

SoLocal Group
Public limited company (*société anonyme*)
with a share capital of 233,259,384 euros
Registered office: Tours du Pont de Sèvres, 204, Rond-point du Pont de Sèvres,
92100 Boulogne-Billancourt
552 028 425 Trade and Companies Registry of Nanterre
(the "Company")

**Board of Directors' report to the SoLocal Group's shareholders'
extraordinary general meeting dated 15 December 2016**

Resolutions to be submitted to the vote of the shareholders

Important note

This report of the Board of Directors has been drawn up based on the agenda and draft resolutions published in the meeting notice of the Company's extraordinary general shareholders' meeting published in the *Bulletin des Annonces Légales Obligatoires* no. 135 of 9 November 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 of items and draft resolutions on the agenda that would be, as the case may be, submitted by the Company's shareholders in accordance with the law and (b) amendments that would be, as the case may be, 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 extraordinary general shareholders' meeting to be held on 15 December 2016.

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 - 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 the SoLocal Group;
- II. Progress in corporate affairs since the beginning of the current financial year
- III. Amendment to the Company's by-laws
 - Amendment to article 12 of the by-laws.

Ladies and Gentlemen,

We have called this extraordinary general shareholders' meeting, in accordance with the law and the provisions of the Company's by-laws, in order notably to ask you to vote on the following:

- the Board of Directors' report and the statutory auditors' reports to this meeting;
- the share capital decrease by reducing the par value of the shares;
- the delegation of authority to the Board of Directors to issue Company's shares, with shareholders' preferential subscription rights preserved;
- the 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 second resolution submitted to the vote of the general meeting;
- the delegation of authority to the Board of Directors to proceed with the issue and allocation, free of charge, of new shares in favour of the shareholders of the Company, by way of incorporation of premiums into the share capital;
- the delegation of authority to the Board of Directors to issue new shares, without shareholders' preferential subscription rights and reserved to a category of persons meeting specific criteria;
- the delegation of authority to the Board of Directors to issue mandatory convertible bonds (*obligations à option de conversion et remboursables en actions*), without shareholders' preferential subscription rights and reserved to a category of persons meeting specific criteria;
- the 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 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; and
- the amendment to article 12 of the by-laws.

The required convening notices have been duly sent to you and all the documents and items provided for by the applicable regulations have been made available to you within the legal deadlines.

Resolutions falling within the scope of competence of the extraordinary shareholders' meeting

I. Restructuring of the Company's financial debt

The Company has drawn up for several months a restructuring plan of its financial debt aiming at allowing the group to find margins for financial manoeuvre to resume its Internet business provided for in its "Conquer 2018" plan with long-term and steady growth.

A project of financial restructuring plan, resulting from discussions between the Company and a group of creditors with whom an agreement in principle was reached on 1 August 2016 (the "**Initial Plan**"), has been approved by the Company's creditors on 12 October 2016 but rejected by its shareholders during the combined general meeting held on 19 October 2016.

New discussions have taken place between the different stakeholders. Such discussions have resulted in the unanimous adoption by the Company's Board of Directors, the association RegroupementPPLocal and a group of three creditors, representing approximately 37% of the outstanding financial debt, of a revised financial restructuring plan, announced on 3 November 2016, that contains improvements for the Company and its shareholders compared to the Initial Plan (the "**Revised Plan**").

This Revised Plan, just as the Initial Plan, provides that, in return for the principal amounts of their receivables, which amounted to €1,164 million (€M) as at 30 June 2016, SoLocal Group's financial creditors would receive:

- a receivable of €400 M (which may be reduced to €340 M in the event of over-subscription to the share capital increase reserved to the shareholders described in the following point, the proceed of the over-subscription being used in this case to reduce the amount of the residual financial debt even further);
- cash (stemming from a share capital increase with shareholders' preferential subscription rights preserved of €405 M that may be increased to €465.75 M in the event of over-subscription and, as the case may be, from share capital increases reserved to third party investors, who are not creditors of the Company, of an aggregate amount of €35 M);
- MCB (*obligations à option de conversion remboursables en actions*) if the total amount of cash subscription to the share capital increase reserved to the shareholders and, as the case may be, to share capital increases reserved to third party investors who are not creditors of the Company, would be less than €300 M;
- Company's shares that may be stemming from the share capital increase with shareholders' preferential subscription rights preserved if the latter is not fully subscribed to by the Company's shareholders (or by the assignees of preferential subscription rights), the financial creditors having to subscribe by way of set-off with receivables to all the shares that would not be subscribed to in cash by the Company's shareholders (or by the assignees of preferential subscription rights);
- for the remainder of the debt, shares with warrants for shares attached (in the event where the total amount of cash subscription to the share capital increase reserved to shareholders and, as the case may be, to share capital increases reserved to third party investors who are not creditors of the Company, would be less than €250 M), stemming from a share capital increase reserved to the financial creditors with a subscription price per share which varies depending

notably on the total amount of cash subscription to the share capital increase of €405 M with shareholders' preferential rights preserved; the higher this amount is, the higher the amount of the debt repayment in cash would be (referred to in the second point above), and the higher the subscription price per share in the context of the issue reserved to the financial creditors would be, reflecting a more significant effort on their part.

For the shareholders and for the Company, this Revised Plan provides for improvements compared to the Initial Plan, and notably:

- the granting to the existing shareholders of 3 free shares for every 2 shares held (against one free share per share held in the Initial Plan);
- a substantial decrease in the number of warrants that would be allocated to the creditors: no warrant would be allocated to them if the total amount of subscriptions to the share capital increase with shareholders' preferential subscription right preserved and to the share capital increases reserved to third party investors who are not creditors of the Company, is greater than €250 M (against 45 million warrants in the Initial Plan); 45 million warrants would be allocated to them in the absence of subscription to such share capital increase (against 155 million warrants in the Initial Plan);
- the option for the Company, at any time, to repay the bonds issued at 100% of their par value, without any penalty (against 101% of the par value, *i.e.* with a penalty of 1%, in the Initial Plan);
- the option for third party investors (who are not creditors of the Company) to participate in one (or several) share capital increase(s) that would be reserved to them, and therefore facilitate the realization of the share capital increase with shareholders' preferential subscription right preserved (this option was not provided for in the Initial Plan).

This restructuring is subject in particular to:

- the approval of your meeting, via the approval of the draft resolutions required to implement it (1st to 7th resolutions);
- the approval of the financial creditors' committee; and
- the decision of the Commercial Court of Nanterre (*Tribunal de Commerce de Nanterre*) to amend the existing financial safeguard plan (*sauvegarde financière accélérée*).

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

- share capital decrease in a total amount of €229.3 M, by reducing the par value of the Company's shares, from €6 to €0.1 per share (1st resolution);
- delegation of authority to proceed with a share capital increase with shareholders' preferential subscription right preserved of a maximum total amount of €405 M (*i.e.* €40.5 M of par value and €364.5 M of share premium), by issuing 405 million new Company's shares at a price of €1 per share (the "**Rights Issue**"), and authorization to the Board of Directors to increase the total nominal amount of this Rights Issue to €46.575 M in the event of over-subscription (2nd and 3rd resolutions);

- delegation of authority to proceed with the issue and attribution, free of charge, of new shares in favour of existing Company's shareholders (4th resolution);
- delegation of authority to issue new shares, without shareholders' preferential subscription rights in favour of a category of persons meeting specific criteria (the "**Investors Reserved Issue**") (5th resolution);
- delegation of authority to issue, in favour of the financial creditors, mandatory convertible bonds (*obligations à option de conversion et remboursables en actions*) (the "**MCB**"), the number of MCB to be issued depending on the rate of cash subscription to the Rights Issue (6th resolution);
- delegation of authority to issue, in favour of the financial creditors, new shares with warrants for shares attached (ABSA) (the "**Creditors Reserved Issue**"), the characteristics of this Creditors Reserved Issue depending on the rate of cash subscription to the Rights Issue (7th resolution); and
- delegation of authority to proceed with a share capital increase reserved to the members of the group savings plan of the SoLocal Group (8th resolution).

