

## EUTELSAT COMMUNICATIONS

A public limited company (*société anonyme*) with a capital of 226,972,338 Euros  
Registered office: 70, rue Balard, 75015 Paris  
481 043 040 RCS Paris

### ORDINARY AND EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING OF 8 NOVEMBER 2017

---

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

Ladies, Gentlemen, Dear Shareholders,

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

1. **Approval of the annual and consolidated financial statements for the financial year ended 30 June 2017 (resolutions nos. 1 and 2)**

**Resolutions nos. 1 and 2** relate to the approval of the annual financial statements of the Company and of the consolidated financial statements of the Group for the financial year ended on 30 June 2017.

The Company's financial statements for the year ended 30 June 2017 show a profit of 244,999,459.58 Euros compared to 262,141,334.25 Euros for the previous year. The consolidated accounts show a consolidated net income of 362,928 thousand Euros compared to 362,807 thousand Euros for the previous year.

For more information on the Company's financial statements for the financial year ended on 30 June 2017 and on corporate operations during such financial year and since 1 July 2017, please refer to the annual and consolidated financial statements for such financial period, the management report of the Board of Directors and the reports of the Statutory Auditors on such financial statements, which have been made available to you as required by laws and regulations.

2. **Approval of the agreements referred to in Article L. 225-38 of the Commercial Code (resolution no. 3)**

The Statutory Auditors' special report mentions the agreements referred to in Article L. 225-38 of the Commercial Code. By **resolution no. 3**, the Board of Directors proposes that you acknowledge the conclusions of this report, the absence of any new agreements concluded during the financial year ended 30 June 2017 and not yet approved by the General Shareholders' Meeting and agreements previously approved by the General Shareholders' Meeting which continued during the financial year ended 30 June 2017.

The Board of Directors reminds you that the agreements previously approved by the General Shareholders' Meeting and continued during the year ended 30 June 2017 are the following:

- the agreement concluded in 2015 between the Company and its Managing Director, relating to his remuneration and containing a non-compete clause;
- The agreement entered into in 2010 between the Company and a number of its subsidiaries allowing the Company to invoice back the shares purchased on the Euronext Paris regulated market in order to cover share allocations to be made under the Company's free share allocation plans in favour of Eutelsat Group employees,

- the tax consolidation agreement entered into in 2007 between the Company and its French subsidiaries.

Pursuant to Article L. 225-40-1 of the Commercial Code, the Board of Directors reviewed these three agreements at its meeting of 27 July 2017.

### **3. Allocation of profits for the financial year ended 30 June 2017, fixing and payment of the dividend (resolution no. 4)**

**The purpose of resolution no. 4** is to decide on the allocation of profits for the financial year ended 30 June 2017, which resulted in a profit of 244,999,459.58 Euros.

The Board of Directors proposes to distribute an amount of 1.21 Euros per share, i.e. a total amount of 281,657,308.35 Euros on the basis of the outstanding shares as at 30 June 2017 (including the treasury shares held by the Company that do not carry dividend rights), to be deducted from the distributable profit with the balance appropriated to "Retained earnings".

This dividend will be paid out on 23 November 2017, it being specified that if the Company holds treasury shares on the dividend payment date, the profit corresponding to the dividend due in respect of such shares shall be allocated to "Retained earnings".

The amount distributed of 1.21 Euro per share, shall be eligible for the 40% tax reduction for individuals whose tax residence is in France, as provided for in Article 158-3-2° of the General Tax Code.

### **4. Board of Directors (resolutions nos. 5 to 8)**

In view of the expiry at the end of this General Meeting of Mr. Bertrand Mabile's term of office as director, you are invited, by the vote of **resolution no. 5**, to appoint Mr. Paul-François Fournier as director for a period of four (4) years which will end on the Ordinary Annual General Shareholders' Meeting called to examine the financial statements for the year ending 30 June 2021.

