>st</sup> resolution) followed by the consolidated accounts (2<sup>nd</sup> resolution) for the financial year ended 31 December 2015.

The comments on the company financial statements and the consolidated accounts are set out in detail in the Board of Directors' management report.

### **Appropriation of net income for the financial year ended 31 December 2015**

#### **(3<sup>RD</sup> RESOLUTION)**

Pursuant to the 3<sup>rd</sup> resolution, we propose that you:

- Acknowledge that the loss for the financial year is -€1,785,324,772.73;
- Acknowledge that, in light of positive retained earnings of €1,233,024,413.40, the absence of distributable profits for the financial year; and
- Resolve to allocate the entire amount of the loss for the financial year to the "retained earnings" account, which following appropriation amounts to -€552,300,359.33.

It is recalled that the dividends distributed for the past three financial years were as follows:

Financial year	Number of shares <sup>(1)</sup>	Dividend per share	Portion of dividend eligible for allowance <sup>(2)</sup>
2012	280,984,754	0	Not applicable
2013	280,984,754	0	Not applicable
2014	1,161,727,170	0	Not applicable

(1) Number of shares before the stock split of 26 October 2015.

(2) 40% tax credit provided for in Article 158, paragraph 3, sub-paragraph 2<sup>o</sup> of the French General Tax Code.

The table showing our Company's income for the last five financial years ended is attached to the Board of Directors' management report, as provided for by Article R.225-102 of the French Commercial Code.

We would point out that, on account of the loss recorded, the Company's equity has fallen below half its share capital.

We would remind you that the Company is currently involved in a scheme of arrangement (sauvegarde financière accélérée) procedure, following the approval of the scheme of arrangement (sauvegarde financière accélérée) plan on 9 May 2014.

Pursuant to Article L.225-248(5) of the French Commercial Code, the special procedure for consultation of the extraordinary general shareholders' meeting in order to decide whether it is advisable for the Company to be wound up early and, where appropriate, to decide on a decrease in capital in an amount at least equal to that of the losses that could not be allocated to the reserves, does not apply to companies subject to schemes of arrangement.

## Approval of the agreements referred to in Article L.225-38 of the French Commercial Code

### (4<sup>TH</sup> RESOLUTION)

Pursuant to the 4<sup>th</sup> resolution, we propose that you approve the agreements regulated, pursuant to Articles L.225-38 *et seq.* of the French Commercial Code, concluded during the financial year ended 31 December 2015.

The list of these agreements, and of the agreements concluded in previous financial years and continuing during the course of the financial year ended 31 December 2015, is presented in the statutory auditors' special report. It is also presented in section IV of the Board of Directors' management report; the terms and conditions of these agreements are detailed in section 19 of SoLocal Group's reference document 2015.

## Authorisation to be granted to the Board of Directors to buy or transfer SoLocal Group shares

### (5<sup>TH</sup> RESOLUTION)

We propose that you authorise the Board of Directors, for a further period of 18 months, to implement a programme for the repurchase of Company shares and thus authorise the Company, pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, to buy its treasury shares, up to a limit of 10% of the amount of the share capital.

The maximum purchase price should not exceed €5 per share, it being stipulated that, in the event of transactions on the share capital, particularly by capitalization of reserves and allocation of free shares and/or stock split or reverse stock split, this price shall be adjusted accordingly. The maximum amount of funds allocated to the repurchase programme would be €50,000,000.

The aims of the share repurchase programme are as follows:

- To undertake and comply with all obligations associated with stock option programmes or other allocations of shares to employees of the Company or its affiliates and, in particular, to allocate shares to employees of SoLocal Group in connection with (i) the Company's profit-sharing scheme and (ii) any share purchase plan, stock option plan or free allocation of shares (including any transfer of shares covered by Article L.3332-24 of the French Labour Code) for the benefit of all or some of the Company's employees and corporate officers, and to carry out any hedging operations relating to these transactions;
- To guarantee the liquidity of SoLocal Group's shares through a liquidity contract concluded with an investment services provider, in compliance with the code of ethics approved by the French Financial Markets Authority (AMF);
- To retain the shares and deliver them subsequently in exchange or as payment in connection with potential external growth transactions;
- To undertake and comply with obligations relating to debt securities convertible into equity securities and, in particular,

to deliver shares upon the exercise of rights attached to securities that confer an immediate or future right to shares by any means, and to carry out any transactions necessary to hedge the obligations of SoLocal Group with respect to such securities.

Renewal of this authorisation will allow the Company in particular to maintain the liquidity contract which has been in force for several years.

## Non-binding vote on the items of remuneration owed or granted to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard for the financial year 2015

### (6<sup>TH</sup>, 7<sup>TH</sup> AND 8<sup>TH</sup> RESOLUTIONS)

Pursuant to the 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> resolutions and implementing the AFEF/MEDEF Corporate Governance Code of June 2013 revised in November 2015, which forms the Company's reference code pursuant to Article L.225-37 of the French Commercial Code, we would ask you to vote on the components of remuneration owed or granted to Mr Robert de Metz, Chairman of the Board of Directors, Jean-Pierre Remy, Chief Executive Officer, and Christophe Pingard, Deputy Chief Executive Officer, for the financial year ended 31 December 2015.

These components of remuneration owed or granted to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard for the financial year 2015 are set out in detail in section VI of the Board of Directors' management report.

## Appointment of Mrs Monica Menghini as director

### (9<sup>TH</sup> RESOLUTION)

Pursuant to the 9<sup>th</sup> resolution, it is proposed that the general shareholders' meeting appoint Mrs Monica Menghini as director for a term of four (4) years. Her term of office would thus expire at the close of the ordinary general shareholders' meeting convened to vote on the financial statements for the financial year ending 31 December 2019.

Monica Menghini was born on 27 May 1962 (Italy).

Since 2015, Monica Menghini has been Deputy Chief Executive Officer for Strategy of Dassault Systèmes with the task of defining the business strategy around brand equity. She joined Dassault Systèmes in 2009 and subsequently held the positions of Director of the Consumer Goods and Consumer Products Sectors, Deputy Chief Executive Officer responsible for industries and Deputy Chief Executive Officer responsible for industries, marketing and corporate communications. Between 2001 and 2009, Monica Menghini was Chief Executive Office at Saatchi & Saatchi for Europe, the Middle East and Africa where she supervised the development of brand equity for the international accounts of the Group's agencies and a network dedicated to marketing the distribution of the customer journey, then Chief Executive Officer for the proposed partnership between Dassault Systèmes and the Publicis Group, seeking to place digital modelling and collaboration solutions at the service of marketing. She began her career at Procter & Gamble where she contributed towards the creation, management and growth of 20 local and international brands (1988 to 2001). A former professional volleyball player, Monica Menghini is a law graduate of La Sapienza University (Rome) where she also obtained a Master's degree in economics and a Master's degree in behavioural psychology.

Monica Menghini does not hold any position within SoLocal Group.

Monica Menghini's acquisition of Company shares is in progress at the date of this report.

## Renewal of the statutory auditors' office

### (10<sup>TH</sup> TO 13<sup>TH</sup> RESOLUTIONS)

The offices of the statutory auditors of the firms Deloitte & Associés and Ernst & Young and of the alternate auditors of the firms BEAS and Auditex expire at the end of the general shareholders' meeting within whose scope this report has been prepared.

Pursuant to the 10<sup>th</sup> to the 13<sup>th</sup> resolutions, it is proposed that the general shareholders' meeting renew their offices for a period of six (6) years. Their new offices would thus expire at the end of the ordinary general shareholders' meeting convened to vote on the financial statements for the financial year ending 31 December 2021.

The choice of auditors whose renewal of office is proposed was made according to a process fully complying with the recommendations of the AFEP/MEDEF Corporate Governance Code of June 2013 revised in November 2015.

The statutory auditors proposed have henceforth informed the Company that they would accept this assignment if a vote were cast in favour of these resolutions and declare that they form part of an international network of statutory auditors, comprising legally autonomous and independent entities. The firm Deloitte & Associés also informed the Company that it had received €210,000 for its duties as Company statutory auditor and €253,000 for its duties as statutory auditor for those companies falling with the Company's

scope of consolidation for the financial year ended 31 December 2015, and that it has not received any fees for services not directly connected with the duties of statutory auditor provided for the companies falling within the Company's scope of consolidation. The firm Ernst & Young also informed the Company that it had received €229,000 for its duties as Company statutory auditor and €267,000 for its duties as statutory auditor for those companies falling with the Company's scope of consolidation for the financial year ended 31 December 2015, and that it has not received any fees for services not directly connected with the duties of statutory auditor provided for the companies falling within the Company's scope of consolidation.

## Ratification of transfer of the registered office

### (14<sup>TH</sup> RESOLUTION)

At its meeting held on 25 April 2016, the Board of Directors resolved to transfer SoLocal Group's registered office to the following address: Tours du Pont de Sèvres, 204 Rond-point du Pont de Sèvres, 92100 Boulogne-Billancourt.

Pursuant to Article L.225-36 of the French Commercial Code, in order to be valid, this transfer must be ratified by the forthcoming ordinary general shareholders' meeting. Consequently, pursuant to the 14<sup>th</sup> resolution, shareholders are asked to ratify the transfer of the registered office and the associated amendment to Article 4 of the Company's Articles of Association.

## Resolutions falling within the competence of the extraordinary general shareholders' meeting (15<sup>TH</sup> TO 23<sup>RD</sup> RESOLUTIONS)

### I. Restructuring of the Company's financial debt

Several months ago, the Company drew up a restructuring project for its financial debt that aimed to enable the Group to find margins for financial manoeuvre to resume its Internet business provided for in its "Conquérir 2018" plan with long-term, steady growth.

This restructuring provides that, in return for the principal sum of its debts, which amounted to €1,164 million as at 30 June 2016, SoLocal Group's financial creditors would receive:

- a claim of €400 million (€M) (that may be reduced to €340 M in the event of oversubscription for the capital increase reserved for shareholders described in the following point, the income from the oversubscription being used in this case to reduce the amount of the residual financial debt even further);
- cash (generated from a capital increase with maintenance of the shareholders' pre-emptive subscription right of €400 M that may be increased to €460 M in the event of oversubscription);
- MCBs (mandatory convertible bonds) if the cash subscription rate for the capital increase reserved for shareholders is less than €300 M;
- SoLocal Group shares possibly generated by the capital increase with maintenance of the shareholders' pre-emptive subscription right if it not fully subscribed by the current shareholders (or transferees of pre-emptive subscription rights), the financial creditors having to subscribe by offsetting debts against all the shares not subscribed for in cash by the current shareholders (or transferees of pre-emptive subscription rights);
- and, for the balance of the debt, shares generated by a capital increase reserved for the financial creditors with a share subscription price varying between €2.14 and €4.73, depending on the cash subscription rate for the capital increase of €400 M with maintenance of the shareholders' pre-emptive subscription right; the higher this rate, the higher the amount of the debt

repayment in cash (referred to in the second point above), and the higher the share subscription price within the scope of the issue reserved for the financial creditors, reflecting a more significant effort on their part.

This restructuring is subject in particular to:

- approval by your meeting, by approving the draft resolutions required to implement it (15<sup>th</sup> to 20<sup>th</sup> resolutions);
- approval by the financial creditors' committee; and
- the decision of the Nanterre Commercial Court to amend the existing scheme of arrangement (sauvegarde financière accélérée) plan.

In order to authorise the implementation of the restructuring envisaged by the Company's Board of Directors, the following resolutions are submitted for the approval of the general shareholders' meeting:

- decrease in capital by a total amount of €229.3 M, by decreasing the par value of the Company shares from €6 to €0.1 per share (15<sup>th</sup> resolution);
- delegation of authority to increase the capital with maintenance of the shareholders' pre-emptive subscription right by a maximum total amount of €400 M (including €40 M by way of par value and €360 M by way of share premium), by issuing 400 million new Company shares at a price of €1 per share (the "Issue with PSR"), and authorizing the Board of Directors to increase the total par value of this Issue with PSR to €46 M in the event of oversubscription (16<sup>th</sup> and 17<sup>th</sup> resolutions);
- delegation of authority to proceed with the issue and allocation, free of charge, to the current shareholders of warrants for shares for each share held, granting the right to subscribe for one new Company share at a price of €1.5 determined in advance;

- delegation of authority to issue, in favour of the financial creditors, mandatory convertible bonds ("**MCBs**"), the number of MCBs to be issued depending on the cash subscription rate for the Issue with PSR;
- delegation of authority to issue, in favour of the financial creditors, new shares with warrants for shares (ABSA) (the "**Reserved ABSA Issue**"), the characteristics of this Reserved ABSA Issue depending on the cash subscription rate for the Issue with PSR (20<sup>th</sup> resolution); and
- delegation of authority to proceed with a capital increase reserved for members of SoLocal Group's group savings plan (21<sup>st</sup> resolution).

These resolutions are set out below. The 15<sup>th</sup> to 20<sup>th</sup> resolutions form a whole and non-approval of any one of them by the general shareholders' meeting would prevent the implementation of the financial restructuring plan presented to you.

The firm Finexsi was appointed by the Board of Directors as independent expert responsible for giving an opinion on the fair nature of the subscription price proposed for the issues of securities reserved for SoLocal Group's financial creditors (namely the MCB Issue and the Reserved ABSA Issue).

The independent expert's report and all the documents stipulated by the regulations will be made available to shareholders before the general shareholders' meeting within the scope of which this report has been prepared.

In this connection, the Issue with PSR and the issues reserved for financial creditors (namely the Reserved ABSA Issue and the MCB issue) and shareholders (namely the shareholders' Warrants) will form the subject of transaction notes approved by the French Financial Markets Authority (AMF), which will be made available to shareholders and to the market, in accordance with the applicable legal provisions.

In this report, financial creditor is deemed to mean the holders of claims over SoLocal Group in respect of the credit agreement dated 24 October 2006, as amended by amendments (the "**Credit Agreement**").

## Decrease in capital by decreasing the par value of the shares

### (15<sup>TH</sup> RESOLUTION)

Within the scope of the financial restructuring plan submitted for your approval, it is planned to proceed with an increase in the Company capital with maintenance of the shareholders' pre-emptive subscription right by a total amount of €400 M, by issuing 400 million new Company shares at a price of €1 per share (forming the subject of the 16<sup>th</sup> resolution presented below).