These resolutions are set out hereinafter. The 1st to 7th resolutions form a whole and the non-approval of any one of them by the general meeting would prevent the implementation of the financial restructuring plan presented to you.

The firm Didier Kling & Associés has been 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 to third party investors (*i.e.* the Investors Reserved Issue) and to the Company's financial creditors (*i.e.* the issue of the MCB and the Creditors Reserved Issue).

The independent expert's report, as well as all the documents provided for by the regulations, will be made available to the shareholders prior to the general shareholders' meeting in the context of which this report has been drawn up.

In this respect, the Rights Issue, on one hand, and the issues reserved to third party investors (*i.e.* the Investors Reserved Issue) and to the Company's financial creditors (*i.e.* the issue of the MCB and the Creditors Reserved Issue), on the other hand, shall be the subject matter of securities notes (*notes d'opération*) by subject to the approval of the French Financial Markets Authority (*Autorité des Marchés Financiers*), which will be made available to shareholders and to the market, in accordance with the applicable legal provisions.

In this report, financial creditors means the holders of receivables against the company SoLocal Group under the credit agreement dated 24 October 2006, as amended from time to time (the "**Credit Agreement**").

The Revised Plan is based on the assumption of an outstanding financial debt under the Credit Agreement of a total amount in principal of €1,164 M as at the implementation of the restructuring plan. However, the text of the draft resolutions has been drafted so as to allow adjustment in the event where the outstanding financial debt of the Company under the Credit Agreement would slightly differ (downwards or upwards) from €1,164 M as at the date of implementation of the restructuring operations.

Share capital decrease by reducing the par value of the shares (1st resolution)

In the context of the financial restructuring plan submitted to your approval, it is notably planned to proceed with an increase in the Company's share capital with shareholders' preferential subscription right preserved of a total maximum amount of €405 M, by issuing a maximum number of 405 million new Company's shares at a price of €1 per share (subject matter of the 2nd resolution set out below).

In accordance with the law, the issue price of new shares for this type of share capital increase cannot be lower than the par value of the issued shares. The par value of the Company's shares is currently €6 per share. Accordingly, the share capital increase of €405 M that will be presented to you requires a prior decrease in the par value of the Company's shares.

This share capital decrease by reducing the par value of the shares would not affect the value or the number of the Company's shares held by the shareholders. Moreover, it would allow the Company to discharge all the losses set out in its balance sheet.

Prior to the share capital decrease itself, we propose that your meeting allocates the Company's losses, as set out in the financial statements for the financial year ended 31 December 2015 (after allocation of the income for that financial year), to certain available reserves and premiums, so as to reduce the amount of the negative "retained earnings". These allocations would be made as follows:

- (i) allocation for an amount of €342,819,232.88 to the "share issue premium" account, the amount of which would thus be reduced to €6,000,000; and
- (ii) allocation of an amount of €18,283,923.79 to the "other reserves" account, the amount of which would thus be reduced to zero.

The balance of the "retained earnings" account would be accordingly reduced from -€552,300,359.33 (its amount after allocation of the income for the financial year ended 31 December 2015) to -€191,197,202.66.

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

- (i) up to €191,197,202.66 to discharge the debit balance of the retained earnings account (after completion of the aforesaid allocations), which will be thus reduced to zero; and
- (ii) for the remainder, *i.e.* €38,174,524.94, to a special reserve account which would be entitled "special reserve from the share capital decrease decided on 15 December 2016"; it being specified that the amounts on this special reserve account would be unavailable and could not be used for purposes other than discharge potential losses of the financial year ending 31 December 2016 or of subsequent financial years.

Considering the foregoing, the share capital decrease that is proposed to you would be partially (*i.e.* up to €191,197,202.66) motivated by losses and, for the remainder (*i.e.* up to €38,174,524.94) not motivated by losses.

In accordance with the law, the Company's creditors benefit from a right to object to any proposed share capital decrease not motivated by losses. Accordingly, we propose that you decide that the contemplated share capital decrease will be conditional upon the

absence of objection from creditors of the Company 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.

In the event of completion of this share capital decrease, the Company's share capital would be reduced from an amount of €233,259,384 (its current amount) to an amount of €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 by-laws would be amended accordingly.

Finally, we propose that you grant full powers to the Board of Directors, with the right to sub-delegate, in order to, in particular, carry out this share capital decrease.

Delegation of authority to the Board of Directors to issue Company's shares, with shareholders' preferential subscription rights preserved (2nd resolution)

One of the main elements of the financial restructuring plan is the completion of a share capital increase with shareholders' preferential subscription right ("**PSR**") preserved of a total maximum amount (share premium included) of €405 M, by issuing a maximum number of 405 million new Company's shares at a price of €1 per share (the "**Rights Issue**").

The number of PSR received by the shareholders for every share held shall be determined once the definitive characteristics of the Rights Issue would have been fixed. In any case, the shareholders would be responsible for purchasing or selling PSR to avoid holding any fractional shares.

This Rights Issue would be backstopped by all the financial creditors, who have committed to subscribe to all the shares not subscribed by the Company's existing shareholders (or by the assignees of PSR) by way of set-off with a portion of the receivables they hold against the Company.

In addition, this Rights Issue may be partially subscribed to by potential third party investors, who are not creditors of the Company, which would subscribe to the Investors Reserved Issue which is the subject matter of the 5th resolution set out below. These investors would indeed, beforehand, commit to subscribe on a non-reducible basis (*à titre irréductible*) to the Rights Issue by means of the PSR attached to the shares they would subscribe to pursuant to the Investors Reserved Issue. As a result, the participation of such third party investors would:

- reduce the amount of the Rights Issue proportionally to the amount subscribed to in the context of the Investors Reserved Issue; and
- increase the rate of cash subscription to the Rights Issue, thus facilitating its implementation and reducing proportionally the backstop commitment of the Company's financial creditors.

We therefore propose that you grant a delegation of authority to the Board of Directors, for a period of 12 months, in order to decide the Rights Issue.

This Rights Issue would have the following characteristics:

- issue of a maximum number of 405 million new Company's shares, at a price of €1 per new share, corresponding to a par value of €0.10 and a share premium of

€0.90 (after taking into account the share capital decrease which is the subject matter of the 1st resolution set out above).

- the subscription price of €1 per new share results from the discussions conducted with the creditors' group with whom an agreement in principle was reached on 1st August 2016. Considering the allocation of the Free Shares (subject matter of the 4th resolution), the effective price to which shareholders would subscribe to the Rights Issue would be actually lesser than €1, as further detailed in Annex 1;
- total nominal amount of the share capital increase of the Company (share premium excluded) resulting from this issue lesser than or equal to €40.5 M (*i.e.* €405 M share premium included taking into account the subscription price of €1 per new share), it being specified that (i) this ceiling does not take into account additional shares to be issued in case of implementation of the option to increase the number of shares to be issued in the event of over-subscription (subject matter of the 3rd resolution set out below) and (ii) this ceiling shall be reduced by the nominal amount of the Investors Reserved Issue (subject matter of the 5th resolution set out below);
- the subscription to the new shares would be paid up in cash or by off-set with certain, due and payable receivables against the Company and the new shares would be paid-up in full upon subscription; and
- shareholders would have, in proportion to the number of shares they hold, a preferential subscription right to shares issued pursuant to the Rights Issue and would be granted a right to subscribe to issued shares on a reducible basis (*à titre réductible*) to the shares issued, which would be exercised in proportion to their subscription right and within the limit of their requests.