In view of the notification sent by the Fonds Stratégique de Participations, legal entity director, to the Company, indicating that Mr. Dominique D'Hinnin will be replaced by Mrs. Agnès Ogier in his role as permanent representative of the Fonds Stratégique de Participations on the Company's Board of Directors from the last meeting of the Board of Directors preceding this General Meeting, you are invited, by the vote of **resolution no. 6**, to appoint Mr. Dominique D'Hinnin as director, effective from this date, for a period of four (4) years which will end on the Ordinary Annual General Shareholders' Meeting called to examine the financial statements for the year ending 30 June 2021.

It is recalled that Ms. Miriem Bensalah Chaqroun resigned from her directorship with effect from 9 June 2017. In **resolution no. 7**, it is proposed that this General Shareholders' Meeting appoint Ms. Esther Gaide as director for a term of four (4) years expiring at the close of the ordinary shareholders' meeting held to approve the financial statements for the financial year expiring on 30 June 2021.

Finally, it is recalled that Mr. Michel de Rosen has resigned from his directorship, effective from the end of this Meeting. In **resolution no. 8**, it is proposed that this General Shareholders' Meeting appoint Mr. Didier Leroy as director for a term of four (4) years expiring at the close of the ordinary shareholders' meeting held to approve the financial statements for the financial year expiring on 30 June 2021.

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

If the aforementioned draft resolutions are adopted, the Board of Directors will comprise twelve (12) members and its composition will be compliant with the French Commercial Code and the recommendations set forth in the June 2016 AFEP-MEDEF Code of corporate governance for listed companies (the "**AFEP-MEDEF Code**"), which is the Company's reference code pursuant to Article L. 225-37 of the Commercial Code:

- in terms of male-female parity: the proportion of female directors will be 42% within the Company, exceeding the 40% threshold imposed by Article L. 225-18-1 of the Commercial Code from the first General Shareholders' Meeting following 1 January 2017, and
- in terms of independence: the proportion of independent directors will be 67% within the Company, exceeding the 50% threshold recommended by the AFEP-MEDEF Code for uncontrolled companies.

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

In view of the expiry at the end of this General Meeting of the term of office of Mazars as principal Statutory Auditor, you are invited, by the vote of **resolution no. 9**, to renew said term of office for a period of six (6) financial years, i.e. until the Ordinary Annual General Shareholders' Meeting called to examine the financial statements for the year ending 30 June 2023.

It is recalled that Mr. Gilles Rainault's term of office as alternate Statutory Auditor is also to expire at the end of this General Meeting. Law no. 2016-1691 of 9 December 2016 (the "**Sapin 2 Law**") having amended Article L. 823-1 of the Commercial Code to provide that the appointment of an alternate Statutory Auditor is optional as of the entry into force of the Law when the principal Statutory Auditor is not a natural person or single member company, you are invited, by the vote of resolution no. 31, to amend Article 19 of the Articles of Association to expressly provide for the optional nature of the appointment of an alternate Statutory Auditor under the conditions provided for by law.

You are invited, by the vote of **resolution no. 10**, if resolution no. 31 is rejected, and if the appointment of an alternate Statutory Auditor therefore continues to be required by the Articles of Association, to appoint CBA as alternate Statutory Auditor for a period of six (6) financial years, i.e. until the Ordinary Annual General Shareholders' Meeting called to examine the financial statements for the year ending 30 June 2023.

## **6. Opinion on the elements of remuneration due or awarded for the year ended 30 June 2017 to corporate officers (resolutions nos. 11 to 14)**

In accordance with the AFEP-MEDEF Code, submitted for your mandatory vote are the elements of remuneration due or awarded for the financial year ended 30 June 2017 to:

- Mr. Michel de Rosen, Chairman of the Board of Directors,
- Mr. Rodolphe Belmer, Managing Director,
- Messrs. Michel Azibert and Yohann Leroy, Deputy Managing Directors.