In accordance with the law, the issue price of new shares for this type of capital increase cannot be lower than the par value of the shares issued. The par value of the Company shares is currently €6 per share. Consequently, the capital increase of €400 M presented to you requires a decrease in the par value of the Company shares in advance.

This decrease in capital by decreasing the par value of the shares would not affect the value or the number of Company shares held by the shareholders. It would also enable the Company to clear all the losses recognised in its balance sheet.

Prior to the decrease in capital itself, we propose that your meeting allocate the Company losses, as recognised by the financial statements for the financial year ended 31 December 2015 (following appropriation of the income for that financial year), to certain reserves and premiums available, so as to reduce the amount of the negative "retained earnings". These allocations would be made as follows:

- appropriation of an amount of €348,819,232.88 to the "share premium" account, the amount of which would thus be reduced to zero;
- appropriation of an amount of €5,619,695.08 euros to the "statutory reserve fund" the amount of which would thus be reduced to zero; and
- appropriation of an amount of €18,283,923.79 to the "other reserve funds" the amount of which would thus be reduced to zero.

The "retained earnings" would consequently be reduced from -€552,300,359.33 (the amount following appropriation of the income for the financial year ended 31 December 2015) to -€179,577,507.58.

Following these allocations, we propose that you decide to decrease the capital by a total amount of €229,371,727.60, by reducing the par value of each share from €6 (the current amount thereof) to €0.10, and that the amount of the aforesaid capital decrease will be allocated:

- in the sum of €179,577,507.58 to clear the negative retained earnings (following application of the aforesaid allocations), which will consequently be reduced to zero; and
- for the balance, i.e. €49,794,220.02, to a special reserve account called the "special reserve originating from the decrease in capital decided on 19 October 2016"; the sums placed in this special reserve account would be unavailable and could not be used for any purposes other than to clear possible losses made in the financial year ending 31 December 2016 or subsequent financial years.

Bearing the foregoing in mind, the decrease in capital proposed would be partly (i.e. in the sum of €179,577,507.58) due to losses and, for the balance (i.e. in the sum of €49,794,220.02), not due to losses.

In accordance with the law, the Company's creditors benefit from a right to object to any proposed decrease in capital not due to losses. Consequently, we propose that you decide that the decrease in capital envisaged be subject to the absence of any objections by the Company's creditors within the legal period of 20 calendar days or, in the event of any objection, to the unconditional rejection of the objection or objections raised by the competent court or to the lifting thereof, by repayment of the debts or the formation of sufficient guarantees by the Company, under the conditions provided for by Articles L.225-205 and R.225-152 of the French Commercial Code.

In the event of execution of this decrease in capital, the Company's share capital would be reduced by €233,259,384 (the current amount thereof) to €3,887,656.40 divided into 38,876,564 shares with a par value of €0.10 each, and Article 6 "Share Capital" of the Company's Articles of Association would be amended accordingly.

Finally, we propose that you confer all powers on the Board of Directors, with the right of sub-delegation, to arrange this decrease in capital.

## Delegation of authority to the Board of Directors to issue Company shares, with maintenance of the shareholders' pre-emptive subscription right

### (16<sup>TH</sup> RESOLUTION)

One of the main aspects of the financial restructuring plan is to increase the capital maintaining the shareholders' pre-emptive subscription right ("**PSR**") to a total amount (including the share premium) of €400 M, by issuing 400 million new Company shares at a price of €1 per share (the "**Issue with PSR**").

With 400 million shares to be issued within the scope of the Issue with PSR, each Company shareholder would be allocated 1 PSR for each share held free of charge, allowing it to subscribe for the new shares at a rate of 7 PSRs for 72 new shares. Shareholders would have to deal personally with any fractions by buying or selling PSRs.

This Issue with PSR would be guaranteed by all the financial creditors, who have undertaken to subscribe for all the shares not subscribed by the Company's current shareholders (or by the transferees of PSRs) by offsetting a portion of the claims they hold against the Company.

We therefore propose that you delegate authority to the Board of Directors, for a period of 12 months, in order to decide on the Issue with PSR.

This Issue with PSR would have the following characteristics:

- issue of a maximum number of 400 million new Company shares, at a price of €1 per new share, corresponding to a par value of €0.10 and a share premium of €0.90 (bearing in mind the decrease in capital forming the subject of the 15<sup>th</sup> resolution presented above);
- total nominal amount of the increase in Company capital (share premium not included) resulting from this issue of €40 M or less (i.e. €400 M including share premium bearing in mind the subscription price of €1 per new share), it being stipulated that this limit could be raised to €46 M (i.e. €460 M including share premium) if you adopt the 17<sup>th</sup> resolution proposed below;
- subscriptions should be paid up in cash, in kind, or by offsetting against the Company's certain, liquid and payable debts and the shares newly issued should be paid up in full on subscription; and
- shareholders would hold, in proportion to the number of shares they hold, a preferential right to subscribe for the shares issued within the scope of the Issue with PSR and they would have to hold a subscription right to the shares issued on a reducible basis, which would be exercised in proportion to their subscription rights and within the limit of their requests.

Finally, we propose that you confer on the Board of Directors, with the right of sub-delegation, the necessary powers to implement the delegation granted, and in particular to decide on and arrange the Issue with PSR.

It being stipulated that:

- this resolution could only be implemented after, and subject to, the prior execution of the decrease in capital proposed in the 15<sup>th</sup> resolution presented above;
- the limits fixed or referred to above have been determined taking into account the effect of the aforesaid decrease in capital and are independent from the limits referred to in the other resolutions that will be submitted to you during the meeting;
- the Board of Directors could not make use of the aforesaid delegation following the submission by a third party of a public offering for the Company securities and up to the end of the offering period, without the prior authorisation of the general shareholders' meeting.

## Authorisation granted to the Board of Directors to increase the number of securities to be issued in the event of oversubscription at the time of the aforesaid issue with maintenance of the pre-emptive subscription right

### (17<sup>TH</sup> RESOLUTION)

Within the scope of the Issue with PSR and if the subscriptions to this Issue with PSR exceed €400 M, the Company would like to be able to increase the size of this Issue with PSR, within the limit of a maximum total amount of €460 M. In the event of oversubscription at the time of the initial issue, the Company could thus increase the number of shares to be issued to meet the applications made by the shareholders (and/or transferees of PSR) on a reducible basis.

This would enable the Company to raise additional funds, which would be fully allocated to the repayment of its bank debt in the amount due, and would therefore reduce the amount of the residual financial debt even further.

We therefore propose that you authorise the Board of Directors, for a period of 12 months, in the event of oversubscription at the time of the initial issue, to increase the number of shares to be issued, under the conditions provided for by Article L.225-135-1 of the French Commercial Code, at the same price as that adopted for the initial issue and up to a limit of 15% of the amount of the initial issue.

It is stipulated that the increase in the number of securities to be issued could only be used to serve the application made by the shareholders (and/or the transferees of PSR) on a reducible basis, at the time of the initial issue.

If the right to increase the number of shares is implemented, the limit to the total nominal amount of the increase in Company capital (share premium not included) resulting from the Issue with PSR would be increased by 15% and would consequently be increased from €40 M to €46 M (these limits take into account the effect of the decrease in capital proposed to you in the 15<sup>th</sup> resolution presented above).

The Board of Directors would receive all powers, with the right of sub-delegation, to implement the delegation granted to it.

## Delegation of authority to the Board of Directors to proceed with the issue and allocation, free of charge, of warrants for shares in favour of the Company shareholders

### (18<sup>TH</sup> RESOLUTION)

Within the scope of the restructuring envisaged, the Company would allocate to the current shareholders, free of charge, one warrant for shares for each share held ("**shareholders' Warrants**").

As discussions stand at the date of preparation of this report, the period for exercise of these shareholders' Warrants would be 24 months. During this period, each Shareholders' Warrant would grant the right to subscribe for one new SoLocal Group share at a price determined in advance which, as discussions stand at the date of preparation of this report, would amount to €1.5.

These shareholders' Warrants would allow the Company's current shareholders to benefit from the speed-up in the Internet growth of SoLocal Group, which forms the subject of the "Conquérir 2018" plan, and to limit their dilution within the scope of the restructuring plan envisaged. The exercise of these shareholders' Warrants would also allow the Company to increase its equity.

We therefore propose that you grant a delegation of authority to the Board of Directors, for a period of 12 months, to decide, on a single occasion, on the issue and allocation, free of charge, of shareholders' Warrants to the Company's shareholders.

At the date of preparation of this report, the terms and conditions of these shareholders' Warrants, resulting from the discussions held over the last few months with the group of creditors with whom an agreement in principle had been reached on 1 August 2016, are those described in Appendix 1 attached, namely:

- issue of a maximum number of 38,876,564 shareholders' Warrants (based on the number of shares existing as at 1 September 2016);
- total nominal amount of the increase in the Company capital resulting from the issue of shareholders' Warrants less than or equal to €3,887,656.40 (subject to the adjustments specified in Appendix 1 attached);
- free allocation of shareholders' Warrants to all Company shareholders at a rate of one (1) Shareholders' Warrant per Company share. The shareholders' Warrants would be allocated by the date of execution of the Issue with PSR at the latest. The shareholders' Warrants allocated to the Company based on the treasury shares held at the date in question would be cancelled immediately; and
- each Shareholders' Warrant would entitle the holder to subscribe for one (1) new Company share in return for an exercise price determined in advance, which, as discussions stand at the date of preparation of this report, would amount to €1.50 (i.e. €0.10 by way of par value and €1.40 by way of share premium, bearing in mind the decrease in capital forming the subject of the 15<sup>th</sup> resolution presented above), without prejudice to any further adjustments, in accordance with the legislative and regulatory provisions and the contractual clauses.

Finally, it will be proposed that you confer on the Board of Directors, with the right of sub-delegation, the necessary powers to implement the delegation granted and, in particular, to decide on and effect the issue and allocation, free of charge, of the shareholders' Warrants in favour of the Company shareholders.

It being stipulated that:

- this resolution could only be implemented after, and subject to, the prior execution of the decrease in capital proposed in the 15<sup>th</sup> resolution presented above;
- the limits fixed or referred to above have been determined taking into account the effect of the aforesaid decrease in capital and are independent from the limits referred to in the other resolutions that will be submitted to you during the meeting;
- the Board of Directors could not make use of the aforesaid delegation following the submission by a third party of a public offering for the Company securities and up to the end of the offering period, without the prior authorisation of the general shareholders' meeting.

## **Delegation of authority to the Board of Directors to issue mandatory convertible bonds (obligations à option de conversion et remboursables en actions), without shareholders' pre-emptive subscription rights and reserved for a category of persons meeting specific criteria**

### **(19<sup>TH</sup> RESOLUTION)**

Within the scope of the financial restructuring envisaged, a portion of the Company's financial debt would, where appropriate, be cancelled in return for the issue, reserved for the financial creditors, of mandatory convertible bonds ("MCBs"),

The number of MCBs to be issued in favour of the financial creditors would be directly dependent on the total amount of cash subscriptions collected by the Company at the time of the Issue with PSR (which forms the subject of the 16<sup>th</sup> and 17<sup>th</sup> resolutions presented above); the higher the total amount of cash subscriptions for the Issue with PSR, the lower the number of MCBs to be issued. In fact:

- if the shareholders (or transferees of PSR) subscribe for the Issue with PSR in cash up to an amount greater than or equal to €300 M, no MCB would be issued in favour of the financial creditors;
- if no shareholder (or transferee of PSR) subscribes for the Issue with PSR in cash, 100 million MCBs would be issued in favour of the financial creditors;
- if the shareholders (or transferees of PSR) subscribe for the Issue with PSR in cash up to an amount greater than €0 but strictly lower than €300 M, the number of MCBs to be issued would be calculated lineally and would be the result of applying the following formula:  $100,000,000 - [\text{total amount of subscriptions for the Issue with PSR in cash} / 3]$  (rounded up to the nearest unit).

We therefore propose that you grant a delegation of authority to the Board of Directors, for a period of 12 months, to decide on the issue of MCBs, without shareholders' pre-emptive subscription rights, in favour of the financial creditors.

At the date of preparation of this report, the terms and conditions of these MCBs, which are the result of the discussions held over the last few months with the group of creditors with whom an agreement in principle had been reached on 1 August 2016, would be those described in Appendix 2 attached, namely:

- the par value of each MCB would be €2;
- the maximum number of MCBs issued would be 100,000,000;
- the MCBs would be issued at par, in euros, would not accrue interest and would have a 5-year maturity;
- the shareholders' preferential right to subscribe for the issue of MCBs would be abolished and the subscription for all the MCBs would be reserved for the financial creditors, up to the amount of their claims, the aforesaid creditors forming a category of persons meeting specific criteria within the meaning of Article L.225-138 of the Commercial Code;
- the MCBs would constitute unconditional, general, direct, subordinated commitments, lowest ranked and not combined with the Company's guarantees, having the same rank between themselves and the same rank as all the other present or future, lowest-ranking, subordinated bonds of the Company, and would be subordinate to (i) all present or future equity interests and participating loans issued or granted by the Company; (ii) all the Company's ordinary subordinated bonds; and (iii) all the Company's non-subordinated bonds;
- the MCBs would be repayable:
  - (i) in full on the 5<sup>th</sup> anniversary date following their issue (i) either by allocation of 1 new Company share per MCB (subject to adjustments, where appropriate), (ii) or, at the Company's discretion, by payment by MCBs of an amount corresponding to the par value of one MCB, i.e. €2; or
  - (ii) in full, at any time at the request of the majority of the holders of MCBs (representing at least 50% of the MCBs then in circulation), by submission of 1 new Company share per MCB; or
  - (iii) at any time at the request of any of the holders of MCBs, up to the amount of all or some of the MCBs held by the latter, by allocation of one (1) new Company share per MCB (subject to adjustments, where appropriate);

- consequently, and subject to any adjustments to be made in the event of transactions on the capital referred to in Articles L.228-98 et seq. of the Commercial Code:
  - (i) the maximum total number of new Company shares that could be issued at the time of repayment of the MCBs would be 100 million;
  - (ii) the total nominal amount of the capital increase resulting from the repayment of the MCBs could not exceed €10,000,000 (corresponding to 100 million shares with a par value of €0.10 each) (bearing in mind the decrease in capital proposed to you in the 15<sup>th</sup> resolution presented above).

Finally, we propose that you confer all powers on the Board of Directors, for a period of 12 months, with the right of sub-delegation, to implement the delegation granted and, in particular, to decide on and execute the issue of MCBs, on a single occasion, without shareholders' pre-emptive subscription rights.