Finally, it will be proposed that you grant to the Board of Directors, with the right to sub-delegate, the necessary powers in order to implement the delegation granted, and in particular, to decide on and effect the Rights Issue.

It being specified that:

- this resolution may only be implemented after, and subject to, the prior completion of the share capital decrease proposed to you at the 1st resolution set out above;
- the ceilings set or referred to above have been determined taking into account the effect of the aforesaid share capital decrease and are independent from the ceilings set in the other resolutions that will be submitted to you during the meeting;
- the Board of Directors may not, without the prior authorisation of the general meeting, make use of the aforesaid 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.

Authorization 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 aforementioned (3rd resolution)

In the context of the Rights Issue and in the event that the subscriptions to this Rights Issue would exceed its total initial amount, the Company would like to have the option to

increase the size of this Rights Issue, within the limit of a maximum total amount equal to 115% of the total initial amount of the Rights Issue. The Company could therefore, in the event of over-subscription during the initial issue, increase the number of shares to be issued to meet the requests made by the shareholders (and/or assignees of PSR) on a reducible basis (*à titre réductible*).

This would allow the Company to raise additional funds, which would be fully allocated to the repayment in a proportional amount of its bank debt and would therefore reduce the amount of the outstanding financial debt even further.

We therefore propose to you to authorise the Board of Directors, for a period of 12 months, in the event of over-subscription during 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 decided for the initial issue and up to a maximum of 15% of the amount of the initial issue.

It is specified that the increase in the number of securities to be issued could only be used to serve the requests made by the shareholders (and/or the assignees of PSR) on a reducible basis (*à titre réductible*), at the time of the initial issue.

In case of implementation of the option to increase the number of shares to be issued, the ceiling of the total nominal amount of the Company's share capital increase (share premium excluded) resulting from the Rights Issue, thus, by 15% and would be accordingly increased from €40.5 M to €46.575 M (*i.e.* €465.750 M share premium included taking into account the subscription price of €1 per new share), it being specified that (i) this ceiling shall be reduced by the nominal amount of the Investors Reserved Issue (subject matter of the 5th resolution set out above) and (ii) this ceiling takes into account the effect of the share capital decrease proposed to you in the 1st resolution set out above.

The Board of Directors would receive full powers, with the right to sub-delegate, 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 new shares in favour of the shareholders of the Company, by way of incorporation of premiums into the share capital (4th resolution)

In the context of the contemplated financial restructuring, the Company would allocate for free to the existing shareholders free shares, at a ratio of three new free shares for every two shares held (the "**Free Shares**").

Such Free Shares would allow existing Company's shareholders to benefit from the speed-up in the Internet growth of SoLocal Group, which is the subject matter of the plan "Conquer 2018", and to limit their dilution in the context of the contemplated restructuring plan.

This issue and allocation of Free Shares would have the following characteristics:

- issue of a maximum number of 58.5 million Free Shares (on the basis of the number of existing shares as at 30 September 2016), it being specified that this ceiling would be increased, as the case may be, by the number of shares that would be issued between 30 September 2016 and the date of issue and allocation of the Free Shares (excluding the shares that would be issued under other delegations that are proposed to you);

- share capital increase resulting from the issue of Free Shares carried out by incorporation into the capital of a portion of the amounts on the “issuance premium” account equal to the nominal amount of the share capital increase, within the limit of a maximum amount of €5.85 M (subject to adjustments, as the case may be);
- free allocation of the Free Shares to all the Company's of the shareholders at the ratio of three (3) Free Shares for every two (2) Company's shares. The Free Shares would be allocated at the latest on the date of completion of the Rights Issue, it being specified that (i) the shares held by the Company would retain their rights to allocation of Free Shares, (ii) the shares that may possibly be issued pursuant to the Investors Reserved Issue (subject matter of the 5th resolution set out below) would not give right to the allocation of Free Shares and (iii) the shareholders would be responsible for purchasing or selling shares before the allocation of the Free Shares to avoid holding any fractional shares.

Finally, it will be proposed that you grant to the Board of Directors, with the right to sub-delegate, the necessary powers in order to implement the delegation granted and, in particular to decide on and effect the issue and the allocation, free of charges, of Free Shares in favour of the Company's shareholders.

It being specified that:

- this resolution may only be implemented after, and subject to, the prior completion of the share capital decrease proposed to you at the 1st resolution set out above;
- the ceilings set or referred to above have been determined taking into account the effect of the aforesaid share capital decrease and are independent from the ceilings referred to in the other resolutions that will be submitted to you during the meeting;
- the Board of Directors may not, without the prior authorization of the general meeting, make use of the aforesaid delegation as from the filing by a third party of a tender offer for the Company's securities and until the end of the offer period.

Delegation of authority to the Board of Directors to issue new shares, without shareholders' preferential rights and reserved to a category of persons meeting specific criteria (5th resolution)

In the context of the contemplated financial restructuring, the Company is actively seeking for new investors, who are likely to participate in the strengthening of its equity. As at the date of this report, the Company has not secured any potential investor but actively continues its search.

In this regard, the Revised Plan provides for the issue of new shares reserved to third party investors (who are not creditors of the Company) for a maximum nominal amount of € 3.5 M by issuing a maximum number of 35 million new Company's shares at a price of €1 per share (the “**Investors Reserved Issue**”).

The third party investors identified by the Company and willing to subscribe to this Investors Reserved Issue would have beforehand to irrevocably commit towards the Company (i) to subscribe to a reserved share capital increase and (ii) to participate in the Rights Issue (subject matter of the 2nd resolution set out above) by exercising on a non-reducible basis (*à titre irréductible*) the PSR attached to the shares they would

subscribe to pursuant to the Investors Reserved Issue. As a result, their participation would:

- reduce the amount of the Rights Issue proportionally to the amount subscribed pursuant to the Investors Reserved Issue; and
- increase the cash subscription rate of the Rights Issue, thus facilitating its implementation and reducing proportionally the backstop commitment of the Company's financial creditors.

As at the date of this report, the Investors Reserved Issue has been structured in the form of a share capital increase reserved to a category of persons meeting specific criteria (as defined below). Depending on the progress of discussions with third party investors that would be identified by the Company and that would irrevocably commit towards the Company to subscribe to the Investors Reserved Issue by the date of publication of the convening notice, this Investors Reserved Issue may be structured in the form of one or several share capital increases reserved to designated persons. The draft of the 5th resolution may thus be replaced or supplemented (in the latter case within the limits of the ceiling set and referred to below) in the convening notice.

We therefore propose that you grant a delegation of authority to the Board of Directors, for a period of 12 months, in order to decide the issue, without shareholders' preferential subscription right, of new shares reserved to investors.