The detailed point concerning each of these elements of remuneration (in particular the reasons for their evolution compared to the previous financial year and the achievement of ex-post objectives), and their standardised presentation in accordance with the recommendations of the AFEP-MEDEF Code and of the AMF is contained in the management report - Chapter 9 "Corporate governance" – Section 9.10 "Information on elements of remuneration due or allocated to corporate officers".

The Board of Directors requests your General Meeting to issue a favourable opinion on the elements described above of the remuneration due or allocated for the financial year ended 30 June 2017 to:

- Mr. Michel de Rosen, Chairman of the Board of Directors, by the vote of **resolution no. 11**,
- Mr. Rodolphe Belmer, Managing Director, by the vote of **resolution no. 12**,
- Mr. Michel Azibert, Deputy Managing Director, by the vote of **resolution no. 13**, and
- Mr. Yohann Leroy, Deputy Managing Director, by the vote of **resolution no. 14**.

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

In accordance with the AFEP-MEDEF Code, it is recalled that if the General Meeting gives a negative opinion, the Board of Directors shall meet within a reasonable time after the Meeting and consider the

reasons for this vote and the expectations expressed by the shareholders. Following this consultation, and on the recommendation of the Compensation Committee, the Board shall decide on changes to the remuneration due or allocated for the year ended or the future remuneration policy and immediately publish on the Company's website a notice indicating the action taken following the vote of the Meeting.

**7. Approval of the principles and criteria for the determination, distribution and allocation of fixed, variable and exceptional elements comprising the total remuneration and benefits of any nature due to corporate officers for the exercise of their term of office (resolutions nos. 15 to 17)**

Pursuant to Article L. 225-37-2 of the Commercial Code, the General Meeting is required to approve the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional elements of the total remuneration and benefits of any nature attributable to the Chairman of the Board of Directors, the Managing Director and Deputy Managing Directors for the exercise of their term of office and constituting the remuneration policy concerning them.

These principles and criteria adopted by the Board of Directors on the recommendation of the Compensation Committee are presented in the management report – Chapter 9 "Corporate governance" – Section 9.9 "Information on the remuneration policy for corporate officers" - Paragraph 9.9.1. for the Chairman of the Board, who is non-executive, and 9.9.2 for the Managing Director and Deputy Managing Directors, who are executives,

In accordance with Article L. 225-100 of the Commercial Code, the variable or exceptional remuneration elements resulting from the implementation of these principles and criteria can only be paid with the approval of the shareholders at the general meeting called to approve the financial statements of the financial year ending 30 June 2018. These elements are specifically identified in the Paragraphs of the management report mentioned above.

In accordance with the abovementioned text, it is recalled that if the General Meeting rejects the resolution, the remuneration of the corporate officer concerned will be determined in accordance with the remuneration awarded for the previous financial year or, in the absence of remuneration for the previous year, in accordance with existing practices within the Company.

The Board of Directors requests your General Meeting to approve the principles and criteria of the remuneration attributable to the following persons for the exercise of their term of office:

- Chairman of the Board of Directors, by the vote of **resolution no. 15**,
- Managing Director, by the vote of **resolution no.16**,
- Deputy Managing Directors, by the vote of **resolution no. 17**,

**8. Establishment of the amount of attendance fees for the current financial year (resolution no. 18)**

It is proposed that you bring the amount of attendance fees of 855,000 Euros, an amount which has not changed since the General Meeting of 8 November 2011, to 985,000 Euros for the current financial year, starting on 1 July 2017, to take into account the increase in the number of Board members, and the change in the method of compensation granted to the Chairman of the Board, as described in the management report - Chapter 9 "Corporate governance" – Section 9.10 "Information concerning the elements of remuneration owed or attributed to corporate officers" – Paragraph 9.10.1 "Compensation of corporate officers in respect of the 2016-2017 financial year".