It being stipulated that:

- this resolution could only be implemented after, and subject to, the prior execution of the decrease in capital proposed in the 15<sup>th</sup> resolution presented above;
- the limits fixed or referred to above have been determined taking into account the effect of the aforesaid decrease in capital and are independent from the limits referred to in the other resolutions that will be submitted to you during the meeting;
- the MCBs could only be issued if (i) the Issue with PSR forming the subject of the 16<sup>th</sup> resolution presented above and (ii) the issue and allocation, free of charge, of the shareholders' Warrants forming the subject of the 18<sup>th</sup> resolution presented above, took place; and
- the Board of Directors could not make use of the aforesaid delegation following the submission by a third party of a public offering for the Company securities and up to the end of the offering period, without the prior authorisation of the general shareholders' meeting.

## Delegation of authority to the Board of Directors to issue new shares with warrants for shares attached (ABSA), without shareholders' pre-emptive subscription rights and reserved for a category of persons meeting specific criteria

### (20<sup>TH</sup> RESOLUTION)

Within the scope of a financial restructuring envisaged, an issue, reserved for the financial creditors, of new Company shares with warrants for shares attached ("**ABSA**") (the "**Reserved ABSA Issue**") would aim to organise the conversion into capital of the balance of the Company's financial debt following the transactions referred to in the 16<sup>th</sup> to 19<sup>th</sup> resolutions presented above, so that the Company's residual debt following the financial restructuring would be reduced to €400 M (or less in the event of excess applications for the Issue with PSR).

At the date of preparation of this report, the main characteristics of these ABSA, as resulting from the discussions held over the last few months with the group of creditors with whom an agreement in principle had been reached on 1 August 2016, would be as follows:

- the higher the subscription rate in cash for the capital increase of €400 M (share premium included), the higher the subscription price per ABSA. It would be between €2.14 per ABSA and €4.73 per ABSA. The maximum subscription price of €4.73 per ABSA corresponds to the case where the Company raises at least €300 M (share premium included) within the scope of

the capital increase reserved for the shareholders. Conversely, if no shareholder (or transferee of PSR) subscribes in cash for the Issue with PSR, the subscription price per ABSA would be €2.14;

- the higher the subscription rate in cash for the capital increase of €400 M (share premium included), the higher the total amount of the ABSA issue (share premium included). It would be between (i) €164 M (share premium included) if the subscription rate in cash for the capital increase of €400 M is 0% and (ii) €384 M (share premium included) if that subscription rate is 100%;
- consequently, the number of ABSA issued in favour of the financial creditors would vary depending on the case between around 77 million to 81 million, depending on the subscription rate in cash for the capital increase of €400 M, on which account the limit to the capital increase (as a nominal value) resulting from the ABSA issue proposed in the draft 20<sup>th</sup> resolution is €8.15 M.

Each ABSA issued would consist of one share and a number of shares with warrants ("**Creditors' Warrants**"), also calculated based on the subscription rate in cash for the Issue with PSR. The higher this rate, the greater the effort allowed by the financial creditors within the scope of the financial restructuring (with a subscription price per ABSA being able to reach €4.73 as indicated above) and the higher the number of Creditors' Warrants attached to each ABSA. In any event, the maximum total number of Creditors' Warrants would be 155 million.

As discussions stand at the date of preparation of this report, the period of exercise of these Creditors' Warrants would be 5 years. During that period, each Creditors' Warrants would grant the right to subscribe for 1 new Company share in return for an exercise price determined in advance which, as discussions stand at the date of preparation of this report, would be €2. Consequently, the total number of shares that all the Creditors' Warrants would grant the right to subscribe to could not exceed 155 million, and the total nominal amount of the increase in the Company capital resulting from the exercise of the Creditors' Warrants could not exceed €15.5 M.

We therefore propose that you grant a delegation of authority to the Board of Directors, for a period of 12 months, to decide on the issue, without shareholders' pre-emptive subscription rights, of ABSA in favour of the financial creditors.

This Reserved ABSA Issue would have the following characteristics:

- the total amount of the ABSA issue (share premium included) would be equal to:  $A + B$   
Where  
 "A" would be equal to €75 M  
 "B" would be equal to the result of the following calculation:
  - (a) Amount by way of principal of the outstanding debt under the Credit Agreement at the date considered (referred to as "Y")  
Minus
  - (b)  $X - €20 \text{ M}$  if X is between €20 M and €460 M (in the event of implementation of the right of extension provided for by the 17<sup>th</sup> resolution), or zero if X is strictly lower than €20 M  
Minus
  - (c) Portion of Y used by the Company's financial creditors to subscribe for the Issue with PSR by offsetting claims  
Minus
  - (d) €400 M  
Minus
  - (e) The nominal amount of any MCBs issued or to be issued applying the 19<sup>th</sup> resolution  
Minus

(f) €75 M

Plus

(g) The portion of the amount of the Issue with PSR exceeding the amount of the initial issue resulting from the implementation of the right of extension provided for by the 17<sup>th</sup> resolution (where appropriate)

(rounded down to the nearest multiple of the subscription price of each ABSA – determined as indicated below).

Where "X" is equal to the total amount of the subscriptions in cash (excluding any offsetting of claims) to the capital increase with maintenance of the shareholders' pre-emptive subscription right decided by applying the 16<sup>th</sup> and 17<sup>th</sup> resolutions presented above.

- total nominal amount of the increase in Company capital (share premium not included) resulting from this issue (excluding the capital increase resulting from exercise of the shares with warrants attached that would be issued within the scope of this resolution) lower than or equal to €8.15 M;
- the subscription price of each ABSA would be equal to the result of the following formula (rounded down to the nearest euro cent):  $[A + B] \text{ divided by } [A + (B / 50)]$ ;
- the subscription price could not be less than €2.14 per ABSA (i.e. €0.10 by way of nominal value and €2.04 by way of share premium), or more than €4.73 per ABSA (i.e. €0.10 by way of nominal value and €4.63 by way of share premium) (in both cases, bearing in mind the decrease in capital forming the subject of the 15<sup>th</sup> resolution presented above and subject to the execution thereof);
- the shareholders' pre-emptive subscription right to the ABSA issue would be abolished and the subscription for all the ABSA would be reserved for the financial creditors, up to a portion of their claims, the aforesaid creditors forming a category of persons meeting criteria determined within the meaning of Article L.225-138 of the Commercial Code;
- each new share issued under this resolution would be combined with a number of Creditor Shares with Warrants equal to B/2 divided by the number of ABSA issued (the result of this division being rounded to the nearest tenth); at the date of preparation of this report, the terms and conditions of the Creditors' Warrants, as resulting from the discussions held over the last few months with the group of creditors with whom an agreement in principle had been reached on 1 August 2016, would be as described in Appendix 3 attached.

Finally, we propose that you confer on the Board of Directors, with the right of sub-delegation, the necessary powers to implement the delegation granted, and in particular to decide on and execute the Reserved ABSA Issue.

It being stipulated that:

- this resolution could only be implemented after, and subject to, the prior execution of the decrease in capital proposed in the 15<sup>th</sup> resolution presented above;
- the limits fixed or referred to above have been determined taking into account the effect of the aforesaid decrease in capital and are independent from the limits referred to in the other resolutions that will be submitted to you during the meeting;
- the Reserved ABSA Issue could only be executed if (i) the Issue with PSR (forming the subject of the 16<sup>th</sup> resolution presented above) and (ii) the issue and allocation, free of charge, of the Shareholders' Shares with Warrants (forming the subject of the 18<sup>th</sup> resolution presented above), were executed;

- the Board of Directors could execute, at the right time and beyond the aforesaid limits, a capital increase for a nominal amount corresponding to the shares to be issued in the event of possible adjustments to be made in accordance with the legislative and regulatory provisions applicable and, where appropriate, the specific contractual clauses provided for other cases of adjustment, to maintain the rights of bearers of transferable or other securities granting access to the Company capital; and
- the Board of Directors could not make use of the aforesaid delegation following the submission by a third party of a public offering for the Company securities and up to the end of the offering period, without the prior authorisation of the general shareholders' meeting.

## Delegation of authority to the Board of Directors to proceed with a capital increase reserved for members of SoLocal Group's group savings plan

### (21<sup>ST</sup> RESOLUTION)

To comply with the applicable legal obligation, whenever a capital increase (or a delegation with a view to effecting a capital increase) is submitted to the general shareholders' meeting, we propose that you delegate to the Board of Directors, with the right of sub-delegation under the conditions provided for by law, for a period of 26 months, your authority to decide on an increase in the share capital, in one or more instalments, at the time it considers advisable, by the issue of shares reserved for employees and former employees who are members of SoLocal Group's group savings plan.

The limit to the nominal amount of the capital increase, immediate or in the future, resulting from the issue made under this delegation (even by the incorporation of reserves, benefits or premiums under the conditions and within the limits fixed by the aforesaid Articles of the Labour Code) would be fixed at €50,000, corresponding to around 1% of the Company capital following execution of the transactions involved in the decrease in capital and capital increase forming the subject of the 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup> and 20<sup>th</sup> resolutions presented above.

You will be asked to abolish the shareholders' preferential right to subscribe for the shares to be issued within the scope of this delegation in favour of those employees and former employees.

We propose that the discount offered within the scope of the company savings plan be fixed at 20% of the average of the first prices quoted for the SoLocal Group share on the Euronext Paris regulated market during the 20 trading sessions preceding the day of the decision fixing the opening date for subscriptions; it being stipulated that the Board of Directors may reduce that discount if it considers it advisable.

Finally, it is proposed that you confer on the Board of Directors, with the right of sub-delegation, the necessary powers to implement the delegation granted, and in particular to decide on and execute one or more issues of shares reserved for employees and former employees who are members of SoLocal Group's group savings plan.

The Board of Directors declares that it has no plans as yet to implement a restricted capital increase for employees.

## II. Progress in corporate affairs since the start of the current financial year

Pursuant to Article R. 225-113 of the French Commercial Code, we present to you below an update on progress in the Company's affairs since the start of the current financial year.

### General presentation

As European leader in local digital communications, SoLocal Group identifies local expertise and stimulates local activity by companies. SoLocal Group earned consolidated revenues of €405 M in the first six-month period of 2016 (scope of continued activities excluding entities transferred in 2015), with its Internet and Print & Voice activities representing 79% and 21%, respectively. Internet activity is driven by two main digital activities: Local Search and Digital Marketing.

#### Internet

In the first six-month period of 2016, SoLocal Group posted total Internet revenues of €322 M, representing 79% of the Group's consolidated revenues.

SoLocal Group's Internet activities are now centred around two product lines:

- First, we offer digital services and solutions to companies to increase their visibility and develop local contacts: in the first six-month period of 2016, this Local Search activity posted total revenues of €243 M, due to a long-term and very high-quality audience generated through our own brands (PagesJaunes, Mappy, Ooreka) and our privileged partnerships (Google, Bing (Microsoft), Yahoo!, Apple and Facebook).

- Second, we create and provide web users with the best local content, customized by profession: in the first six-month period of 2016, this Digital Marketing activity represented total revenues of €78 M. These technologies, which are highly differentiating, were created over the past five years and have seen rapid growth (9% in the first six-month period of 2016 versus the first six-month period of 2015). They include websites and content, local programming and transactional services. We innovated these product lines in 2015, upgrading our website offerings and the product & store locator, and successfully launched the ADhesive targeting offering, which draws from our database of web users' local buying intentions. Moreover, our transactional services have been renamed PagesJaunes Resto and PagesJaunes Doc, thus enhancing and strengthening the power of the traffic generated on PagesJaunes.

#### Print & Voice

The Print & Voice business earned €83 M, i.e., 21% of the Group's consolidated revenues in the first six-month period of 2016. This segment includes the Group's activities involving the publication, distribution and sale of advertising space in print directories (PagesJaunes, PagesBlanches), as well as other Group activities known as "Voice," including telephone information and reverse directory services.

### Comments on results as at 30 June 2016

#### Consolidated income statement for continued activities as of 30 June 2016 and 30 June 2015

SoLocal Group	Continued activities						
	As at 30 June 2016			As at 30 June 2015			Change recurring 2016/2015
	Total	Recurring	Non recurring	Total	Recurring	Non recurring	
(in million euros)							
<b>Revenues</b>	<b>404.7</b>	<b>404.7</b>	-	<b>446.2</b>	<b>446.2</b>	-	<b>-9.3%</b>
Net external expenses	(105.5)	(105.5)	-	(98.2)	(98.2)	-	7.4%
Personnel expenses	(187.6)	(187.6)	-	(209.2)	(209.2)	-	-10.3%
<b>Recurring EBITDA</b>	<b>111.6</b>	<b>111.6</b>	-	<b>138.8</b>	<b>138.8</b>	-	<b>-19.6%</b>
As % of revenues	27.6%	27.6%	-	31.1%	31.1%	-	
Non recurring items	(2.0)	-	(2.0)	(2.3)	-	(2.3)	-
<b>EBITDA</b>	<b>109.5</b>	<b>111.6</b>	<b>(2.0)</b>	<b>136.5</b>	<b>138.8</b>	<b>(2.3)</b>	<b>-19.6%</b>
As % of revenues	27.1%	27.6%	-	30.6%	31.1%	-	
Depreciation and amortisation	(28.8)	(28.8)	-	(21.8)	(21.8)	-	32.1%
<b>Operating income</b>	<b>80.7</b>	<b>82.8</b>	<b>(2.0)</b>	<b>114.7</b>	<b>116.9</b>	<b>(2.3)</b>	<b>-29.2%</b>
As % of revenues	19.9%	20.5%	-	25.7%	26.2%	-	
Financial income	0.7	0.7	-	1.0	1.0	-	-30.0%
Financial expenses	(37.6)	(37.6)	-	(44.0)	(44.0)	-	-14.5%
<b>Net financial expense</b>	<b>(36.9)</b>	<b>(36.9)</b>	-	<b>(42.9)</b>	<b>(42.9)</b>	-	<b>-14.0%</b>
Share of profit or loss of an associate	-	-	-	0.1	0.1	-	-100.0%
<b>Income before tax</b>	<b>43.9</b>	<b>45.9</b>	<b>(2.0)</b>	<b>71.9</b>	<b>74.1</b>	<b>(2.3)</b>	<b>-38.1%</b>
Corporate income tax	(18.7)	(19.4)	0.7	(30.2)	(31.1)	0.9	-37.6%
<b>Income for the period</b>	<b>25.2</b>	<b>26.5</b>	<b>(1.3)</b>	<b>41.6</b>	<b>43.0</b>	<b>(1.4)</b>	<b>-38.4%</b>

Consolidated revenues were €405 M in the first six-month period of 2016, down 9% versus the first six-month period of 2015:

- internet total revenues of €322 M in the first six-month period of 2016 (representing 79% of total revenue) were down 1% versus the first six-month period of 2015, with the positive trend in Digital Marketing not completely offsetting the decline in the number of Local Search customers (due to restrictions on bank covenants):
  - growth in audience: Website visits were up 9% in the first six-month period of 2016 compared to the first six-month period of 2015, with growth of 27% for the mobile audience, representing 42% of the total audience;
  - ARPA Search Local: Up 3% in the first six-month period of 2016 versus the first six-month period of 2015, a return to the historic trend;
  - total customers: Down 6% in the first six-month period of 2016 versus the first six-month period of 2015, still under pressure due to lower investment in customer acquisitions through tele-sales. The decline in customer numbers is expected to continue at a similar rate due to the current constraints on customer acquisition investment.