This Investors Reserved Issue would have the following characteristics:

- the subscription price of the newly issued shares would be equal to €1 (*i.e.* nominal value of €0.10 and a premium of €0.90) (after taking into account the share capital decrease which is the subject matter of the 1st resolution);

This subscription price results from the discussions conducted within the last weeks between the Company, the association RegroupementPPLocal and the three creditors parties to the agreement on the Revised Plan. It shall be equal to the subscription price of the Rights Issue that is of €1, as further detailed in Annex 1;

- the total nominal amount of share capital increase of the Company to be carried out would not exceed €3.5 M corresponding to the issue of a maximum number of 35 million new shares, it being specified that the nominal amount of this Investors Reserved Issue would reduce the ceilings of the Rights Issue set by the 2nd and 3rd resolutions above;
- the subscription to the new shares would be paid in cash and the new shares would be paid-up in full upon subscription;
- the shareholders' preferential subscription right with respect to the issue of the new shares would be withdrawn and the subscription to all the new shares would be reserved to the following categories of persons meeting specific criteria within the meaning of Article L.225-138 of the French Commercial Code:
 - (i) qualified investors, within the meaning of Articles L.411-2, II, 2 and D.411-1 of the French Monetary and Financial Code, investing in companies and firms operating in the field of local digital communication, and
 - (ii) qualified investors, within the meaning of Articles L.411-2, II, 2 and D.411-1 of the French Monetary and Financial Code, meeting at least two out of the

three criteria set forth in Article D.533-11, 2 of the French Monetary and Financial Code, on the basis of individual financial statements, *i.e.*:

- the total balance sheet is equal to or greater than €20 M,
- the net turnover or the net revenues are equal to or greater than 40 million euros, and/or
- the net equity is equal to or greater than €2 M,

it being specified that such investors shall not include existing creditors of the Company.

Finally, it will be proposed that you grant to the Board of Directors, with the right to sub-delegate, the necessary powers in order to implement the delegation granted and, in particular, to decide on and effect the Investors Reserved Issue.

It being specified that:

- this resolution may only be implemented after, and subject to, the prior completion of the share capital decrease proposed to you at the 1st resolution set out above;
- the ceiling set or referred to above have been determined taking into account the effect of the aforesaid share capital decrease and are independent from the ceilings referred to in the other resolutions that will be submitted to you during the meeting;
- the Board of Directors may not, without the prior authorization of the general meeting, make use of the aforesaid delegation as from the filing by a third party of a tender offer for the Company's securities and until the end of the offer period.

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 (6th resolution)

In the context of the contemplated financial restructuring, a portion of the Company's financial debt would, as the case may be, be cancelled in return for the issue, reserved to the financial creditors, of mandatory convertible bonds (*obligations à option de conversion remboursables en actions*) (the "**MCB**").

The number of MCB to be issued in favour of the financial creditors would depend directly on the total amount of cash subscriptions raised by the Company in the context of the Rights Issue (subject matter of the 2nd resolution set out above) and the Investors Reserved Issue (subject matter of the 5th resolution set out above): the higher the total amount of cash subscriptions to the Rights Issue and to the Investors Reserved Issue is, the lower the number of MCB to be issued would be. Indeed, for an outstanding financial debt under the Credit Agreement of a total amount in principal of €1,164 M as at the date of the implementation of the restructuring plan:

- if the shareholders (or assignees of PSR) subscribe in cash to the Rights Issue and, as the case may be, to the Investors Reserved Issue, 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 assignee of PSR) subscribes in cash to the Rights Issue (and thus no Investors Reserved Issue occurs), 100 million MCB would be issued in favour of the financial creditors;
- if the shareholders (or assignees of PSR) subscribe in cash to the Rights Issue and, as the case may be, to the Investors Reserved Issue up to an amount greater than €0 but strictly lower than €300 M, the number of MCB to be issued would be calculated lineally and would be the result of the following formula: $100,000,000 - [\text{total amount of subscriptions in cash to the Rights Issue and, as the case may be, to the Investors Reserved Issue} / 3]$ (rounded up to the nearest unit).

It is specified that, in the event where, as at the date of implementation of the restructuring plan, the total amount in principal of the outstanding financial debt under the Credit Agreement is not equal to €1,164 M, the parameters of the calculation formula referred to above would be adjusted upwards or downwards in proportion to the gap between (i) the total amount of the outstanding financial debt (in principal) as at the date of implementation of the restructuring plan and (ii) €1,164 M.

We therefore propose that you grant a delegation of authority to the Board of Directors, for a period of 12 months, to decide to issue, without shareholders' preferential subscription right, MCB in favour of financial creditors.

The terms and conditions of these MCB would be those described in Annex 2 attached, in particular:

- the par value of each MCB would be €2;

This issue price of the MCB results from the discussions conducted with the creditors' group with whom an agreement in principle was reached on 1st August 2016. It is greater than the theoretical share price of equilibrium after completion of the financial restructuring and the subscription price to the Rights Issue (subject matter of the 2nd resolution), as further detailed in Annex 1;

- the maximum number of MCB issued would be 101 million;
- the MCB would be issued at par, in euros, they would not bear interest and would have a 5 year maturity;
- the shareholders' preferential subscription right with respect to the issue of the MCB would be withdrawn and the subscription of all the MCB would be reserved to the financial creditors, up to a portion of their receivables, said creditors constituting a category of persons meeting specific criteria within the meaning of Article L. 225-138 of the French Commercial Code;
- the MCB would 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 would 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;
- the MCB would be redeemable:

- (i) in full on the 5th anniversary of their issue date (i) either by delivery of 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.* €2; or
 - (ii) in full, at any time upon request of the majority of the holders of MCB (representing at least 50% of the then outstanding MCB on the date of request), by delivery of 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 all or a block of at least 100,000 of MCB that he/she/it owns, by delivery of 1 new share of the Company per MCB (subject to adjustments, as the case may be);
- accordingly, and subject to 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:
 - (i) the maximum total number of new shares that may be issued upon redemption of the MCB shall be 101 million;
 - (ii) the total nominal amount of share capital increase resulting from the redemption of the MCB shall not exceed €10.1 M (corresponding to 101 million shares with a par value of €0.10 each) (after taking into account the share capital decrease which is the subject matter of the 1st resolution).

Finally, it will be proposed that you grant to the Board of Directors, with the right to sub-delegate, the necessary powers to implement the delegation granted and, in particular, to decide on and effect, in one instalment, the issue of MCB without shareholders' subscription right.

It being specified that:

- this resolution may only be implemented after, and subject to the prior completion of the share capital decrease proposed to you at the 1st resolution set out above;
- the ceilings set or referred to above have been determined taking into account the effect of the aforesaid share capital decrease, and are independent from the ceilings referred to in the other resolutions that will be submitted to you during the meeting;
- the issue of MCB may only be carried out if (i) the Rights Issue which is the subject matter of the 2nd resolution set out above and (ii) the issue and the allocation of the Free Shares which is the subject matter of the 4th resolution set out above, have been completed;
- the Board of Directors may not, without the prior authorization of the general meeting, make use of the aforesaid delegation as from the filing by a third party of a tender offer for the Company's securities and until the end of the offering period.

Delegation of authority to the Board of Directors to issue new shares with warrants for shares attached (ABSA), without shareholders' preferential rights and reserved to a category of persons meeting specific criteria (7th resolution)

In the context of the contemplated financial restructuring, an issue, reserved to the financial creditors, of new shares with warrants for Company's shares attached (the "**ABSA**") (the "**Reserved Creditors Issue**") would aim at organising the conversion into capital of the remainder of the Company's financial debt further to the transactions referred to in the 2nd to 6th resolutions set out above, so that the Company's residual debt following the financial restructuring would be reduced to €400 M (or less in the event of over-subscription to the Rights Issue).

The main characteristics of the Reserved Creditors Issue would vary depending on the total amount of cash subscriptions (i) to the Rights Issue (subject matter of the 2nd resolution set out above) and (ii) to the Investors Reserved Issue (subject matter of the 5th resolution set out above). Indeed, the higher this amount is:

- the higher the subscription price per ABSA would be. In any event, it could not be lower than €2.14 per ABSA (or €2.12 in the event where the outstanding financial debt of the Company under the Credit Agreement would exceed €1,164 M as at the date of the implementation of the restructuring plan);
- the higher the total amount of the share capital increase (share premium included) resulting from the Reserved Creditors Issue would be. In any event, it could not be higher than €384 M (excluding share capital increase upon exercise of the creditors' Warrants);
- the higher the number of ABSA issued to financial creditors would be, without however exceeding 81 million, explaining why the ceiling of share capital increase (in nominal) resulting from the issue of the ABSA proposed in the draft of 7th resolution is €8.2 M.