**9. Authorisation given to the Board of Directors to purchase shares of the Company and, as the case may be, to cancel such shares (resolutions nos. 19 and 20)**

The General Shareholders' meeting of 4 November 2016 that approved the financial statements for the previous financial year authorised the Board of Directors to purchase shares of the Company, during a

period of eighteen (18) months as from the date of the General Shareholders' Meeting, which authorisation will thus expire during the 2017-2018 financial year.

By virtue of **resolution no. 19**, the Board of Directors proposes that this General Shareholders' Meeting renew such authorisation for a maximum period of eighteen (18) months as from the date of this General Shareholders' Meeting.

The maximum purchase price per share would be set at 40 Euros, and the maximum total amount of funds allocated to share buy-backs would be set at a maximum of 250 million Euros.

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

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

During the financial year ended on 30 June 2017, the buy-back program has been used in connection with the liquidity contract that complies with the charter of ethics issued by the AMAFI. The Board of Directors already decided that, in the event of adoption of the new programme, which is submitted to you, the liquidity contract will be maintained.

By virtue of **resolution no. 20**, the Board of Directors requests an authorisation from this General Shareholders' Meeting, deciding in accordance with the rules for extraordinary shareholders' meetings, with full powers of sub-delegation, to reduce the share capital by cancelling all or part of the ordinary shares purchased by the Company under a buy-back programme, which reduction shall be limited to 10% of the share capital in any given period of twenty-four (24) months, on one or more occasions.

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

#### **10. Delegation of authority to the Board of Directors to increase the share capital (resolutions nos. 21 to 29)**

The General Shareholders' Meeting that approved the financial statements for the financial year ended 30 June 2015 granted the Board of Directors delegations of authority to increase the share capital through the issue of ordinary shares and/or securities conferring access to ordinary shares of the Company, for a period of twenty-six (26) months as from the date of the General Shareholders' Meeting, which delegations will thus expire during the 2017-2018 financial year.

The Board of Directors proposes, by virtue of resolutions nos. 21 to 29, that this General Shareholders' Meeting renew the delegations of authority that allow the Board of Directors to increase the share capital through the issue of ordinary shares and/or securities conferring access to the share capital of the Company, for a maximum period of twenty-six (26) months as from the date of this General Shareholders' Meeting.

The purpose of these resolutions is to provide the Company and its Group with a certain degree of financial flexibility in the implementation of share capital increases to complete a number of financial transactions in relation to the share capital of the Company, and thus to be able to take advantage of the opportunities offered by the financial markets. These new delegations would put an end, for their unused portion, and would substitute the delegations previously granted by the General Meeting of 5 November 2015, and having the same purpose.

The Board of Directors proposes, in accordance with Law no. 2014-384 of 29 March 2014 known as the "Florange Law", which put an end to the principle of neutrality of the Board during a public offer period, to expressly provide, in the interests of the shareholders, for the suspension during the public offer period of the delegations and authorisations granted to the Board to increase the share capital under resolutions nos. 22 to 29. The Board specifies that this suspension is not proposed for the delegation of authority granted within the framework of the long-term employee and executive officer incentivization policy of resolution no. 30, to the extent that it is a standard remuneration policy for employees and corporate officers, whose amount is not likely to have an influence on the conduct or outcome of an offer.

The Board of Directors informs you that (i) the nominal amount of all share capital increases carried out pursuant to the resolutions submitted to this General Shareholders' Meeting would be limited to an amount of 44 million Euros for all share capital increases carried out under resolutions nos. 22 to 24 and 27 to 30 (the "**Overall Maximum Share Capital Increase Amount**"), and that (ii) the nominal amount of all share capital increases with cancellation of the preferential subscription right carried out under resolutions no. 23, 24 and 27 to 30 submitted to this General Shareholders' Meeting would be limited to an amount of 22 million Euros (the "**Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right** ") and would be deducted from the Overall Maximum Share Capital Increase Amount defined above. The maximum nominal amount of any share capital increases carried out under resolution no. 21 (by capitalization of reserves, profits, premiums or other sums whose capitalization is permitted) stands at an amount of 44 million Euros which, considering the nature of this resolution, is unrelated to and separate from the aforementioned maximum amount.