- Digital Marketing total revenues: Up 8% in the first six-month period of 2016 over the first six-month period of 2015, due to accelerated local programming. This positive trend is not reflected in Q2 2016 (Digital Marketing total revenues down 5%), as a result of the non-recurring impact of the revamping of website offerings in Q2 2015.

- Print & Voice total revenues posted a decline of 31% during the period, largely impacted by the marked downward trend in PagesBlanches.

Growth in orders in the first six-month period of 2016 is strong: Internet orders posted growth of 10% in H1 2016 versus H1 2015, and total orders are again on the rise.

Recurring EBITDA totalled €112 M in the first six-month period of 2016, down 20% versus the first six-month period of 2015, due primarily to the decline in Print & Voice EBITDA.

EBITDA / revenue margin was at 28% in the first six-month period of 2016, down 3 points versus the first six-month period of 2015, due to the decline in total revenues (-9%), which was only partially offset by disciplined cost management, which yielded a significant reduction in personnel expenses (-10%), as well as limited investment in brand promotion.

### Breakdown of revenues and consolidated EBITDA of continued activities, as at 30 June 2016 and 30 June 2015:

SoLocal Group (in million euros)	Continued activities		
	As at 30 June 2016	As at 30 June 2015	Change 2016/2015
Internet	321.7	325.2	-1.1%
Print & Voice	83.0	120.9	-31.3%
<b>Revenues</b>	<b>404.7</b>	<b>446.2</b>	<b>-9.3%</b>
<i>Internet revenues as % of total revenues</i>	<i>79.5%</i>	<i>72.9%</i>	
Internet	89.5	99.0	-9.6%
Print & Voice	22.1	39.8	-44.5%
<b>Recurring EBITDA</b>	<b>111.6</b>	<b>138.8</b>	<b>-19.6%</b>
<i>As % of revenues</i>			
<i>Internet</i>	<i>27.8%</i>	<i>30.4%</i>	
<i>Print &amp; Voice</i>	<i>26.6%</i>	<i>32.9%</i>	

The following table presents the results for the period from the Group's continued activities, as at 30 June 2015 and 30 June 2016:

SoLocal Group (in million euros)	Continued activities						
	As at 30 June 2016			As at 30 June 2015			Change recurring 2016/2015
	Total	Recurring	Non recurring	Total	Recurring	Non recurring	
<b>Operating income</b>	<b>80.7</b>	<b>82.8</b>	<b>(2.0)</b>	<b>114.7</b>	<b>116.9</b>	<b>(2.3)</b>	<b>-29.2%</b>
Financial income	0.7	0.7	-	1.0	1.0	-	-30.0%
Financial expenses	(37.6)	(37.6)	-	(44.0)	(44.0)	-	-14.5%
<b>Net financial expense</b>	<b>(36.9)</b>	<b>(36.9)</b>	<b>-</b>	<b>(42.9)</b>	<b>(42.9)</b>	<b>-</b>	<b>-14.0%</b>
Share of profit or loss of an associate	-	-	-	0.1	0.1	-	-100.0%
<b>Income before tax</b>	<b>43.9</b>	<b>45.9</b>	<b>(2.0)</b>	<b>71.9</b>	<b>74.1</b>	<b>(2.3)</b>	<b>-38.1%</b>
<i>Corporate income tax</i>	<i>(18.7)</i>	<i>(19.4)</i>	<i>0.7</i>	<i>(30.2)</i>	<i>(31.1)</i>	<i>0.9</i>	<i>-37.6%</i>
<b>Income for the period</b>	<b>25.2</b>	<b>26.5</b>	<b>(1.3)</b>	<b>41.6</b>	<b>43.0</b>	<b>(1.4)</b>	<b>-38.4%</b>

The Group's net financial charges represented -€36.9 M at 30 June 2016, down 14.0%, largely due to the September 2015 maturity of hedging instruments.

The corporate income tax charge was at -€19.4 M at 30 June 2016, down 37.6% compared to 30 June 2015, in line with pre-tax income.

Recurring income totalled €26.5 M at 30 June 2016, down 38.4% versus recurring income from continued activities at 30 June 2015.

Net income from divested activities was zero as at the first six-month period of 2016, with the divestment of non-growing and non-profitable Internet activities having been completed in 2015.

The Group's net income totalled €25.2 M in the first six-month period of 2016, down 39.4% versus the first six-month period of 2015.

## Outlook

The Group has confirmed its outlook for 2016 with strong growth in orders:

- growth in Internet revenues of 0% to 2% in 2016, versus 2015
- EBITDA / revenue margin  $\geq 28\%$ <sup>1)</sup>

At best, the positive impact of the strong growth in orders in the first six-month period will start to become visible in Q4 2016.

Several months ago, under the auspices of an *ad hoc* consultant whose term runs up to 22 December 2016, the Group prepared a plan to restructure its financial debt, with a view to permitting it to regain room for financial manoeuvre in order to renew the long-term and sustainable growth of its Internet activities as anticipated in the "Conquérir 2018" plan. This restructuring plan, the terms of which are described in detail in this report, will be subject to the approval of (i) the Company's financial creditors' committee, (ii) shareholders at the combined shareholders' meeting convened for 19 October 2016, and (iii) the Nanterre Commercial Court. In the event that the planned restructuring measures are not approved or are not brought to their conclusion, SoLocal Group might no longer

be capable of realising its assets and of discharging its debts during the normal course of its activities.

As announced on 1 August 2016, the Company has not complied with the financial leverage covenant as at 30 June 2016. That allows a two-thirds majority of creditors (excluding the C1 Debt tranche) to demand immediate repayment, at any time, of the Company's entire financial debt. To date, the Company has no information that might lead it to assume that creditors intend to exercise this authority in the short or medium term. We note in this regard that the members of the group of creditors representing over 50% of the Company's outstanding debt, with whom an agreement in principle was concluded on 1 August 2016, are committed to not taking any measures in this regard at least until 30 September 2016.

SoLocal Group will likely not satisfy its bank covenants as at the end of September 2016.

As a reminder, the summary explanation of SoLocal Group's situation during the financial year ended 31 December 2015 is presented in Chapter 9 of the 2015 reference document, available at [www.solocalgroup.com](http://www.solocalgroup.com).

### III. Amendment of the Articles of Association

#### Amendment of Article 12 of the Articles of Association on the Board of Directors

##### (22<sup>ND</sup> RESOLUTION)

We propose amending Article 12 of the Articles of Association in order to specify the conditions for electing the director and employee representative (including the option which voters have to vote *inter alia* by electronic means).

Your Board invites you to adopt the resolutions it has submitted to your vote.

Done at Boulogne-Billancourt, 15 September 2016

The Board of Directors

<sup>1)</sup> Recurring EBITDA / revenue margin ratio for the entire Group (Internet + Print & Voice)

## Annex 1 – Terms and conditions of the shareholders' Warrants

The terms and conditions of the shareholders' Warrants are as follows:

- issue of a maximum number of 38,876,564 shareholders' Warrants (based on the number of existing shares as at 1 September 2016), with a maturity which, based on the discussions at the date of preparation of this report, is 24 months;
- total nominal amount of the Company's capital increase resulting from the issue of shareholders' Warrants less than or equal to €3,887,656.40. This limit is increased, where appropriate, by the nominal amount (i) of the shares issued between 1 September 2016 and the date of issue and allocation of the shareholders' Warrants, except, however, for any shares issued under other delegations submitted to you during the meeting; and (ii) any additional shares to be issued in order to maintain (in accordance with the legislative and regulatory provisions and, where appropriate, the contractual clauses providing for other cases of adjustment) the rights of the holders of the shareholders' Warrants;
- free allocation of the shareholders' Warrants to all the Company shareholders at a rate of one (1) shareholders' Warrant per Company share. The shareholders' Warrants are allocated by the date of execution of the Issue with PSR at the latest. The shareholders' Warrants allocated to the Company based on shares held by the Company at the date considered are immediately cancelled;
- each shareholders' Warrant would confer the right to subscribe for one (1) new Company share in return for an exercise price determined in advance, which, as based on discussions at the date of preparation of this report, is €1.50 (i.e. €0.10 by way of par value and €1.40 by way of share premium, bearing in mind the reduction in capital forming the subject of the 15<sup>th</sup> resolution), without prejudice to any further adjustments, in accordance with the legislative and regulatory provisions and the contractual clauses;
- in accordance with the provisions of Article L.228-98 of the French Commercial Code:
  - the Company could change its corporate form or corporate purpose without requesting the approval of the group of holders of shareholders' Warrants;
  - the Company could, without requesting authorisation from the group of holders of shareholders' Warrants, redeem its share capital, change its profit distribution or issue preferred shares, provided, so long as any shareholders' Warrants are outstanding, that it has taken the necessary measures to preserve the rights of holders of shareholders' Warrants;
  - in the event of a reduction in the Company's capital resulting from losses and realised through the decrease in the par value or in the number of shares comprising the share capital, the rights of the holders of shareholders' Warrants are reduced accordingly, as if they had exercised their shareholders' Warrants before the date on which the reduction in capital became final;
  - in the event of a reduction in capital caused by losses and resulting through the decrease in the number of shares, the new Exercise Ratio will be equal to the product of the exercise ratio in effect before the decrease in the number of shares and the following ratio:

**Number of shares comprising  
the share capital after the transaction**

**Number of shares comprising  
the share capital before the transaction**

- subsequent to each of the following transactions:
  1. financial transactions with listed pre-emptive subscription rights or by the free allotment of listed warrants;

2. the free allotment of shares to shareholders, reverse stock split or stock split;
3. the capitalisation of reserves, profits or premiums through an increase in the nominal value of shares;
4. the allotment of reserves or premiums, in cash or in kind;
5. the free allotment to the Company's shareholders of any financial instrument other than Company shares;
6. takeover, merger or demerger;
7. a repurchase by the Company of its own shares at a price higher than the share price;
8. depreciation of capital;
9. a change in profit distribution and/or the creation of preferred shares; and
10. the distribution of dividends in cash or in kind;

which the Company may carry out after the issue date of the shareholders' Warrants, for which the Record Date (as defined below) occurs before the delivery date of Company shares issued upon exercise of the shareholders' Warrants, the rights of holders of shareholders' Warrants are maintained until the delivery date (excluded), by means of an adjustment to the exercise ratio of the shareholders' Warrants, in accordance with the terms set forth below.

The "**Record Date**" is the date on which the holding of Company shares is fixed so as to determine which shareholders are beneficial owners of a transaction or may participate in a transaction, and in particular to which shareholders, a distribution, or an allotment, announced or approved on or before such date, should be paid or delivered.

This adjustment is carried out such that the value of the shares that would have been allocated if the shareholders' Warrants had been exercised immediately before the completion of any of the transactions listed above is equal, to the nearest thousandth of a share, to the value of the shares to be allocated upon exercise of the shareholders' Warrants immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs 1 to 10 below, the new exercise ratio is calculated to three decimal places by rounding to the nearest thousandth (with 0.0005 being rounded upwards to the nearest thousandth, i.e., 0.001). Any subsequent adjustments are carried out on the basis of such newly calculated and rounded exercise ratio. However, because the exercise ratio may result only in the allocation of a whole number of shares, fractional entitlements are treated as specified below.

1. (a) In the event of a financial transaction conferring listed pre-emptive subscription rights, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share after detachment  
of the pre-emptive subscription right  
+ Value of the pre-emptive subscription right**

**Value of the share after detachment  
of the pre-emptive subscription right**

For the calculation of this ratio, the values of the shares after detachment of the pre-emptive subscription right and of the pre-emptive subscription right is equal to the arithmetic average of their opening prices quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated market or on a similar market on which the shares or pre-emptive subscription rights are listed) on each trading day included in the subscription period.

(b) In the event of a financial transaction involving the free distribution of listed warrants to shareholders with the corresponding ability to place the securities resulting from the exercise of warrants that were not exercised by their holders at the end of the subscription period that applies to them, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\frac{\text{Value of the shares after detachment of the warrant}}{\text{+ Value of the warrant}}$$

---

**Value of the shares after detachment of the warrant**

For the calculation of this ratio:

- the value of the share after detachment of the warrant is equal to the volume-weighted average of (i) the price of the shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the shares are listed) on each trading day included in the subscription period, and (ii) (a) the transfer price of the securities sold within the framework of the placement, if such securities are shares fungible with the existing shares, applying the volume of shares sold within the framework of the placement to the transfer price or (b) the price of the shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the shares are listed) on the determination date of the sale price of the securities sold within the framework of the placement if such securities are not shares fungible with the existing shares;
- the value of the warrant will be equal to the volume-weighted average of (i) the price of the warrants on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the warrants are listed) on each trading day included in the subscription period, and, (ii) the default value of the warrants represented by the sale price of the securities sold within the framework of the placement - which would correspond to the difference (if it is positive), adjusted by the warrants' exercise ratio, between the sale price of the securities sold within the framework of the placement and the subscription price of the securities by exercise of the warrants, applying to the price thus determined, the volume corresponding to exercised warrants in order to allocate the securities sold within the framework of the placement.