Each ABSA issued would consist in one share and a number of warrants for shares (the "**creditors' Warrants**"), also calculated on the basis of the total amount of cash subscriptions (i) to the Rights Issue (subject matter of the 2nd resolution set out above) and (ii) to the Investors Reserved Issue (subject matter of the 5th resolution set out above). The higher this amount is, the lower the number of creditors' Warrants attached to each ABSA would be (no creditors' Warrants would be issued if the total amount of subscriptions reaches €250 M). In any event, the maximum total number of creditors' Warrants would be of 46 million.

The exercise period of these creditors' Warrants would be of 5 years. During that period, each creditors' Warrant would grant the right to subscribe to 1 new Company's share for a strike price of €2, this price resulting from the discussions conducted with the creditors' group with whom an agreement in principle was reached on 1st August 2016. Accordingly, the total number of shares that all the creditors' Warrants would grant the right to subscribe to could not exceed 46 million, and the total nominal amount of the Company's share capital increase resulting from the exercise of the creditors' Warrants could not exceed €4.6 M.

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

This Reserved Creditors Issue would have the following characteristics:

- for an outstanding financial debt under the Credit Agreement of a total amount in principal of €1,164 M, the total amount of the ABSA issue (issue premium included) shall 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 in principal of the outstanding debt under the Credit Agreement on the relevant date (referred to as "Y")

Less

(b) $X - €20 \text{ M}$ if X is greater than €20 M or zero if X is less than or equal to €20 M

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 M (corresponding to the amount of the anticipated residual debt for an amount "Y" equal to €1,164 M)

Less

(e) the nominal amount of the MCB possibly issued or to be issued pursuant to the 6th resolution

Less

(f) €75 M

Plus

(g) the portion of X exceeding €400 M (as the case may be)

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

Where "X" is equal to the sum of the cash subscriptions (excluding any subscription by set-off with receivables) raised by the Company in the context of (i) the Rights Issue (subject matter of the 2nd resolution set out above) and (ii) the Investors Reserved Issue (subject matter of the 5th resolution set out above).

It is specified that, in the event where, as at the date of implementation of the restructuring plan, the total amount in principal of the outstanding financial debt under the Credit Agreement is not equal to €1,164 M, the amount of €75 M referred to as A above, the amounts referred to in paragraphs (d) and (f) above and the amount of €400 M referred to in paragraph (g) above shall be adjusted upwards or downwards in proportion to the gap between (i) the total amount of the outstanding financial debt (in principal) as at the date of implementation of the restructuring plan and (ii) €1,164 M.

- the total nominal amount of the Company's share capital increase (share premium excluded) resulting from this issue (excluding the share capital increase resulting from the exercise of the creditors' Warrants) would be lower than or equal to €8.2 M;

- the subscription price of each ABSA would be equal to the result of the following formula (rounded down to the nearest euro cent):

$[A + B]$ divided by $[A + (B / 50)]$ (the amounts A and B being as the case may be adjusted as indicated above);

This subscription price could not be less than €2.14 per ABSA (€0.10 of par value and €2.04 of issue premium) (or €2.12 per ABSA (€0.10 of par value and €2.02 of issue premium)), in the event where, as at the date of implementation of the restructuring plan, the total amount in principal of the outstanding financial debt under the Credit Agreement would be greater than €1,164 M) (after taking into account and subject to the completion of the share capital decrease which is the subject matter of the 1st resolution);

The calculation formula of the subscription price referred to above, with a floor price of €2.14 (or, as the case may be, of €2.12) per ABSA, results from the discussions conducted with the creditors' group with whom an agreement in principle was reached on 1st August 2016. Regardless of the amounts A and B referred to above, the subscription price of the ABSA would necessarily be greater than the theoretical share price of equilibrium after completion of the financial restructuring and the subscription price to the Rights Issue (subject matter of the 2nd resolution), as further detailed in Annex 1;

- the shareholders' preferential subscription right with respect to the issue of the ABSA would be withdrawn and the subscription to all the ABSA would be reserved to the financial creditors, up to a portion of their receivables, said creditors constituting a category of persons meeting specific criteria within the meaning of Article L. 225-138 of the French Commercial Code;
- to each new share issued pursuant to this resolution would be attached a total number of creditors' Warrants that would be determined on the basis of the total amount "X" defined above pursuant to the following formula (for a total amount in principal of the outstanding financial debt under the Credit Agreement of €1,164 M as at the date of implementation of the restructuring plan):
 - (i) if X is greater than or equal to €250 M, the total number of creditors' Warrants attached to each share issued would be equal to zero (in which case no creditors' Warrant would be issued); or
 - (ii) if X is equal to zero, the total number of creditors' Warrants attached to each share issued is equal to 45 million divided by the total number of ABSA issued (the result of this division being rounded to the nearest tenth); or
 - (iii) if X is greater than zero and less than €250 M, the total number of creditors' Warrants attached to each share issued is the result of the following calculation formula:

$45,000,000 \times [1 - (X / 250,000,000)] / \text{the total number of ABSA issued}$
(the result of this division being rounded to the nearest tenth);

- each creditors' Warrant would have an exercise period of 5 years and would give right to subscribe to 1 new Company's share for a strike price of €2. This subscription price results from the discussions conducted with the creditors' group with whom an agreement in principle was reached on 1st August 2016; it has not been amended in the context of the discussions on the Revised Plan conducted within the last weeks;

- the total number of shares to which all the creditors' Warrants issued pursuant to this resolution shall give the right to subscribe would not exceed 46 million (subject to adjustments, as the case may be);
- the total nominal amount of additional Company's share capital increase resulting from the exercise of the creditors' Warrants would not exceed €4.6 M (subject to adjustments, as the case may be);
- the terms and conditions of the creditors' Warrants would be those described in Annex 3 attached.

Finally, it will be proposed that you grant to the Board of Directors, with the right to sub-delegate, the necessary powers to implement the delegation granted and, in particular, to decide on and effect the Reserved Creditors Issue.

It being specified that:

- this resolution may only be implemented after, and subject to the prior completion of the share capital decrease proposed to you at the 1st resolution set out above;
- the ceilings set or referred to above have been determined taking into account the effect of the aforesaid share capital decrease, and are independent from the ceilings referred to in the other resolutions that will be submitted to you during the meeting;
- the Reserved Creditors Issue may only be carried out if (i) the Rights Issue which is the subject matter of the 2nd resolution set out above and (ii) the issue and the allocation of the Free Shares which is the subject matter of the 4th resolution set out above, have been completed;
- 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; and
- the Board of Directors may not, without the prior authorization of the general meeting, make use of the aforesaid delegation as from the filing by a third party of a tender offer for the Company's securities and until the end of the offer period.

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 (8th resolution)

To comply with the legal obligation that applies when a share capital increase (or a delegation to proceed with a share capital increase) is submitted to the general meeting, we propose that you delegate to the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 26 months, your authority to decide to increase the share capital, in one or more instalments, at the time it will deem fit, by issuing shares reserved to the employees and former employees who are members of SoLocal Group's savings plan.

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 Articles L. 3332-18 *et seq.* of the French Labour Code) would be set at €50,000, corresponding to approximately 1% of the Company's share capital further to the achievement of the transactions referred to in the 1st, 2nd, 3rd, 4th and 7th resolutions presented above.