The nominal amount of all debt securities issued pursuant to resolutions nos. 22 to 24, 27 and 28 submitted to the General Shareholders' Meeting would be limited to an amount of one (1) billion Euros for each of these resolutions, and to an overall maximum amount of one (1) billion Euros (the "**Overall Maximum Debt Securities Issue Amount**"). This maximum amount is independent of the amount of debt securities whose issue may be decided or authorised by the Board of Directors in accordance with Articles L. 228-40, L. 228-92 last paragraph and L. 228-93 last paragraph of the Commercial Code or under the conditions set out in Article L. 228-36-A of the Commercial Code;

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

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

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

All authorisations which, if implemented, would result in the issue of securities conferring access to the share capital, would act as a waiver by the holders of ordinary shares of their preferential right to subscribe to the ordinary shares to be allocated by virtue of the issued securities.

When the resolutions provide for an option of sub-delegation of the Board of Directors, it is for the benefit of the Managing Director or, in agreement with him, to one or more Deputy General Managers, in accordance with Article L225-129-4 of the Commercial Code.

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

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

- **By resolution no. 21**, the Board of Directors requests your General Meeting, acting under the conditions of quorum and majority required for ordinary general meetings in accordance with Article L. 225-130 of the Commercial Code, a delegation of authority to increase the capital by the capitalization of reserves, profits, issue premiums or any other sum whose capitalization is authorised, within the limit of a maximum nominal amount of 44 million Euros, it being specified that this ceiling is set independently and separately from the Overall Maximum Share Capital Increase Amount defined above. The share capital increases resulting from this resolution could be carried out, at the Board of Directors' option, by means of a free allocation of new shares, or by an increase of the nominal value of the existing shares.

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

- **In resolution no. 22**, the Board of Directors proposes that this General Shareholders' Meeting delegate its authority to the Board of Directors to decide to issue ordinary shares of the Company and/or securities conferring access by any means, immediately or in the future, to ordinary shares of the Company, subject to the common shareholders' preferential subscription right, up to a maximum nominal amount of 44 million Euros, it being understood that such amount would be deducted from the Overall Maximum Share Capital Increase Amount.

The issue price of the ordinary shares and/or securities would be determined by the Board of Directors simultaneously with its decision to proceed with the issue, it being specified that the price of the securities conferring access to common shares would be such that the amount immediately received by the Company plus, as the case may be, the amount subsequently received by the Company, would be at least equal, for each ordinary share issued by virtue of the issue of such securities, to the nominal value of the common share of the Company.

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

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

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

- (i) limit the amount of the issue to the amount of subscriptions received (provided that the same amounts to at least three quarters of the issue decided),
  - (ii) freely allocate all or a part of the unsubscribed securities, or
  - (iii) offer all or a part of the unsubscribed securities to the public.
- **In resolution no. 23**, the Board of Directors requests a delegation of authority from this General Shareholders' Meeting to issue common shares and/or securities conferring access, by any means, immediately or in the future, to ordinary shares of the Company, with cancellation of the shareholders' preferential subscription right, up to a maximum nominal amount of 22 million Euros, it being reiterated that such amount would be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.

The securities issued with cancellation of the preferential right would be proposed as part of a public offering, it being stated that the Board of Directors could grant the holders of ordinary shares

a priority right to subscribe to all or a part of the issue, on an irreducible basis and, as the case may be, on a reducible basis, for a period of time that may not be less than three (3) trading days, as required by the provisions of the laws and regulations currently in force.

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

- (i) limit the amount of the issue to the amount of subscriptions received (provided that the same amounts to at least three quarters of the issue decided),
- (ii) freely allocate all or a part of the unsubscribed securities, or
- (iii) offer all or a part of the unsubscribed securities to the public.