2. In the event of the free allotment of shares to shareholders, and also in the event of stock splits or reverse stock splits, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\frac{\text{Number of shares comprising the share capital after the transaction}}{\text{+ Value of the free allocation right}}$$

---


$$\frac{\text{Number of shares comprising the share capital before the transaction}}{\text{+ Value of the free allocation right}}$$

3. In the event of a capital increase by capitalisation of reserves, profits or premiums carried out by increase in the nominal value of the shares, the nominal value of the shares to be allocated to holders of shareholders' Warrants exercising their shareholders' Warrants is increased accordingly.

4. In the event of a distribution of reserves or premiums in cash or in kind (portfolio securities, etc.), the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share before allotment**

---


$$\frac{\text{Value of the share before allotment - Amount distributed per share or value of the securities or assets distributed per share}}{\text{+ Value of the free allocation right}}$$

For the calculation of this ratio:

- the value of the share before allotment is equal to the volume-weighted average price of the shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-allotment;
- if the allotment is made in kind:
  - a. in the event of an allotment of securities already listed on a regulated market or similar market, the value of the securities distributed is determined as indicated above;
  - b. in the event of the allotment of securities that are not already listed on a regulated market or similar market, the value of the securities distributed is equal, if they were expected to be listed on a regulated market or similar market within ten trading days starting on the date on which the shares are listed ex-allotment, to the volume-weighted average price on such market during the first three trading days included in such period during which such securities are listed; and
  - c. in other cases (allotment of securities that are not listed on a regulated market or a similar market or are listed for fewer than three trading days within the period of ten trading days referred to above or a distribution of assets), the value of the securities or assets allocated per share is determined by an expert.

5. In the event of a free allotment to the Company's shareholders of financial instruments other than the shares, and subject to Paragraph 1(b) above, the new exercise ratio is determined as follows:

(a) if the right to the free allocation of securities was admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\frac{\text{Value of the share ex-right to free allocation}}{\text{+ Value of the free allocation right}}$$

---


$$\frac{\text{Value of the share ex-right to free allocation}}{\text{+ Value of the free allocation right}}$$

For the calculation of this ratio:

- the value of the share ex-right to free allocation is equal to the volume-weighted average share price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share ex-right to free allocation is listed) of the share ex-right to free allocation during the first three trading days on which the Company shares are listed ex-right to free allocation;

- the value of the free allocation right is determined as indicated in the paragraph above. If the free allocation right is not listed during each of the three Trading Days, then its value is determined by an expert.

- (b) if the right to free allocation of securities was not admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share ex-right to free allocation  
+ Value of the security or securities allocated per Share**

**Value of the share ex-right to free allocation**

For the calculation of this ratio:

- the value of the Share ex-right to free allocation is determined as indicated in paragraph (a) above;

- if the securities allocated are listed or may become listed on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), within ten trading days beginning on the date on which the shares are listed ex-distribution, then the value of the security or securities allocated per share is equal to the volume-weighted average of the price of such financial securities recorded on such market during the first three trading days included within this period during which such securities are listed;

- if the securities allocated are not listed on each of the three trading days, then the value of the security or securities allocated per share is determined by an expert.

6. In the event of takeover of the Company by another company or of merger with one or more companies with a new company or demerger, the shareholders' Warrants are exchangeable for shares of the surviving or new company or of the beneficiary companies of the demerger.

The new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the exchange ratio of shares for shares of the acquiring or new company or the beneficiary companies of a spin-off. These latter companies are automatically substituted for the Company with regard to its obligations towards the holders of shareholders' Warrants.

7. In the event of a repurchase by the Company of its own shares at a price higher than the share price, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the repurchase by the following ratio:

**Share value x (1 - Pc%)**

**Share value – Pc% x Repurchase price**

For the calculation of this ratio:

- Share value is equal to the volume-weighted average price of the shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) during the three trading days immediately preceding such repurchase (or the option to repurchase);

- Pc% would mean the percentage of repurchased capital; and
- Repurchase price would mean the actual price at which Shares are repurchased.

8. In the event of redemption of capital, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share before redemption**

**Value of the share before redemption – Amount of redemption per share**

For the calculation of this ratio, the value of the share before redemption is equal to the volume-weighted average price of the shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-redemption.

9. (a) In the event of the modification by the Company of the distribution of its profits and/or the creation of preferred shares resulting in such a change, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share before the change**

**Value of the share before the change - Reduction per share of the right to profits**

For the calculation of this ratio:

- the value of the share before the change is determined on the basis of the volume-weighted average price of the shares on Euronext Paris (or if the shares are not listed on Euronext Paris, on another regulated or similar market on which the shares are listed) during the three trading days immediately preceding the day of such change;

- the reduction per share of the rights to profits will be determined by an expert.

Notwithstanding the above, if such preferred shares were issued with shareholders' pre-emptive subscription rights or by the free allotment to shareholders of warrants exercisable for such preferred shares, the new exercise ratio is adjusted in accordance with paragraphs 1 or 5 above.

- (b) In the event of the creation of preferred shares that do not lead to a modification of the distribution of profits, the adjustment of the exercise ratio, if necessary, is determined by an independent expert with an international reputation selected by the Company;
10. In the event of a distribution of dividends in cash or in kind (portfolio securities, etc.), the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share before distribution**

**Value of the share before distribution – Amount distributed per share or value of the securities or assets distributed per share**

For the calculation of this ratio:

- the value of the share before allotment is equal to the volume-weighted average price of the shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-allotment;

- if the allotment is made in kind:
  - a. in the event of a distribution of securities already listed on a regulated market or similar market, the value of the securities distributed is determined as indicated above;
  - b. in the event of the distribution of securities that are not already listed on a regulated market or similar market, the value of the securities distributed is equal, if they were expected to be listed on a regulated market or similar market within ten trading days starting on the date on which the shares are listed ex-allotment, to the volume-weighted average price on such market during the first three trading days included in such period during which such securities are listed; and
  - c. in other cases (allotment of securities that are not listed on a regulated market or a similar market or are listed for fewer than three trading days within the period of ten trading days referred to above or a distribution of assets), the value of the securities or assets allocated per share is determined by an expert;

- with regard to the payment of fractions at the time of exercise of the shareholders' Warrants, in accordance with Articles L.225-149 and L.228-94 of the French Commercial Code, (i) the Company should round down the number of shares to be issued to the holder of shareholders' Warrants to the nearest whole number of shares and (ii) the holder of shareholders' Warrants would receive an amount in cash from the Company equal to the resulting fractional share multiplied by the last price quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) at the stock exchange session preceding the day of filing of the request to exercise its shareholders' Warrants. Therefore no fractional shares are issued upon exercise of the shareholders' Warrants;

- with regard to the representation of the holders of shareholders' Warrants:

- (i) In accordance with Article L.228-103 of the French Commercial Code, the holders of shareholders' Warrants are grouped into a body, which benefits from legal personality and which is subject to the same provisions as those provided for in Articles L.228-47, L.228-66 and L.228-90 of the French Commercial Code. The representative of the group would, without restriction or qualifications, have the right to carry out, in the name of the group of holders of shareholders'

Warrants, all management acts to protect the common interest of holders of shareholders' Warrants. He will receive annual remuneration while the shareholders' Warrants remain in circulation;

- (ii) The Company shall pay the representative's remuneration and the cost of the convening and holding of the meetings of the holders of shareholders' Warrants, the publication of their decisions and, where applicable, the costs related to the appointment of the representative pursuant to Article L. 228-50 of the French Commercial Code, as well as all justified costs related to the administration and the functioning of the group;
- (iii) The meetings of the group shall take place at the Company's registered office or in any other place set out in the notice of meeting. Each holder of shareholders' Warrants will be entitled, for a 15-day period prior to the meeting of the group, personally or via an agent, to be provided with a copy of the proposed resolutions and reports that will be presented to the meeting of the group, at the Company's registered office, at the location of administrative management, or where appropriate, in any other place set out in the notice of meeting; and
- (iv) Decisions of the group are taken with the majority of the votes of the holders of shareholders' Warrants, present or represented, during meetings of the group. One shareholders' Warrant grants the right to one vote at meetings of the group;

- the shares issued on exercise of the shareholders' Warrants should be paid-up in full at the time of subscription. They would carry dividend rights and, as from the time of their issue, are fully comparable to the existing shares and subject to all the provisions of the articles of association and the decisions of the General Shareholders' Meeting. In accordance with the provisions of Article L.225-132(6) of the French Commercial Code, the decision to issue shareholders' Warrants would automatically cause the shareholders to waive their pre-emptive subscription rights to the Company shares to which the shareholders' Warrants grant rights; and

- the shareholders' Warrants are freely negotiable and for that purpose would form the subject of an application for admission to trading on the Euronext Paris regulated market.

## Annex 2 – Terms and conditions of MCB

The terms and conditions of MCB [Mandatory Convertible Bonds] shall be the following:

- the par value of each MCB shall be 2 euros;
- the maximum number of MCB issued shall be 100,000,000;
- MCB shall be issued at par, in euros, bearing no interest and with maturity of five years;
- issued MCB must be offset against certain receivables, payable and due against the company, and must be issued in their entirety upon subscription;
- the pre-emptive subscription right of shareholders for the issuance of MCB shall be eliminated and the subscription of all MCB reserved in favour of financial creditors, in the amount of a portion of their receivables, with said creditors comprising a category of persons meeting the characteristics set in Article L. 225-138 of the French Commercial Code;
- concerning the subordination ranking of the MCB:
  - (i) the MCB constitute unsecured, direct, general, unconditional and deeply subordinated obligations of the Company, ranking *pari passu* among themselves and *pari passu* with all other present and future deeply subordinated obligations of the Company, and shall be subordinated to (i) all equity interests and subordinated debt, present or future, issued or granted by, the Company, (ii) all ordinary subordinated obligations of the Company and (iii) all unsubordinated obligations of the Company;
  - (ii) the Company's obligation to repay the principal and other amounts in respect of the MCB is neither guaranteed nor secured;
  - (iii) if any judgement is rendered by any competent court declaring the compulsory liquidation of the Company, or in the event of a transfer of the whole of the business of the Company subsequent to the opening of a judicial recovery procedure, or if the Company is liquidated for any other reason, the payments of the creditors of the Company shall be made in the following order of priority (in each case subject to the payment in full of priority creditors): (a) unsubordinated creditors of the Company, (b) ordinary subordinated creditors of the Company, (c) lenders in relation to subordinated debt granted to the Company and holders of *equity interests* issued by the Company, and (d) deeply subordinated creditors of the Company;
  - (iv) the MCB shall rank in priority only to any class of share capital, whether represented by ordinary shares or preference shares, on the understanding, however, that in case of compulsory or voluntary liquidation of the Company, or subject to the applicable legislative and regulatory provisions, bankruptcy proceedings or receivership, in accordance with the provisions of Title IV of Book VI of the French *Commercial Code*, the MCB will be redeemed by allotment of new shares of the Company;
- MCB shall be redeemed:
  - (i) in their entirety, on the fifth anniversary of their issuance (i) either by allotment of one (1) new Company share per MCB (subject to applicable adjustments), (ii) or, solely at the Company's discretion, by payment of an amount per MCB corresponding to the par value of one MCB, i.e., 2 euros; or
  - (ii) in their entirety, at any time by request of the majority of holders of MCB (representing at least 50% of the MCB then in circulation), through the issuance of one (1) new Company share per MCB (subject to any applicable adjustments); or
  - (iii) at any time by request of any Holders of MCB, in the amount of all or part of the MCB they hold, by allotment of one (1) new Company share per MCB;

- consequently, and subject to any adjustments as may be required to be made in case of activities involving share capital pursuant to Articles L. 228-98 et seq. of the French Commercial Code:
  - (i) the total maximum number of new Company shares which can be issued upon redemption of MCB is set at 100,000,000 (subject to any applicable adjustments);
  - (ii) the total par value of the capital increase resulting from a redemption of MCB may not exceed 10,000,000 euros (corresponding to 100 million shares with par value of 0.10 euro each) (given the capital reduction proposed to you in the 15<sup>th</sup> resolution);
- in accordance with the provisions of Article L. 228-98 of the French Commercial Code:
  - the Company could change its corporate form or corporate purpose without requesting the approval of the group of holders of MCB;
  - the Company could, without requesting authorisation from the group of holders of MCB, redeem its share capital, change its profit distribution or issue preferred shares, provided, so long as any MCB are outstanding, that it has taken the necessary measures to preserve the rights of holders of MCB;
  - in the event of a reduction in the Company's capital resulting from losses and realised through the decrease in the par value or in the number of shares comprising the share capital, the rights of the holders of MCB are reduced accordingly, as if they had exercised their MCB before the date on which the reduction in capital became final. In the event of a reduction in capital by a decrease in the number of shares, the new redemption ratio is equal to the product of the redemption ratio in effect before the decrease in the number of shares and the following ratio:

### Number of shares comprising the share capital after the transaction

### Number of shares comprising the share capital before the transaction

- subsequent to each of the following transactions:
  1. financial transactions with listed pre-emptive subscription rights or by the free allotment of listed warrants;
  2. the free allotment of shares to shareholders, reverse stock split or stock split;
  3. the capitalisation of reserves, profits or premiums through an increase in the nominal value of shares;
  4. the allotment of reserves or premiums, in cash or in kind;
  5. the free allotment to the Company's shareholders of any financial instrument other than Company shares;
  6. takeover, merger or demerger;
  7. a repurchase by the Company of its own shares at a price higher than the share price;
  8. depreciation of capital;
  9. a change in profit distribution and/or the creation of preferred shares; and
  10. the distribution of dividends in cash or in kindwhich the Company may carry out after the issue date of the MCB, for which the Record Date (as defined below) occurs before the delivery date of Company shares issued or delivered on the date of maturity or early reimbursement of the MCB, the rights of holders of MCB are maintained until the delivery date (excluded), by means of an adjustment to the redemption ratio of the MCB, in accordance with the terms set forth below.

The "**Record Date**" is the date on which the holding of Company shares is fixed so as to determine which shareholders are beneficial owners of a transaction or may participate in a transaction, and in particular to which shareholders, a distribution, or an allotment, announced or approved on or before such date, should be paid or delivered.

This adjustment is carried out such that the value of the shares that would have been allocated if the MCB had been exercised immediately before the completion of any of the transactions listed above is equal, to the nearest thousandth of a share, to the value of the shares to be allocated upon reimbursement of the MCB immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs 1 to 10 below, the new redemption ratio is calculated to three decimal places by rounding to the nearest thousandth (with 0.0005 being rounded upwards to the nearest thousandth, i.e., 0.001). Any subsequent adjustments are carried out on the basis of such newly calculated and rounded redemption ratio. However, because MCB may result only in the allocation of a whole number of shares, fractional entitlements are treated as specified below.