You will be asked to withdraw in favour of these employees and former employees the shareholders' preferential subscription right to the shares to be issued pursuant to this delegation.

We propose that the discount offered under the company savings plan be set 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.

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

The Board of Directors specifies that, to date, it has no project of share capital increase reserved to employees.

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

Pursuant to the provisions of 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 beginning of the current financial year.

General presentation

As European leader in local digital communications, SoLocal Group identifies local expertise and stimulates companies' local activity. 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 Internet revenues of €322 M, representing 79% of the Group's consolidated revenues.

SoLocal Group's Internet activities are now centered 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 experienced rapid growth (9% in the first six-month period of 2016 compared to the first six-month period of 2015). They include websites and content, local programming and transactional services. We innovated on 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 at 30 June 2016 and 30 June 2015

SoLocal Group (in million euros)	Continued activities						Change recurring 2016/2015
	As at 30 June 2016			As at 30 June 2015			
	Total	Recurring	Non recurring	Total	Recurring	Non recurring	
Revenues	404.7	404.7	-	446.2	446.2	-	-9.3%
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%
Recurring EBITDA	111.6	111.6	-	138.8	138.8	-	-19.6%
<i>As % of revenues</i>	<i>27.6%</i>	<i>27.6%</i>	-	<i>31.1%</i>	<i>31.1%</i>	-	
Non recurring items	(2.0)	-	(2.0)	(2.3)	-	(2.3)	-
EBITDA	109.5	111.6	(2.0)	136.5	138.8	(2.3)	-19.6%
<i>As % of revenues</i>	<i>27.1%</i>	<i>27.6%</i>	-	<i>30.6%</i>	<i>31.1%</i>	-	
Depreciation and amortisation	(28.8)	(28.8)	-	(21.8)	(21.8)	-	32.1%
Operating income	80.7	82.8	(2.0)	114.7	116.9	(2.3)	-29.2%
<i>As % of revenues</i>	<i>19.9%</i>	<i>20.5%</i>	-	<i>25.7%</i>	<i>26.2%</i>	-	
Financial income	0.7	0.7	-	1.0	1.0	-	-30.0%
Financial expenses	(37.6)	(37.6)	-	(44.0)	(44.0)	-	-14.5%
Net financial expense	(36.9)	(36.9)	-	(42.9)	(42.9)	-	-14.0%
Share of profit or loss of an associate	-	-	-	0.1	0.1	-	-100%

Income before tax	43.9	45.9	(2.0)	71.9	74.1	(2.3)	-38.1%
Corporate income tax	(18.7)	(19.4)	0.7	(30.2)	(31.1)	0.9	-37.6%
Income for the period	25.2	26.5	(1.3)	41.6	43.0	(1.4)	-38.4%

Consolidated revenues were €405 M in the first six-month period of 2016, down 9% compared to 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 revenues) decreased by 1% compared to 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 increased by 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: + 3% in the first six-month period of 2016 compared to the first six-month period of 2015, a return to the historic trend.
 - Total customers: - 6% in the first six-month period of 2016 compared to 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: + 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 (decrease by 5% in the Digital Marketing revenues), as a result of the non-recurring impact of the revamping of website offerings in Q2 2015.
- Print & Voice 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 compared to H1 2015, and total orders are again on the rise.

Recurring EBITDA totalled €112 M in the first six-month period of 2016, has decreased by 20% compared to the first six-month period of 2015, mainly due to the decline in Print & Voice EBITDA.

EBITDA / revenue margin was at 28% in the first six-month period of 2016, has decreased by 3 points compared to the first six-month period of 2015, due to the decline in revenues (-9%), which was only partially offset by a 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	Continued activities
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(in million euros)	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%
Revenues	404.7	446.2	-9.3%
<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%
Recurring EBITDA	111.6	138.8	-19.6%
<i>As % of revenues</i>			
<i>Internet</i>	<i>27.8%</i>	<i>30.4%</i>	
<i>Print & 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	Continued activities						Change recurring 2016/2015
	As at 30 June 2016			As at 30 June 2015			
(in million euros)	Total	Recurring	Non recurring	Total	Recurring	Non recurring	
Operating income	80.7	82.8	(2.0)	114.7	116.9	(2.3)	-29.2%
Financial income	0.7	0.7	-	1.0	1.0	-	-30.0%
Financial expenses	(37.6)	(37.6)	-	(44.0)	(44.0)	-	-14.5%
Net financial expense	(36.9)	(36.9)	-	(42.9)	(42.9)	-	-14.0%
Share of profit or loss of an associate	-	-	-	0.1	0.1	-	-100.0%
Income before tax	43.9	45.9	(2.0)	71.9	74.1	(2.3)	-38.1%
<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>
Income for the period	25.2	26.5	(1.3)	41.6	43.0	(1.4)	-38.4%

The Group's net financial charges represented -€36.9 M as at 30 June 2016, *i.e.* a decrease by 14.0%, mainly due to the September 2015 maturity of hedging instruments.

The corporate income tax charge was at -€19.4 M as at 30 June 2016, *i.e.* a decrease by 37.6% compared to 30 June 2015, in line with pre-tax income.

Recurring income totalled €26.5 M as at 30 June 2016, *i.e.* a decrease by 38.4% compared to recurring income from continued activities as at 30 June 2015.

Net income from divested activities was equal to 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, *i.e.* a decrease by 39.4% compared to 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 by 0% to + 2% in 2016, compared to 2015
 - EBITDA / revenue margin \geq 28%¹

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.

- The Group has drawn up for several months, under the aegis of a *mandataire ad hoc*, a restructuring plan of its financial debt, aiming at allowing the Group to find margins for financial manoeuvre to resume its Internet business provided for in its “Conquer 2018” with long-term and steady growth.

A project of financial restructuring plan, resulting from discussions between the Company and a group of creditors with whom an agreement in principle was reached on 1 August 2016, has been approved by the Company’s creditors on 12 October 2016 but rejected by its shareholders during the combined general meeting held on 19 October 2016.

New discussions have taken place between the different stakeholders. Such discussions have resulted in the unanimous adoption by the Company’s Board of Directors, the association RegroupementPPLocal and a group of three creditors, representing approximately 37% of the outstanding financial debt, of a revised financial restructuring plan, announced on 3 November 2016, that contains improvements for the Company and its shareholders compared to the initial plan.

This revised financial restructuring plan, the terms of which are described in detail in this report, will be submitted to the approval of (i) the Company’s financial creditors’ committee, (ii) the shareholders at the extraordinary shareholders’ meeting convened for 15 December 2016, and (iii) the Commercial Court of Nanterre. In the event that the contemplated restructuring measures would not be approved or would not succeed *in fine*, SoLocal Group might no longer be capable of realising its assets and of paying off its debts in the normal course of its business.

- As previously announced, the Company has breached its leverage bank covenant as at 30 June 2016 and may not comply with such covenant as at 30 September 2016. This gives creditors acting by a majority of two-thirds (excluding Facility C1 Loan) the ability to vote, at any time (subject to mandatory provisions of the French Commercial Code) for the automatic acceleration of the Company’s entire financial debt, *i.e.* €1,164 M (as at 30 June 2016, excluding debt held by the Company).

To date, the Company has no grounds for considering that creditors intend to exercise this option in the short or medium term. It is specified in this respect that the three creditors that are parties to the agreement on the revised restructuring plan, and representing approximately 37% of the outstanding financial debt of the Company, have agreed, under the resolutive condition of the absence of adoption of this revised plan, to waive their right to vote for the automatic acceleration of the Company’s financial debt for breach of the leverage bank covenant as at 30 June 2016 and, as the case may be, as at 30 September 2016.

The approval of the revised financial restructuring plan would extinguish the consequences of this breach of covenant.