Subject to resolution no. 25, the price of the ordinary shares would be at least equal to the minimum amount provided by the laws and regulations in force at the time of implementation of resolution no. 23, which currently provide for a price at least equal to the weighted average share price during the last three (3) trading days preceding the setting of the price, reduced, as the case may be, by a maximum discount of 5%, and adjusted, as the case may be, to take account of the difference in dividend entitlement date.

In respect of securities, subject to resolution no. 25, the price would be such that the amount immediately received by the Company plus, as the case may be, the amount subsequently received by the Company, is at least equal, for each common share issued by virtue of the issue of such securities, to the amount of the issue price of the ordinary shares, determined in accordance with the preceding paragraph, as adjusted, as the case may be, to take account of the difference in dividend entitlement date.

- To comply with AMF Recommendation no. 2009-13 of 6 July 2009, which requires the adoption of a specific resolution when the General Meeting delegates its authority to the Board of Directors to increase the share capital, with cancellation of the preferential subscription right within the framework of an offer by private placement referred to in II of Article L. 411-2 of the Monetary and Financial Code, the Board of Directors requests your General Meeting, by **resolution no. 24**, for a delegation of authority to issue ordinary shares and/or securities giving access by any means, immediately or in the future, to ordinary shares of the Company, with cancellation of the preferential subscription right, with the same characteristics as those described in resolution no. 23, as part of a public offer. In particular, the terms relating to the price described above in resolution no. 23 would also apply to issues carried out under resolution no. 24.
- **By resolution no. 25**, the Board of Director invites you, in accordance with the provisions of Article L. 225-136 of the Commercial Code, to authorise it up to 10% of the share capital over any given period of twelve (12) months, to set the issue price (i) in the event of the issue of ordinary shares or of any securities conferring access to ordinary shares of the Company, carried out with cancellation of the preferential subscription right pursuant to resolutions nos. 23 and 24, or (ii) in the event of the issue of common shares, carried out with cancellation of the preferential subscription right, further to the issue by the Company's subsidiaries of securities conferring access to common shares of the Company pursuant to resolution no. 29 to an amount that is at least equal, at the Board of Directors' option (a) to the average price weighted by the trade volume of the share during the trading day preceding the setting of the issue price or (b) the average price weighted by the trade volume of the share during the trading day at the time the issue price is set, in both cases reduced, as the case may be, by a maximum discount of 5%.

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

- **By resolution no. 26**, the Board of Directors invites your General Meeting, in accordance with the provisions of Article L. 225-135-1 of the Commercial Code, for an authorisation to increase the amount of an initial capital increase, carried out with maintenance or cancellation of the preferential

subscription right pursuant to resolutions nos. 22 to 24, when the Board of Directors finds an excess demand for subscription under the conditions set by law. This option would be granted up to 15% of the amount of the initial issue and at the same price as the initial issue. The additional nominal amount of the share capital increase would be deducted from the overall nominal share capital increase amount and, as the case may be, from the sub-maximum nominal amount of share capital increases with cancellation of the preferential subscription right amount, provided for in the resolution by virtue of which the additional issue was decided.

- By **resolution no. 27**, the Board of Directors proposes that this General Shareholders' Meeting delegates its authority to the Board of Directors to issue ordinary shares and/or securities conferring access to ordinary shares of the Company, with cancellation of the preferential subscription rights, in France or abroad, as consideration for securities tendered in an exchange offer, or a combined share and cash offer, initiated by the Company for the securities of another company listed on a regulated market, in accordance with the terms and subject to the conditions set forth in Article L. 225-148 of the Commercial Code. The maximum nominal amount of the share capital increases resulting from this resolution would be set at 22 million Euros, which amount would be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.
- By **resolution no. 28**, the Board of Directors invites you, in accordance with the option granted under Article L. 225-147 of the Commercial Code, to delegate your power to the Board of Directors to issue ordinary shares and/or securities conferring access to ordinary shares of the Company, immediately or in the future, with cancellation of the preferential subscription rights, as consideration for contributions made to the Company and comprising shares or securities conferring access to the share capital, up to a statutory, maximum nominal capital increase amount of 10% of the share capital of the Company. On the basis of the share capital as at 30 June 2017, the maximum nominal amount of the share capital increases resulting from the implementation of this resolution would thus stand at 22 million Euros, it being specified that such amount would be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.
- By **resolution no. 29**, the Board of Directors requests a delegation of authority from this General Shareholders' Meeting to issue ordinary shares of the Company by virtue of the issue of securities issued by subsidiaries of the Company conferring access to ordinary shares of the Company, with cancellation of the preferential subscription rights, up to a maximum nominal amount of 22 million Euros, which amount would be deducted from the Sub-maximum Amount of Share Capital Increases with Cancellation of the Preferential Subscription Right and from the Overall Maximum Share Capital Increase Amount.