- (a) In the event of a financial transaction conferring listed pre-emptive subscription rights, the new redemption ratio is equal to the product from the redemption ratio in force prior to the commencement of the relevant transaction and the following ratio:

---

**Value of the share after detachment of the pre-emptive subscription right + Value of the pre-emptive subscription right**

---

**Value of the share after detachment of the pre-emptive subscription right**

For the calculation of this ratio, the values of the shares after detachment of the pre-emptive subscription right and of the pre-emptive subscription right is equal to the arithmetic average of their opening prices quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated market or on a similar market on which the shares or pre-emptive subscription rights are listed) on each trading day included in the subscription period.

- (b) In the event of a financial transaction involving the free distribution of listed warrants to shareholders with the corresponding ability to place the securities resulting from the exercise of warrants that were not exercised by their holders at the end of the subscription period that applies to them, the new redemption ratio is determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Value of the shares after detachment of the warrant + Value of the warrant**

---

**Value of the shares after detachment of the warrant**

For the calculation of this ratio:

- the value of the share after detachment of the warrant is equal to the volume-weighted average of (i) the price of the shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the shares are listed) on each trading day included in the subscription period, and (ii) (a) the transfer price of the securities sold within the framework of the placement, if such securities are shares fungible with the existing shares, applying the volume of shares

sold within the framework of the placement to the transfer price or (b) the price of the shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the shares are listed) on the determination date of the sale price of the securities sold within the framework of the placement if such securities are not shares fungible with the existing shares;

- the value of the warrant will be equal to the volume-weighted average of (i) the price of the warrants on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the warrants are listed) on each trading day included in the subscription period, and, (ii) the default value of the warrants represented by the sale price of the securities sold within the framework of the placement, which would correspond to the difference (if it is positive), adjusted by the warrants' redemption ratio, between the sale price of the securities sold within the framework of the placement and the subscription price of the securities by exercise of the warrants, applying to the price thus determined, the volume corresponding to exercised warrants in order to allocate the securities sold within the framework of the placement.
- In the event of the free allotment of shares to shareholders, and also in the event of stock splits or reverse stock splits, the new redemption ratio is determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Number of shares comprising the share capital after the transaction**

---

**Number of shares comprising the share capital before the transaction**

- In the event of a capital increase by capitalisation of reserves, profits or premiums carried out by increase in the nominal value of the shares, the nominal value of the shares to be allocated to holders of MCB exercising their MCB is increased accordingly.
- In the event of a distribution of reserves or premiums in cash or in kind (portfolio securities, etc.), the new redemption ratio is determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Value of the share before allotment**

---

**Value of the share before allotment – Amount distributed per share or value of the securities or assets distributed per share**

For the calculation of this ratio:

- the value of the share before allotment is equal to the volume-weighted average price of the shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-allotment;
- if the allotment is made in kind:
  - in the event of an allotment of securities already listed on a regulated market or similar market, the value of the securities distributed is determined as indicated above;

b. in the event of the allotment of securities that are not already listed on a regulated market or similar market, the value of the securities distributed is equal, if they were expected to be listed on a regulated market or similar market within ten trading days starting on the date on which the shares are listed ex-allotment, to the volume-weighted average price on such market during the first three trading days included in such period during which such securities are listed; and

c. in other cases (allotment of securities that are not listed on a regulated market or a similar market or are listed for fewer than three trading days within the period of ten trading days referred to above or a distribution of assets), the value of the securities or assets allocated per share is determined by an internationally renowned independent expert chosen by the Company.

5. In the event of a free allotment to the Company's shareholders of financial instruments other than the shares, and subject to Paragraph 1(b) above, the new redemption ratio is determined as follows:

(a) if the right to the free allocation of securities was admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Value of the share ex-right to free allocation  
+ Value of the free allocation right**

---

**Value of the share ex-right to free allocation**

For the calculation of this ratio:

- the value of the share ex-right to free allocation is equal to the volume-weighted average share price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share ex-right to free allocation is listed) of the share ex-right to free allocation during the first three trading days on which the Company shares are listed ex-right to free allocation;
- the value of the free allocation right is determined as indicated in the paragraph above. If the free allocation right is not listed during each of the three Trading Days, then its value is determined by an internationally renowned independent expert chosen by the Company.

(b) if the right to free allocation of securities was not admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Value of the share ex-right to free allocation + Value of the security or securities allocated per Share**

---

**Value of the share ex-right to free allocation**

For the calculation of this ratio:

- the value of the Share ex-right to free allocation is determined as indicated in paragraph (a) above;
- if the securities allocated are listed or may become listed on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), within ten trading days beginning on the date on which the shares are listed ex-distribution, then the value of the security or securities allocated per share is equal to the volume-weighted average of the price of such financial securities

recorded on such market during the first three trading days included within this period during which such securities are listed;

- if the securities allocated are not listed on each of the three trading days, then the value of the security or securities allocated per share is determined by an internationally renowned independent expert chosen by the Company.

6. In the event of takeover of the Company by another company or of merger with one or more companies with a new company or demerger, the MCB are exchangeable for shares of the surviving or new company or of the beneficiary companies of the demerger.

The new redemption ratio is determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the exchange ratio of shares for shares of the acquiring or new company or the beneficiary companies of a spin-off. These latter companies are automatically substituted for the Company with regard to its obligations towards the holders of MCB.

7. In the event of a repurchase by the Company of its own shares at a price higher than the share price, the new redemption ratio is determined by multiplying the redemption ratio in effect prior to the commencement of the repurchase by the following ratio:

---

**Share value x (1 - Pc%)**

---

**Share value – Pc% x Repurchase price**

---

For the calculation of this ratio:

- Share value is equal to the volume-weighted average price of the shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) during the three trading days immediately preceding such repurchase (or the option to repurchase);
- Pc% would mean the percentage of repurchased capital; and
- Repurchase price would mean the actual price at which Shares are repurchased.

8. In the event of redemption of capital, the new redemption ratio is determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Value of the share before redemption**

---

**Value of the share before redemption – Amount of redemption per share**

---

For the calculation of this ratio, the value of the share before redemption is equal to the volume-weighted average price of the shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-redemption.

9. (a) In the event of the modification by the Company of the distribution of its profits and/or the creation of preferred shares resulting in such a change, the new redemption ratio is determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Value of the share before the change**

---

**Value of the share before the change - Reduction per share of the right to profits**

---

For the calculation of this ratio:

- the value of the share before the change is determined on the basis of the volume-weighted average price of the shares on Euronext Paris (or if the shares are not listed on Euronext Paris, on another regulated or similar market on which the shares are listed) during the three trading days immediately preceding the day of such change;
- the reduction per share of the rights to profits will be determined by an expert.

Notwithstanding the above, if such preferred shares were issued with shareholders' pre-emptive subscription rights or by the free allotment to shareholders of warrants exercisable for such preferred shares, the new redemption ratio is adjusted in accordance with paragraphs 1 or 5 above.

- (b) In the event of the creation of preferred shares that do not lead to a modification of the distribution of profits, the adjustment of the redemption ratio, if necessary, is determined by an internationally renowned independent expert chosen by the Company;

10. In the event of a distribution of dividends in cash or in kind (portfolio securities, etc.), the new redemption ratio is determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

#### Value of the share before distribution

#### Value of the share before distribution – Amount distributed per share or value of the securities or assets distributed per share

For the calculation of this ratio:

- the value of the share before allotment is equal to the volume-weighted average price of the shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-allotment;

- if the allotment is made in kind:

a. in the event of a distribution of securities already listed on a regulated market or similar market, the value of the securities distributed is determined as indicated above;

b. in the event of the distribution of securities that are not already listed on a regulated market or similar market, the value of the securities distributed is equal, if they were expected to be listed on a regulated market or similar market within ten trading days starting on the date on which the shares are listed ex-allotment, to the volume-weighted average price on such market during the first three trading days included in such period during which such securities are listed; and

c. in other cases (allotment of securities that are not listed on a regulated market or a similar market or are listed for fewer than three trading days within the period of ten trading days referred to above or a distribution of assets), the value of the securities or assets allocated per share is determined by an internationally renowned independent expert chosen by the Company;

- treatment of fractional entitlements:

- (i) each holder of MCB exercising its rights in relation to the MCB may receive a number of Company shares calculated by applying the redemption ratio to the total number of MCB presented by the aforementioned holder of MCB on the date in question, and if the number of shares thus calculated is not a whole number, the holder of MCB may request allocation of:

- a. either the whole number of shares immediately below such number; in this case, the holder of MCB will receive a cash sum equal to the product of the remaining fractional

share and the value of the share, equal to the closing price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) on the trading day immediately preceding the day on which the exercise request for redemption is filed;

- b. or the whole number of shares immediately above such number, on the condition that a sum equal to the value of the additional fraction of a share thus requested, valued on the basis provided for in the preceding paragraph, is paid to the Company;

- (ii) all sums payable in this respect will be paid on the MCB maturity date simultaneously with the delivery of the shares;

- (iii) if a holder of MCB has more than one MCB, its rights with respect to the additional fractional shares will be calculated on the basis of the aggregate number of MCB then held; and

- (iv) in the event that the holder of MCB does not specify its preferred option, such Holder of MCB will be given the whole number of shares of the Company immediately below in addition to a cash supplement as described above;

- with regard to the representation of the holders of MCB:

- (i) In accordance with Article L.228-103 of the French Commercial Code, the holders of MCB, for the protection of their common interests are grouped into a body, which benefits from legal personality;

- (ii) A general meeting of Holders of MCB is called to authorise modifications to the terms and conditions of the MCB and to vote on all decisions that require its approval under applicable law;

- (iii) Each MCB carries the right to one vote. The general meeting of holders of MCB may not deliberate unless the holders present or represented hold at least one-fourth of the MCB carrying voting rights at first calling and at least one-fifth at second calling. Decisions made by the general meeting of holders of MCB are only valid if approved by a majority of two-thirds of the votes of the holders of MCB present or represented;

- (iv) The representative of the group, in the absence of any contrary resolution adopted by the general meeting of holders of MCB, shall have the power to carry out, on behalf of the group of holders of MCB, all acts of management to protect the common interests of the holders of MCB.

- shares to be issued for redemption of MCB shall enjoy all current rights and, as of their creation, shall be fully comparable to existing shares and subject to all stipulations of the bylaws and decisions of the general shareholders' meeting. Pursuant to Article L.225-132, Part 6 of the French Commercial Code, the decision to issue MCB shall automatically entail waiver by shareholders of their pre-emptive subscription right to the Company shares to which the MCB entitle them in the event of a redemption in shares;

- MCB may be freely traded and to that end shall be subject to a request for a listing for trading on the Euronext Paris regulated market; and

- in the event of a capital increase, takeover, merger, demerger or issuance of new shares or securities giving access to the Company's equity, or other financial transactions involving a pre-emptive subscription right or reserving a priority subscription period to the benefit of Company shareholders, the Company shall be entitled to suspend the redemption of MCB for a period of no more than three months or any other period set by applicable regulation.

## Annex 3 – Terms and conditions of the creditors' Warrants

The main terms and conditions of the creditors' Warrants are as follows:

- based on the discussions at the date of preparation of this report, the creditors' Warrants mature at 5 years;
- each creditors' Warrant confers the right to subscribe for one (1) new Company share in return for an exercise price determined in advance, which, based on discussions at the date of preparation of this report, is €2 (i.e. €0.10 by way of par value and €1.90 by way of share premium, bearing in mind the reduction in capital forming the subject of the 15<sup>th</sup> resolution), without prejudice to any further adjustments, in accordance with the legislative and regulatory provisions and the contractual clauses;
- the total number of shares to which all the creditors' Warrants issued under this resolution grant the right to subscribe could not exceed 155,000,000;
- consequently, the total nominal amount of the additional Company's capital increase resulting from exercise of the creditors' Warrants that are issued under this resolution could not exceed €15,500,000. This limit is increased, where appropriate, by the par value of the shares to be issued in order to maintain (in accordance with the legislative and regulatory provisions and, where appropriate, the contractual clauses providing for other cases of adjustment) the rights of holders of the creditors' Warrants;
- the shares issued on exercise of the creditors' Warrants are paid up in full on subscription;
- in accordance with the provisions of Article L.228-98 of the French Commercial Code:
  - the Company could change its corporate form or corporate purpose without requesting the approval of the group of holders of creditors' Warrants;
  - the Company could, without requesting authorisation from the group of holders of creditors' Warrants, redeem its share capital, change its profit distribution or issue preferred shares, provided, so long as any creditors' Warrants are in circulation, that it has taken the necessary measures to preserve the holders of creditors' Warrants' rights (as provided for by this resolution);
  - in the event of a reduction in the Company's capital resulting from losses and realised through the decrease in the par value or in the number of shares comprising the share capital, the rights of the holders of creditors' Warrants are reduced accordingly, as if they had exercised their creditors' Warrants before the date on which the reduction in capital became final;
  - in the event of a reduction in capital caused by losses and realised through the decrease in the number of shares, the new exercise ratio is equal to the product of the exercise ratio in effect before the decrease in the number of shares and the following ratio:

### Number of shares comprising the share capital after the transaction

#### Number of shares comprising the share capital before the transaction

- subsequent to each of the following transactions:
  1. financial transactions with listed pre-emptive subscription rights or by the free allotment of listed warrants;
  2. the free allotment of shares to shareholders, reverse stock split or stock split;
  3. the capitalisation of reserves, profits or premiums through an increase in the par value of shares;

4. the allotment of reserves or premiums, in cash or in kind;
5. the free allotment to the Company's shareholders of any financial instrument other than the Company shares;
6. takeover, merger or demerger;
7. a repurchase by the Company of its own shares at a price higher than the share price;
8. depreciation of share capital;
9. a change in profit distribution and/or the creation of preferred shares; and
10. the distribution of dividend in cash or in kind;

which the Company may carry out after the issue date of the creditors' Warrants, for which the Record Date (as defined below) occurs before the delivery date of Company shares issued upon exercise of the creditors' Warrants, the rights of holders of creditors' Warrants is maintained until the delivery date (excluded), by means of an adjustment to the exercise ratio, in accordance with the terms set forth below.