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

- Besides, the Company has obtained from the President of the Commercial Court of Nanterre the opening of a conciliation procedure. Ms. H el ene Bourbouloux has been appointed as conciliator for a four-month-term, which may be renewed for one month.

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.

III. Amendment to the by-laws

Amendment to article 12 of the by-laws relating to the Board of Directors (9th resolution)

We propose amending Article 12 of the by-laws in order to allow the possibility for the Board of Directors to appoint one or several censors. Accordingly, it would be inserted at the end of article 12 of the by-laws a paragraph reading as follows:

"The Board of Directors may appoint one or several censors who shall participate in the meetings of the Board of Directors and be convened to such meetings, under the same conditions as the members of the Board of Directors. However, the censors shall not have any voting right and, in this respect, shall not participate in the vote of the decisions of the Board of Directors. The censors shall have the right to the same information as the members of the Board of Directors and shall be bound by the same confidentiality obligations. The censors may be natural or legal persons. The censor legal person is represented by its legal representative, except if, at the time of its appointment or at any time during its mandate, it appoints a person specifically designated to represent it as a permanent representative."

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The Board of Directors invites you to adopt the resolutions it has submitted to your vote.

Made in Boulogne-Billancourt, on 3 November 2016

The Board of Directors

Annex 1 – Price of the contemplated securities issues

The prices that have been defined for the contemplated securities issues in the context of the plan of financial restructuring result (i) from the discussions conducted with the creditors' group with whom an agreement in principle was reached on 1st August 2016, that have resulted in the Initial Plan, then, (ii) following the rejection of such Initial Plan during the combined general meeting held on 19 October 2016, from discussions conducted with the association RegroupementPPLocal and a group of three creditors, representing approximatively 37% of the outstanding financial debt, that have resulted in the Revised Plan announced on 3 November 2016.

This Revised Plan allows reducing the Company's gross indebtedness by approximatively €800 M – from €1,200 M prior to the financial restructuring to €400 M after completion of the financial restructuring – thanks to several share capital increases amongst which the two reserved share capital increases (the Investors Reserved Issue and the Creditors Reserved Issue) and the issue of the MCB.

In addition, this Revised Plan allows the existing shareholders to retain²:

- in case of non-reinvesting: between 14.4% and 16.8% of the Company's share capital, depending on the total amount raised in cash;
- in case they reinvest of €100 M: between 30.7% and 34.1% of the Company's share capital;
- in case they reinvest of €200 M: between 48.7% and 51.4% of the Company's share capital.

The prices of the Investors Reserved Issue, the Creditors Reserved Issue and the issue of the MCB may be assessed based on the share price of the Company, criterion usually retained for the valuation of companies.

The Company's share price has decreased by 75% since mid-2015 and the failure of the refinancing of the Company's bonds. It was equal to €3.39 on 29 July 2016, the day before the announcement of the Initial Plan and is equal to approximatively €[3.162] today. However, the current share price, thus prior to the financial restructuring, is not a relevant criterion to assess the prices of the contemplated issues given the Company's situation. Indeed:

- the Company's share capital would be deeply modified in the context of the implementation of the Revised Plan, with the creation of a number of new shares representing between 15 and 18 times the number of existing shares; and
- the Company's debts are traded on the markets with a significant discount on their nominal value, leading theoretically to a null market value of the equity (the value of the Company's consolidated equity being in addition negative up to (€1,310 M) as at 30 June 2016).

The theoretical share price of equilibrium after completion of the financial restructuring appears however as a relevant criterion to assess the prices of the contemplated issues. This share price may be fixed depending on (i) the total amount "X" of cash subscriptions that would be collected by the Company and (ii) the retained enterprise value³.

² Considering the MCB on an entirely diluted basis, but excluding the exercise of the creditors' Warrants as long as the share price is less than €2 per share.

³ For a determined amount of debts on a gross basis (€400 M) and on a net basis (€292 M) after completion of the restructuring and assuming that the Company's cash held off balance sheet would amount to €90 M after completion of the financial restructuring.

Assuming that the enterprise value after completion of the financial restructuring is of approximately €1,400 M (*i.e.* 6 times the EBITDA 2018), the theoretical share price of equilibrium of the Company after completion of the financial restructuring varies as follows, depending on the total amount X of cash subscriptions collected by the Company (the “**Theoretical Share Price**”):

Amount raised in cash	0	€100 M	€200 M	€300 M	€400 M
Pro forma number of shares ⁴	674 M	642 M	610 M	578 M	578 M
Theoretical Share Price	€1.63	€1.71	€1.80	€1.90	€1.90

A. Subscription price to the share capital increase reserved to investors subscribed to in cash (Investors Reserved Issue, 5th resolution)

The subscription price of the Investors Reserved Issue would be of €1, *i.e.*:

- a price of less than 39% to 47% of the Theoretical Share Price;
- the same price as the price that would be proposed to existing shareholders in the context of the Rights Issue.

The Initial Plan did not provide for the option for third parties to enter into the Company’s share capital via a reserved share capital increase implemented prior to the Rights Issue. This option has been introduced in the Revised Plan. Indeed, one of the criticism raised by the existing shareholders on the Initial Plan was that they would not have been able to subscribe to all of the €400 M targeted in the context of the Rights Issue and that it would have been preferable to allow new investors to enter into the Company’s share capital thereby reducing the portion of the Rights Issue subscribed to by the creditors.

The participation of new investors in the financial restructuring plan would be beneficial for shareholders that may not be able to or that may only be able to lowly subscribe to the Rights Issue, but also for all the Company’s existing shareholders. By securing a minimum level of cash subscriptions, it allows to truly improve the visibility of small shareholders regarding the number of shares comprising the share capital after completion of the financial restructuring (after taking into account the issue of the MCB and of the creditors’ Warrants, as the case may be) and the Theoretical Share Price:

- if the total amount X of cash subscriptions is greater than €250 M, no creditors’ Warrant would be issued;
- if the total amount X of cash subscriptions is greater than €300 M, no MCB would be issued;

In addition, the third party investors, as the case may be, would not benefit from the allocation of 3 Free Shares for every 2 shares held, contrary to existing shareholders. This allocation of Free Shares represents a certain value that results in an effective subscription price of the Rights Issue for existing shareholders much lower than the par value (€1) to which would subscribe the third party investors, as set out below:

Amount raised in cash	€200 M	€300 M	€400 M

⁴ Considering the MCB on an entirely diluted basis, but excluding the exercise of the creditors’ Warrants as long as the share price is less than €2 per share.

<i>amongst whom new investors – hypothesis</i>	€100 M	€200 M	€200 M
<i>amongst whom existing shareholders – hypothesis</i>	€100 M	€100 M	€200 M
Number of Free Shares allocated to existing shareholders	58 M	58 M	58 M
Theoretical Share Price	€1.80	€1.90	€1.90
Value of the Free Shares allocated to existing shareholders (X)	€105 M	€111 M	€111 M

Number of shares subscribed to by the existing shareholders in the context of the Rights Issue (Y)	100 M	100 M	200 M
Proposed value / share (Z) = (X) / (Y)	€1.05	€1.11	€0.55
Resulting effective subscription price of a share in the context of the Rights Issue for an existing shareholder (T) = 1.00 € - (Z)	(€0.05)	(€0.11)	€0.45

In order to attract new investors it seems necessary given the current situation of the Company to propose a subscription price equal to that of the issue with PSR. To be noted that such investors would have beforehand to irrevocably commit towards the Company to participate in the Rights Issue by exercising on a non-reducible basis (*à titre irréductible*) the PSR attached to the shares they would subscribe to pursuant to the Investors Reserved Issue.