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

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

11. **Delegation of authority and authorisation granted to the Board of Directors to increase the share capital as part of a long-term employee and executive officer incentivization policy (resolution no. 30)**

The General Shareholders' Meeting of 5 November 2015 granted the Board of Directors a delegation of authority to increase the share capital through the issue of ordinary shares and/or securities conferring access to the share capital of the Company with cancellation of the preferential subscription rights, reserved for the members of a Company or Group savings plan, for a period of twenty-six (26) months as from the date of the General Shareholders' Meeting, which delegation will thus expire during the 2017-2018 financial year.

As part of its long-term Group employee and executive officer incentivization policy, the Board of Directors proposes, by virtue of **resolution no. 30**, that this General Shareholders' Meeting renew such delegation, for a maximum period of twenty-six (26) months as from the date of this General Shareholders' Meeting.

Thus, by the vote of resolution no. 30, the Board of Directors invites you, pursuant to Article L. 225-129-6 of the Commercial Code, to delegate to it, in accordance with Articles L. 225-138 I and II of the Commercial Code and Articles L. 3331-1 et seq. of the Labour Code, its authority to issue shares and/or securities giving access to the capital of the Company, with cancellation of the preferential subscription right reserved to members of a savings plan of the Company and, where applicable, of French or foreign companies related to it under the conditions of Article L. 225-180 of the Commercial Code and Article L. 3344-1 of the Labour Code or by the free allocation of ordinary shares and/or securities giving access to the capital, within the limit of a maximum nominal amount of 2 million Euros, which will be deducted from the Sub-maximum Amount of Share Capital Increases and the Overall Maximum amount of Share Capital Increases.

## **12. Amendments of the Articles of Association (resolutions nos. 31 and 32)**

By resolution no.31, the Board of Directors proposes that you bring Article 19 of the Articles of Association relating to statutory auditors into line with the new provisions resulting from the Sapin 2 Law:

- (i) by amending paragraph 2 of the Article of the Articles of Association, to provide that the appointment of an alternate Statutory Auditor is optional when the principal Statutory Auditor is not a natural person or single member company, in accordance with Article L. 823-1 of the Commercial Code, as amended by the Sapin 2 Law;
- (ii) by amending paragraph 3 of the Article of the Articles of Association to refer, in regard to the maximum duration of the term of offices of statutory auditors, to the new legal provisions of Article L. 823-3-1 of the Commercial Code, as amended by the Sapin 2 Law.

By resolution no. 32, the Board of Directors proposes that you bring Article 4 of the Articles of Association relating to the registered office into line with the new provisions resulting from the Sapin 2 Law, by providing for the power of the Board of Directors to decide to move the registered office on the French territory, and no longer only in the same department or an adjacent department, subject to ratification of this decision by the next ordinary general shareholders' meeting, in accordance with Article L. 225-36 paragraph 1 of the Commercial Code, as amended by the Sapin 2 Law.

## **13. Powers to carry out legal formalities (resolution no. 33)**

**By resolution no. 33**, the Board of Directors invites you to give all powers to the bearer of an original, copy or extract of the minutes of the General Shareholders' Meeting to carry out all publicity formalities associated with the holding of this General Shareholders' Meeting.