The "**Record Date**" is the date on which the holding of Company shares is fixed so as to determine which shareholders are beneficial owners of a transaction or may participate in a transaction, and in particular to which shareholders a distribution, or an allotment, announced or approved on or before such date, should be paid or delivered.

This adjustment is carried out such that the value of the shares that would have been allocated if the creditors' Warrants had been exercised immediately before the completion of any of the transactions listed above is equal, to the nearest thousandth of a share, to the value of the shares to be allocated upon exercise of the creditors' Warrants immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs 1 to 10 below, the new exercise ratio is calculated to three decimal places by rounding to the nearest thousandth (with 0.0005 being rounded upwards to the nearest thousandth, i.e., 0.001). Any subsequent adjustments are carried out on the basis of such newly calculated and rounded exercise ratio. However, because the exercise ratio may result only in the allocation of a whole number of shares, fractional entitlements are treated as specified below.

1. (a) In the event of a financial transaction conferring listed pre-emptive subscription rights, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

#### Value of the share after detachment of the pre-emptive subscription right + Value of the pre-emptive subscription right

#### Value of the share after detachment of the pre-emptive subscription right

For the calculation of this ratio, the values of the shares after detachment of the pre-emptive subscription right and of the pre-emptive subscription right is equal to the arithmetic average of their opening prices quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated market or on a similar market on which the shares or pre-emptive subscription rights are listed) on each trading day included in the subscription period.

(b) In the event of a financial transaction involving the free allotment of listed warrants to shareholders with the corresponding ability to place the securities resulting from the exercise of warrants that were not exercised by their holders at the end of the subscription period that applies to them, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Value of the shares after detachment of the warrant +  
Value of the warrant**

---

**Value of the shares after detachment of the warrant**

For the calculation of this ratio:

- the value of the share after detachment of the warrant is equal to the volume-weighted average of (i) the price of the shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the shares are listed) on each trading day included in the subscription period, and (ii) (a) the transfer price of the securities sold within the framework of the placement, if such securities are shares fungible with the existing shares, applying the volume of shares sold within the framework of the placement to the transfer price or (b) the price of the shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the shares are listed) on the determination date of the sale price of the securities sold within the framework of the placement if such securities are not shares fungible with the existing shares;
- the value of the warrant is equal to the volume-weighted average of (i) the price of the warrants on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the warrants are listed) on each trading day included in the subscription period, and, (ii) the default value of the warrants represented by the sale price of the securities sold within the framework of the placement - which would correspond to the difference (if it is positive), adjusted by the warrants' exercise ratio, between the sale price of the securities sold within the framework of the placement and the subscription price of the securities by exercising the warrants by applying the volume of exercised warrants to the price so determined in order to allocate the securities sold within the framework of the placement.

2. In the event of the free allotment of shares to shareholders, share split or reverse share split, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

**Number of shares comprising the share capital after the  
transaction**

---

**Number of shares comprising the share capital before  
the transaction**

3. In the event of a capital increase by capitalisation of reserves, profits or premiums carried out by increase in the par value of the shares, the par value of the shares to be allocated to holders of creditors' Warrants exercising their creditors' Warrants is increased accordingly.

4. In the event of a distribution of reserves or premiums in cash or in kind (portfolio securities, etc.), the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share before allotment**

---

**Value of the share before allotment – Amount  
distributed per share or value of the securities or assets  
distributed per share**

---

For the calculation of this ratio:

- the value of the share before allotment is equal to the volume-weighted average price of the shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-allotment;
  - if the allotment is made in kind:
    - a. in the event of an allotment of securities already listed on a regulated market or similar market, the value of the securities distributed is determined as indicated above;
    - b. in the event of the allotment of securities that are not already listed on a regulated market or similar market, the value of the securities distributed is equal, if they were expected to be listed on a regulated market or similar market within ten trading days starting on the date on which the shares are listed ex-allotment, to the volume-weighted average price on such market during the first three trading days included in such period during which such securities are listed; and
    - c. in other cases (allotment of securities that are not listed on a regulated market or a similar market or are listed for fewer than three trading days within the period of ten trading days referred to above or an allotment of assets), the value of the securities or assets allocated per share is determined by an expert.
5. In the event of a free allotment to the Company's shareholders of financial instruments other than the shares, and subject to Paragraph 1(b) above, the new exercise ratio is determined as follows:

- (a) if the right to the free allocation of securities was admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share ex-right to free allocation  
+ Value of the free allocation right**

---

**Value of the share ex-right to free allocation**

---

For the calculation of this ratio:

- the value of the share ex-right to free allocation is equal to the volume-weighted average share price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share ex-right to free allocation is listed) of the share ex-right to free allocation during the first three trading days on which the Company shares are listed ex-right to free allocation;

- the value of the free allocation right is determined as indicated in the paragraph above. If the free allocation right is not listed during each of the three trading days, then its value is determined by an expert.
- (b) if the right to free allocation of securities was not admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

---

### Value of the share ex-right to free allocation + Value of the security or securities allocated per Share

---

#### Value of the share ex-right to free allocation

For the calculation of this ratio:

- the value of the share ex-right to free allocation is determined as indicated in paragraph (a) above;
  - if the securities allocated are listed or may become listed on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), within ten trading days beginning on the date on which the shares are listed ex-allotment, then the value of the security or securities allocated per share is equal to the volume-weighted average of the price of such financial securities recorded on such market during the first three trading days included within this period during which such securities are listed;
  - if the securities allocated are not listed on each of the three trading days, then the value of the security or securities allocated per share is determined by an expert.
6. In the event of takeover of the Company by another company or of merger with one or more companies or demerger, the creditors' Warrants are exchangeable for shares of the surviving or new company or of the beneficiary companies of the demerger.
- The new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the exchange ratio of shares for shares of the acquiring or new company or the beneficiary companies of a spin-off. These latter companies are automatically substituted for the Company with regard to its obligations towards the holders of creditors' Warrants.
7. In the event of a repurchase by the Company of its own shares at a price higher than the share price, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the repurchase by the following ratio:

#### Share value x (1 - Pc%)

---

#### Share value – Pc% x Repurchase price

---

For the calculation of this ratio:

- Share value is equal to the volume-weighted average price of the shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) during the three trading days immediately preceding such repurchase (or the option to repurchase);
- Pc% would mean the percentage of repurchased capital; and
- Repurchase price would mean the actual price at which shares are repurchased.

8. In the event of redemption of capital, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

#### Value of the share before redemption

---

#### Value of the share before redemption – Amount of redemption per share

For the calculation of this ratio, the value of the share before redemption is equal to the volume-weighted average price of the shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-redemption.

9. (a) In the event of the modification by the Company of the distribution of its profits and/or the creation of preferred shares resulting in such a change, the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

#### Value of the share before the change

---

#### Value of the share before the change - Reduction per share in the right to profits

For the calculation of this ratio:

- the value of the share before the change is determined on the basis of the volume-weighted average price of the shares on Euronext Paris (or if the shares are not listed on Euronext Paris, on another regulated or similar market on which the shares are listed) during the three trading days immediately preceding the day of such change;
  - the reduction per share in the rights to profits is determined by an expert.
- Notwithstanding the above, if such preferred shares were issued with shareholders' pre-emptive subscription rights or by the free allotment to shareholders of warrants exercisable for such preferred shares, the new exercise ratio is adjusted in accordance with paragraphs 1 or 5 above.
- (b) In the event of the creation of preferred shares that do not lead to a modification of the distribution of profits, the adjustment of the exercise ratio, if necessary, is determined by an independent expert of international reputation selected by the Company;
10. In the event of a distribution of dividend in cash or in kind (portfolio securities, etc.), the new exercise ratio is determined by multiplying the exercise ratio in effect prior to the commencement of the relevant transaction by the following ratio:

#### Value of the share before distribution

---

#### Value of the share before distribution – Amount distributed per share or value of the securities or assets distributed per share

For the calculation of this ratio:

- the value of the share before allotment is equal to the volume-weighted average price of the shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-allotment;

- if the allotment is made in kind:
  - a. in the event of an allotment of securities already listed on a regulated market or similar market, the value of the securities distributed is determined as indicated above;
  - b. in the event of the allotment of securities that are not already listed on a regulated market or similar market, the value of the securities distributed is equal, if they were expected to be listed on a regulated market or similar market within ten trading days starting on the date on which the shares are listed ex-allotment, to the volume-weighted average price on such market during the first three trading days included in such period during which such securities are listed; and
  - c. in other cases (allotment of securities that are not listed on a regulated market or a similar market or are listed for fewer than three trading days within the period of ten trading days referred to above or a distribution of assets), the value of the securities or assets allocated per share is determined by an expert;
- with regard to the payment of fractions at the time of exercise of the creditors' Warrants, in accordance with Articles L.225-149 and L.228-94 of the French Commercial Code, in the event of an adjustment to the exercise ratio and when the number of shares thus calculated is not a whole number, (i) the Company should round down the number of shares to be issued to the holder of creditors' Warrants to the nearest whole number of shares and (ii) the holder of creditors' Warrants would receive an amount in cash from the Company equal to the resulting fractional share multiplied by the last price quoted at the stock exchange session preceding the day of filing of the request to exercise its creditors' Warrants. No fractional shares are issued upon exercise of the creditors' Warrants;
- with regard to the representation of the holders of creditors' Warrants:
  - (i) In accordance with Article L.228-103 of the French Commercial Code, the holders of creditors' Warrants are grouped into a body, which benefits from legal personality and which is subject to the same provisions as those provided for in Articles L.228-47, L.228-66 and L.228-90 of the French Commercial Code;
  - (ii) The representative of the group would, without restriction or reservations, have the right to carry out, in the name of the group of holders of creditors' Warrants all management acts to protect the common interest of holders of creditors' Warrants. He will receive annual remuneration while the creditors' Warrants remain in circulation;
- (iii) The Company shall pay the representative's remuneration and the cost of the convening and holding of the meetings of the holders of creditors' Warrants, the publication of their decisions and, where applicable, the costs related to the appointment of the representative pursuant to Article L. 228-50 of the French Commercial Code, as well as all justified costs related to the administration and the functioning of the group;
- (iv) The meetings of the group shall take place at the Company's registered office or in any other place set out in the notice of meeting. Each holder of creditors' Warrants will be entitled, for a 15-day period prior to the meeting of the group, personally or via an agent, to be provided with a copy of the proposed resolutions and reports that will be presented to the meeting of the group, at the Company's registered office, at the location of the administrative management or where appropriate, in any other place set out in the notice of meeting; and
- (v) Decisions of the group are taken with the majority of the votes of the holders of creditors' Warrants, present or represented, during meetings of the group. One creditors' Warrant grants the right to one vote at meetings of the group;
- the shares that is issued on exercise of the creditors' Warrants would carry dividend rights and, as from the time of their creation, are fully comparable to the existing shares and subject to all the provisions of the articles of association and the decisions of the General Shareholders' Meeting. In accordance with the provisions of Article L.225-132 section 6 of the French Commercial Code, the decision to issue ABSA would automatically cause the shareholders to waive their pre-emptive subscription rights to the Company shares to which the creditors' Warrants grant rights;
- the creditors' Warrants are freely negotiable and for that purpose would form the subject of an application for admission to trading on the Euronext Paris regulated market;
- in the event of a capital increase, takeover, merger or demerger or issue of new shares or securities granting access to the capital, or other financial transactions including a pre-emptive subscription right or reserving a priority subscription period in favour of the Company shareholders, the Company is entitled to suspend exercise of the creditors' Warrants for a period not exceeding three months or any other period fixed by the applicable regulations.

# STATUTORY AUDITORS' REPORTS

## Statutory auditors' report on the annual financial statements

### For the year ended 31 December 2015

To the shareholders,

Pursuant to the task with which you have entrusted us at your General Shareholders' Meeting, we present our report on the following for the year ended 31 December 2015:

- our auditing of SoLocal Group's annual financial statements, as appended hereto;
- the justification of our assessments;
- the specific verifications and information required by law.

The approval of the annual financial statements is the responsibility of the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on these financial statements.

### I. Opinion on the annual financial statements

We conducted our audit in accordance with French auditing standards. These standards require that we plan and perform our audit so as to enable reasonable assurance about whether or not the annual financial statements are free of material misstatement. An audit consists of verifying, on a test basis or using other selection methods, the elements that support the amounts and information provided in the annual financial statements. It also consists of evaluating the accounting policies observed, the significant estimates used, and the overall presentation of financial statements. We believe that the information we collected is sufficient and appropriate to serve as a basis for our opinion.

We certify that the annual financial statements are, under French accounting principles and rules, correct and true and fairly present the results of the previous year's transactions and the company's financial position and assets at the end of that year.

### II. Justification of assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code on the justification of our assessments, we call your attention to the following:

Your company's management makes estimates and assumptions that affect the amounts presented in its financial statements and the accompanying notes. Results may differ significantly from these estimates since actual business conditions may differ from expectations. In our auditing of the annual financial statements, we estimated that the company's equity interests (see Note 3.2 to the annual financial statements) involved the most significant estimates and required a justification of our assessments.

In accordance with the professional standards that govern the assessment of accounting estimates, we assessed, among other things, the data and assumptions used as the basis for the estimates of the value of the equity interests (and most notably the projected cash flows estimated by your company's operational departments), reviewed your company's calculations and the sensitivity of the main values in use, compared the accounting estimates of previous years with actual figures and reviewed management's procedure for approving these estimates.

Furthermore, as indicated in an annex, the syndicated credit agreement is subject to quarterly covenant clauses. We have assessed the information communicated in Note 3.4 of the annex on these covenants.

These assessments were made within the framework of our overall audit of the annual financial statements and therefore served as a basis for our opinion, as expressed in the first part of this report.

### III. Specific verifications and information

In accordance with professional standards in France, we also carried out the specific verifications required by law.

We have no matters to report regarding the fair presentation and consistency of the annual financial statements with the information provided in the management report from the Board of Directors and in the documents provided to shareholders on the financial position and the annual financial statements.

Concerning the information provided pursuant to Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by the corporate officers and any other commitments made to them, 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 your company has obtained from companies that control your company or are controlled by it. On the basis of this work, we certify the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information on the acquisition of controlling interests and other equity investments and on the identity of the holders of share capital and voting rights have been provided in the management report.