B. Subscription price of the share capital increase reserved to creditors (shares and creditors' Warrants) subscribed to by way of set-off with receivables (Creditors Reserved Issue, 7th resolution)

The price results from the numerous negotiations with creditors within the last months and must be assessed in light of the restructuring in its globality.

The subscription price of the Creditors Reserved Issue depends on the amount raised in cash in the context of the Investors Reserved Issue and the Rights Issue, used almost entirely to partially repay the indebtedness.

Therefore, the greater the amount of the funds raised in the context of the Investors Reserved Issue and the rights Issue for the repayment of the debt in cash is, the higher the subscription price of the Rights Issue would be, as set out below. In any case, it is greater than the Theoretical Share Price and the subscription price of the Rights Issue; in addition, the strike price of the creditors' Warrants of €2 is greater than the subscription price of the Rights Issue:

Amount Raised in cash	0	€100 M	€200 M	€300 M	€400 M
Price of the Creditors Reserved Issue by way of set-off with receivables	€2.14	€3.19	€3.97	€4.73	€4.73
Theoretical Share Price	€1.63	€1.71	€1.80	€1.90	€1.90

Premium compared to the Theoretical Share Price	31%	86%	121%	149%	149%
Price of the Rights Issue	€1	€1	€1	€1	€1
Premium compared to the Rights Issue	114%	219%	297%	373%	373%

C. Subscription price of the MCB issued in favour of creditors (6th resolution)

The price also results from the negotiations with creditors within the last months and must be similarly assessed in light of the restructuring in its globality.

The subscription of the MCB issued in favour of creditors is of €2, *i.e.* their nominal value. This price is greater than the Theoretical Share Price and the subscription price of the Rights Issue:

Amount raised in cash	0	100 M€	200 M€	300 M€	400 M€
Quantum of MCB issued	€200 M	€133 M	€67 M	0	0
Subscription price of the MCB	€2	€2	€2	n.a.	n.a.

Theoretical Share Price	€1.63	€1.71	€1.80	€1.90	€1.90
Premium compared to the Theoretical Share Price	23%	17%	11%	n.a.	n.a.

Price of the Rights Issue	€1	€1	€1	€1	€1
Premium compared to the price of the Rights Issue	100%	100%	100%	n.a.	n.a.

The creditors' Warrants have a strike price of €2, same as the subscription price of the MCB.

Annex 2 – Terms and conditions of the MCB

The terms and conditions of MCB shall be the following:

- the par value of each MCB would be €2;
- the maximum number of MCB issued would be of 101,000,000;
- MCB would be issued at par, in euros, bearing no interest and with maturity of 5 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 shareholders' preferential right for the issuance of MCB would be withdrawn and the subscription of all MCB reserved in favour of financial creditors, up to a portion of their receivables, with said creditors constituting a category of persons meeting specific criteria within the meaning of Article L. 225-138 of the French Commercial Code;
- concerning the subordination ranking of the MCB:
 - (i) the MCB would 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 would 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) the Company's obligation to repay the principal and other amounts in respect of the MCB would neither be 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 would 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 would 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 Company's shares;
- MCB would be redeemed:
 - (i) in their entirety, on the 5th anniversary of their issuance (i) either by allotment of one (1) new Company share per MCB (subject to applicable adjustments),

- (ii) or, at the Company's discretion, by payment of an amount per MCB corresponding to the par value of one MCB, *i.e.* €2; or
- (ii) in their entirety, at any time by request of the majority of holders of MCB (representing at least 50% of the then outstanding MCB on the date of request), through the issuance of one (1) new Company share per MCB (subject to any applicable adjustments); or
- (iii) at any time upon request of any holders of MCB, up to all or a block of at least 100,000 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);
- 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 would be set at 101,000,000 (subject to any applicable adjustments);
 - (ii) the total par value of the capital increase resulting from a redemption of MCB could not exceed 10,100,000 euros (corresponding to 101 million shares with par value of €0.10 each) (given the capital reduction which is the subject matter of the 1st resolution set out above);
- 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 would be 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 would be 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 kind

which 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 would be 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 would be 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 would be 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 would be 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.

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

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

Value of the shares after detachment of the warrant

For the calculation of this ratio:

- o the value of the share after detachment of the warrant would be 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;
 - o the value of the warrant would 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.
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 redemption ratio would

be 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**

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 MCB exercising their MCB would be increased accordingly.
4. In the event of a distribution of reserves or premiums in cash or in kind (portfolio securities, etc.), the new redemption ratio would be 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:

- o the value of the share before allotment would be 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;
- o 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 would be 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 would be 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 would be 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 would be 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:

- o the value of the share ex-right to free allocation would be 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;
- o the value of the free allocation right would be 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:

- o the value of the Share ex-right to free allocation would be determined as indicated in paragraph (a) above;
- o 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 would be 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 would be 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 would be exchangeable for shares of the surviving or new company or of the beneficiary companies of the demerger.

The new redemption ratio would be 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 would be 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 would be determined by multiplying the redemption ratio in effect prior to the commencement of the repurchase by the following ratio:

$$\text{Share value} \times (1 - P\%)$$

$$\text{Share value} - P\% \times \text{Repurchase price}$$

For the calculation of this ratio:

- Share value would be 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);
 - P% 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 would be determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

$$\text{Value of the share before redemption}$$

$$\text{Value of the share before redemption} - \text{Amount of redemption per share}$$

For the calculation of this ratio, the value of the share before redemption would be 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 would be 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 would be 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 would 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 would be 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, would be 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 would be 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 would be 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 would be 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 would be 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 would be 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 would 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 would 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 would 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 would be given the whole number of Company's shares 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 would be grouped into a body, which benefits from legal personality;
 - (ii) A general meeting of Holders of MCB would be 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 would carry the right to one vote. The general meeting of holders of MCB could 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 would only be 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 would 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 would 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 could be freely traded and to that end would 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 would 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:

- the creditors' Warrants would mature at 5 years;
- each creditors' Warrant would confer the right to subscribe for one (1) new Company share in return for an exercise price of €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 1st resolution set out above), 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 46,000,000;
- 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 €4,600,000. This limit would be 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 would be 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 could 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 would be 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 would be 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 would be 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 would be 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 would be 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 would be 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:

- o the value of the share after detachment of the warrant would be 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;
- o the value of the warrant would 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 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 would be 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 would be 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 would be 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:

- o the value of the share before allotment would be 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;
- o 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 would be 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 would be 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 would be 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 would be 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 would be 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 would be 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 would be 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 would be 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 would be 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 would be exchangeable for shares of the surviving or new company or of the beneficiary companies of the demerger.

The new exercise ratio would be 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 would be 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 would be determined by multiplying the exercise ratio in effect prior to the commencement of the repurchase by the following ratio:

$$\text{Share value} \times (1 - \text{Pc}\%)$$

$$\text{Share value} - \text{Pc}\% \times \text{Repurchase price}$$

For the calculation of this ratio:

- Share value would be 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 would be 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 would be 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 would be 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:

- o the value of the share before the change would be 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;
- o the reduction per share in the rights to profits would 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 would be 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, would be 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 would be 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 would be 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 would be 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 would be 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 would be 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 would be 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 would be grouped into a body, which would benefit from legal personality and which would be 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, would 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 would receive annual remuneration while the creditors' Warrants remain in circulation;

- (iii) The Company would 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 would 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 would 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 would be 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 would be issued on exercise of the creditors' Warrants would carry dividend rights and, as from the time of their creation, would be fully comparable to the existing shares and subject to all the provisions of the by-laws 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 would be 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 would be entitled to suspend exercise of the creditors' Warrants for a period not exceeding three months or any other period fixed by the applicable regulations.