\*       \*  
\*

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

## **The Board of Directors**

## Annex

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

**Mr. Paul-François Fournier** (born on 15 March 1968, 49 years old), a French citizen, started up his career as a Project Engineer within France Telecom Corporate Division. Office Manager for the Corporate Division Director in 1997, he joined Wanadoo first as ADSL Project Director in 2001, then as General Manager of the Broadband Business Unit. From 2003 to 2006 he leads, within Residential Communication Services Division, the development of Broadband and fixed-mobile convergence services at a European level. He was in charge of the development of the Livebox, the Orange home gateway now deployed at 7 million units. From January 2006 till November 2007, he worked for the Group Strategic Marketing Division managing the Advanced Products and Services Direction of the Technocenter. In November 2007, Paul-François Fournier is the Executive VP in charge of the Audience and Advertising Division, where he made Dailymotion acquisition. In January 2011, he was appointed Executive VP of the Technocenter (Chief Innovation Officer) in Orange. He successfully launched Orange Cloud services. In April 2013, he joined Bpifrance as Senior Executive VP of Innovation Direction, Member of the Executive Committee.

**Mr. Dominique D'Hinnin** (born on 4 August 1959, 58 years old), a French citizen, was Lagardère Co-managing Partner from 2010 to 2016. He joined the Lagardère group in 1990 as an advisor to Mr. Philippe Camus. He was then appointed as the Internal Audit Manager, Hachette Livre Finance Manager in 1993, and in 1994, Executive Vice President of Grolier Inc. (Connecticut, USA). He was Lagardère Chief Financial Officer from 1998 to 2010. He currently is a Board member of the following companies: PRISA (Spain), Edenred SA and Louis Delhaize SA (Belgium). He holds advanced degrees from the École Normale Supérieure and is Inspecteur des Finances.

**Ms. Esther Gaide** (born on 6 September 1961, 56 years old), a French citizen, was appointed Chief Financial Officer of Technicolor in April 2015, and she has been a member of the Executive Committee since February 2015. She joined Technicolor in September 2011 as Group controller and was appointed Deputy CFO in September 2012 with responsibility for all the finance functions after 5 years in the Havas Group as Deputy CFO and Group Human Resources Director, and 12 years with the Bolloré Group, where she held various positions, first as Director of Internal Audit, then as Chief Financial Officer of the Bolloré Logistics Division, Chief Financial Officer of the Bolloré Africa Logistics Division, and finally as Group Controller for 6 years. She began her career at PricewaterhouseCoopers both in Paris and London, and next with Deloitte both in Paris and Los Angeles. Ms. Esther Gaide is a graduate of ESSEC, a French business school and is a French CPA.

**Mr. Didier Leroy** (born on 26 December 1957, 59 years old), a French citizen, joined Renault S.A. in 1982, after obtaining an engineer degree. In 1992, he was appointed General Manager at the Douai plant and in 1996, Deputy Director of the Renault Le Mans plant before leading a cross-functional business reform project team, reporting directly to Mr. Carlos Ghosn. Mr. Didier Leroy joined Toyota to start up the new French plant, Toyota Motor Manufacturing France in Valenciennes, as Vice President. He was appointed President of the plant in 2005 and started leading initiatives at European level. In 2010, he became President and CEO of Toyota Motor Europe, Toyota's regional headquarter for Sales, After-Sales, R&D, Engineering and Manufacturing. In 2015, Mr. Didier Leroy became the first non-Japanese Executive Vice-President and Member of the Board of Directors of Toyota Motor Corporation, double-capping as President of the two operational units of the company at global level, covering all the operations in North America and Europe, but also the Japan sales and after-sales. In 2016, Mr. Didier Leroy also became the company's global Chief Competitive Officer. In 2017, Mr. Akio Toyoda asked him to expend his role and to cover the entire overseas operations, including emerging countries.