Paris-La Défense and Neuilly-sur-Seine, 16 February 2016

The statutory auditors

Ernst & Young Audit

Denis THIBON

Deloitte & Associés

Ariane BUCAILLE

# Statutory auditors' report on the consolidated accounts

## Financial year ended 31 December 2015

To the shareholders,

Pursuant to the task with which you have entrusted us at your General Shareholders' Meeting, we present our report on the following for the year ended 31 December 2015:

- our audit of SoLocal Group's consolidated financial statements as appended hereto;
- the justification of our assessments;
- the specific verification required by law.

The approval of the consolidated financial statements is the Board of Directors' responsibility. It is our responsibility, on the basis of our audit, to express an opinion on these financial statements.

### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with French auditing standards. These standards require that we plan and perform our audit so as to enable reasonable assurance about whether or not the consolidated financial statements are free of material misstatement. An audit consists of verifying, on a test basis or using other selection methods, the elements that support the amounts and information provided in the consolidated financial statements. It also consists of evaluating the accounting policies observed, the significant estimates used, and the overall presentation of financial statements. We believe that the information we collected is sufficient and appropriate to serve as a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and net income of the consolidated companies and entities, in accordance with IFRS standards as adopted in the European Union.

### II. Justification of assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code on the justification of our assessments, we call your attention to the following:

As specified in Note 2 to the consolidated financial statements, your company's management makes estimates and assumptions that affect the amounts presented in its financial statements and the accompanying notes. Note 2 also indicates that results may differ significantly from these estimates, since actual business conditions may differ from expectations. In our auditing of the consolidated financial statements as at 31 December 2015, we estimated that the accounts that involved the most significant estimates and required a justification of our assessments were goodwill, provisions for risks and contingencies on your company's reorganisation, salesmen remuneration debts, acquisition costs of contracts, and employee benefits.

In accordance with the professional standards that govern the assessment of accounting estimates, we focused mainly on the following:

- with respect to goodwill: the data and assumptions on which the estimates are founded and in particular, the definition of cash-generating units and the projected cash flows estimated by your company's operational departments. We reviewed your company's calculations and the sensitivity of the main values in use and assessed the principles and methods used to determine fair values;
- with respect to the disputes brought by the former employees following confirmation of invalidation of the employment protection plan by the Council of State, the legal arguments leading to the recognition of a provision in the accounts as well as the data and assumptions on which the estimates are based, particularly the estimated number of months of compensation to be paid and the unit average cost;
- with respect to the provision for risks and contingencies in relation to your company's "voluntary leaving plan", the information and assumptions on which you based your estimates, and in particular the number of employees affected by the leaving plan and the average "unitary cost";
- with respect to salesmen remuneration debts, the data and assumptions on which the estimates are based, particularly the attainment of performance targets and the reliability of the underlying information systems;
- with respect to the acquisition costs of contracts: the nature of the costs capitalised and whether their capitalisation is justified, and the data and assumptions on which the estimates are based;
- with respect to personnel benefits: the method used to determine provisions. Our work consisted in examining the data used, assessing actuarial assumptions, reviewing calculations and verifying that Note 3.16 and Note 24 to the consolidated financial statements provide appropriate information.

Moreover, as stated in the notes, the syndicated credit agreement is subject to quarterly covenant clauses. We have taken into consideration the information provided in Note 26 of the notes on these covenants.

These assessments were made within the framework of our overall audit of the consolidated financial statements and therefore served as a basis for our opinion, as expressed in the first part of this report.

### III. Specific verification

In accordance with professional standards in France, we also carried out the specific verification required by law on the information concerning the group provided in the management report.

We have no matters to report regarding the fair presentation of this information or its consistency with the consolidated financial statements.

Neuilly-sur-Seine, 11 February 2016

The Statutory Auditors

Ernst & Young Audit

Deloitte & Associés

Denis THIBON

Ariane BUCAILLE

# Statutory Auditors' special report on regulated agreements and commitments

## General Shareholders' Meeting for the approval of the financial statements for the financial year ended 31 December 2015

To the shareholders,

In our capacity as your Company's auditors, we present below our report on regulated agreements and commitments.

Based on the information provided, we are required to report to shareholders on the characteristics, main terms and conditions of and the grounds for the Company's interest in the agreements and commitments that have been disclosed to us or which were brought to light as a result of our assignment, without commenting on their relevance or substance and without determining whether other such agreements or commitments exist. Under Article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

We are also required to report to you the information set out in Article R. 225-31 of the French Commercial Code regarding operations carried out during the year under agreements and commitments approved by shareholders in previous years.

We have performed those duties deemed necessary by us in accordance with the professional guidelines of France's national auditing body, the CNCC, as applicable to this engagement. These measures consisted of verifying the consistency of the information given to us with the contents of the source documents.

## AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

### Agreements and commitments authorised during the previous financial year

No agreements or commitments were authorised during the previous financial year to be submitted for the approval of the General Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

## AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

### Agreements and commitments approved in previous years and which were still in effect in the previous financial year

In accordance with Article R. 225-30 of the French Commercial Code, we were informed that the following agreements and commitments, which were approved by shareholders in prior years, were still in effect in the previous financial year.

## Agreements with senior executives

### 1. With Mr Jean-Pierre Remy, your Company's Chief Executive Officer

#### Nature and purpose

At its meetings of 17 May 2009 and 10 March 2014, the Board of Directors set forth the terms and conditions of Mr Jean-Pierre Remy's appointment as Chief Executive Officer. These terms and conditions of the commitments made in favour of Mr Jean-Pierre Remy relate to a severance payment and/or an allowance in return for a non-competition clause from which the latter benefits.

#### Terms and conditions

The remuneration and other terms and conditions of Mr Remy's appointment were proposed by the Remuneration Committee on 17 May 2009.

Mr Remy will be entitled to your Company's current supplementary pension scheme, to "mutual" life and health insurance plans under the same terms that apply to the Company's management staff, or to a similar plan, and to civil liability insurance.

Mr Remy may receive severance pay if he is forced to leave the Company as a result of a change in its control or strategy, or of a change in the execution of its strategy. The amount of this severance pay would be equivalent to his annual gross remuneration (both fixed and variable with targets achieved), provided that Mr Remy has achieved at least 80% of his objectives over the last three years. The severance payment would not be made until the Board of Directors has verified that Mr Remy's performance obligation, as amended, has been achieved.

A non-competition obligation will come into effect if Mr Remy ceases to be the Company's Chief Executive Officer. The terms of the compensation provided in consideration of this obligation are identical to those that were approved at the General Shareholders' Meeting of 10 June 2010. This obligation would not exceed twenty-four months and would cover all of France.

The combined total of the severance payment and the non-competition compensation may not exceed two years of fixed and variable remuneration.

Your Company will have the option to release Mr Remy from this non-competition clause by informing him of its decision to do so no later than fifteen calendar days after the Board of Directors' meeting where the termination of Mr Remy's term of office as Chief Executive Officer is acknowledged or decided.

### 2. With Mr Christophe Pingard, your Company's Deputy Chief Executive Officer

#### Nature and purpose

On 26 October 2011, your Board of Directors set forth the terms and conditions of Mr Christophe Pingard's appointment as Deputy Chief Executive Officer.

### Terms and conditions

The remuneration and other terms and conditions of Mr Christophe Pingard's appointment were proposed by the Remuneration Committee on 20 October 2011.

Mr Christophe Pingard's will be entitled to your Company's current supplementary pension scheme, to "mutual" life and healthcare insurance plans under the same terms that apply to the Company's management staff, or to a similar plan, and to civil liability insurance.

Mr Pingard may receive severance pay if he is forced to leave the Company as a result of a change in its control or strategy, or of a change in the execution of its strategy. This severance pay would be equal to twelve months of remuneration at the average monthly rate of the total gross remuneration over the last twelve months of his term of office. If he leaves before the end of the first year after being hired, this severance pay will be equal to six months of remuneration at the average monthly rate of the total gross remuneration he will have received.

A non-competition obligation will come into effect if Mr Pingard ceases to be Deputy Chief Executive Officer for any reason and in any way whatsoever. This obligation would not exceed twenty-four months and would cover all of France.

The compensation to be paid in consideration for observing this non-competition obligation for twenty-four months would be twelve months of remuneration at the average monthly rate of the total gross remuneration over the last twelve months of Mr Christophe Pingard's term of office as Deputy Chief Executive Officer. One fourth of this compensation would be paid to Mr Pingard at the end of each six-month period.

When Mr Pingard's employment is terminated, the Company may waive the non-competition obligation, in which case it will not have to pay the corresponding compensation.

Paris-La Défense and Neuilly-sur-Seine, 15 February 2016

The Statutory Auditors

ERNST & YOUNG Audit

DELOITTE & ASSOCIÉS

Denis THIBON

Ariane BUCAILLE

# STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION 2016

To the Shareholders,

In accordance with the terms of our appointment at your General Meeting and in application of article L451-1-2 III of the French Monetary and Financial Code, we have performed:

- a limited examination of the condensed consolidated half-year financial statements for Solocal Group, concerning the period from 1 January to 30 June 2016, as provided with this report;
- verification of the information provided in the half-year management report.

The half-year condensed consolidated financial statements were drawn up under the responsibility of your Board of Directors. Our responsibility is to express our conclusion on these financial statements based on our limited review.

## I. Conclusion on the financial statements

We have performed our limited review pursuant to the professional standards applicable in France. A limited review consists primarily in meeting with members of the management in charge of the finance and accounting aspects and in implementing analytical procedures. This work is not as extensive as that required for an audit pursuant to the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, do not contain any significant anomalies obtained in the framework of a limited review is a moderate assurance, and is not as high as that obtained in the framework of an audit.

Based on our limited review, we have not detected any material misstatement of a nature to call into question the compliance of the half-year condensed consolidated financial statements with IAS 34 – IFRS standards adopted in the European Union concerning interim financial reporting.

Without calling into question the conclusion expressed hereinabove, we draw your attention:

- to the paragraph «Note on continued operation» of note 2 – "Context of publication and basis for preparation of the consolidated condensed financial statements" which exposes the context for restructuring the debt and the uncertainties as to the group's capacity to realise its assets and to settle its debts in the normal framework of its activity if the latter were not to unfold in the end
- to the introductory paragraph of note 1 that indicates that the consolidated and company financial statements for the financial year ending 31 December 2015 were not approved by the General Meeting due to the postponing of the latter until the second half of 2016.

## II. Specific verification

We have also performed a verification of the information provided in the half-year management report commenting the half-year condensed consolidated financial statements on which our limited review was based. We have no matters to report regarding its fairness and consistency with the half-year condensed consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, 1<sup>st</sup> August 2016

The Statutory Auditors

ERNST & YOUNG Audit

DELOITTE & ASSOCIÉS

Denis THIBON

Ariane BUCAILLE



# REQUEST FOR DOCUMENTS

Return this document, duly completed and signed, directly to:

**SOLOCAL GROUP – RELATIONS ACTIONNAIRES (SHAREHOLDER RELATIONS)**

**204 ROND-POINT DU PONT DE SÈVRES – 92649 BOULOGNE-BILLANCOURT CEDEX**

## Combined General Shareholders' Meeting of SoLocal Group to be held on 19 October 2016

M.  Mrs  Miss

First and last names: .....

Address: .....

Postcode: .....Town or City: .....

E-mail address: .....

Registered account number: .....

In accordance with the provisions of Article R. 225-88 of the French Commercial Code, I request SoLocal Group to send me all the documents and information about the Combined General Shareholders' Meeting to be held on 19 October 2016, as listed in Article R. 225-83 of the French Commercial Code.

- in my capacity as an owner of registered shares, I also request that a proxy form and the documents and information referred to in Articles R. 225-81 and R. 225-83 of the French Commercial Code be sent to me at the time of each subsequent shareholders' Meeting.
- in my capacity as an owner of shares, all in bearer form (this section should not be completed by Shareholders who hold registered shares).

I represent that these shares are registered in an account held by:

Name and address of your financial intermediary: .....

an authorized intermediary, and that the certificate issued by such intermediary certifying that the shares were registered no later than 17 October 2016 at 00:00 (Paris time), was deposited at SoLocal Group, the depositary designated in the Notice of Meeting (Articles R. 225-85 and R. 225-88 of the French Commercial Code).

Executed in ..... on ..... 2016,

Signature:



# REQUEST THAT DOCUMENTS BE SENT ELECTRONICALLY

Form to be sent to:

**BNP PARIBAS SECURITIES SERVICES, CTS ASSEMBLÉES**

**GRANDS MOULINS DE PANTIN**

**9, RUE DU DÉBARCADÈRE – 93761 PANTIN CEDEX**

## Documents for participating in General Shareholders' Meetings to be sent to holders of registered shares<sup>(1)</sup>

SoLocal Group is aware of its responsibilities with respect to the environment and has decided to limit, to the extent possible, the use of paper in its communications.

That is why this form has been sent to you.

We hope that many of you will join us in this socially responsible measure.

You may register directly on our dedicated Planetshares website (<https://planetshares.bnpparibas.com>) to request any documents you wish.

I request that starting with the first General Shareholders' Meeting in 2017 you send me **by e-mail, to my e-mail address** indicated below, my Notice of Meeting and the documents for participating in the SoLocal Group general meetings.

I expressly authorize SoLocal Group (or its representative if applicable) to send me **by e-mail all** communications concerning SoLocal Group corporate matters.

Mr  Mrs  Miss

First and last names: .....

Address: .....

Postcode: ..... Town or City: .....

E-mail address: .....

Registered account number: .....

Executed in ..... on ..... 2016.

Signature:

If at any time you decide that you once again wish to receive your Notice of Meeting and the documents for participating in General Meetings by post, please inform us by registered letter with acknowledgment of receipt.

Registered office: 204 Rond-point du Pont de Sèvres – 92649 Boulogne-Billancourt Cedex

Telephone: 0800 81 84 54 (Freephone number)

E-mail address: [actionnaires@solocalgroup.com](mailto:actionnaires@solocalgroup.com) – [www.solocalgroup.com](http://www.solocalgroup.com)

(1) This possibility is available only to registered shareholders of SoLocal Group. Photo credits: © Gettyimages/Musketeer.









**SOLOCAL GROUP**

Public limited company  
with a capital of 233,259,384 euros  
Commercial and Companies Register  
Nanterre 552 028 425

**Head office:**

204 Rond-Point du Pont de Sèvres  
92649 Boulogne-Billancourt Cedex



**0 800 81 84 54**

**TOLL FREE NUMBER**

[actionnaires@solocalgroup.com](mailto:actionnaires@solocalgroup.com)

[www.solocalgroup.com](http://www.solocalgroup.com)

*Solocal*  
GROUP