

# FNAC DARTY

---



## NOTIFICATION & INFORMATION BROCHURE

# 2017

**GROUPE FNAC  
COMBINED GENERAL MEETING**


Wednesday, May 24, 2017 at 4:30 p.m.

Les Docks de Paris EUROSITES  
Bâtiment 139 – Dock Haussmann  
50, avenue du Président-Wilson  
93210 La Plaine Saint-Denis



**Find all our publications**  
on the website [www.fnacdarty.com](http://www.fnacdarty.com)

# Contents

|  |           |
|--|-----------|
| <br><b>How to participate in the General Meeting</b>  | <b>2</b>  |
| <br><b>Brief overview of Group activities</b>   | <b>6</b>  |
| <br><b>Current composition of the Board of Directors</b>  | <b>11</b> |
| <br><b>Agenda of the Combined Ordinary and Extraordinary General Meeting of May 24, 2017</b>                                      | <b>15</b> |
| <br><b>Resolutions to be submitted to the Combined Ordinary and Extraordinary General Meeting of May 24, 2017, and objectives</b> | <b>16</b> |
| <br><b>Statutory Auditors' Reports and Independent Third Party's Report</b>   | <b>42</b> |
| <br><b>Request for documents and information</b>  | <b>55</b> |

# HOW TO PARTICIPATE IN THE GENERAL MEETING

## WHAT CONDITIONS MUST BE FULFILLED TO PARTICIPATE IN THE GENERAL MEETING?

All shareholders, regardless of the number of shares they hold, have the right to participate in the General Meeting. To do so, they must demonstrate ownership of their shares, which must be registered in the securities account in their name, whether they are in registered or bearer form, as of the second business day before the General Meeting; (at 0:00 a.m. Monday, May 22, 2017, Paris time) (hereinafter, "D-2").

As a result:

- **for registered shareholders**, the registration of their shares in the Company register (managed by CACEIS Corporate Trust, depository of the register of shareholders and central organizer of the General Meeting appointed by the Company) by D-2 is sufficient; **no other procedure** is necessary;
- **for bearer shareholders**, institutions holding bearer shares ("financial intermediaries") shall provide evidence of the shareholder status of their clients directly to CACEIS Corporate Trust (appointed by the Company) by producing a **shareholding certificate** that they attach to the single voting form or the request for an admission card.

## SHOULD YOU WISH TO EXERCISE YOUR RIGHT TO VOTE

You have four options:

- 1 **personally attend** the General Meeting;
- 2 **vote by mail**;
- 3 **give proxy to the Chairman** of the General Meeting;
- 4 **give proxy to a third party** (any person of your choice).

In all cases, you must fill out, date and sign the attached single voting form and send it to CACEIS Corporate Trust, or for shareholders with bearer shares, to your financial intermediary. Mailed voting forms must be received no later than Sunday, May 21, 2017.

- Shareholders with **registered** shares may use the prepaid envelope that was provided along with the single voting form or, in its absence, send the form by mail (at the current postal rate) to CACEIS Corporate Trust – Service Assemblées Générales Centralisées 14, rue Rouget-de-Lisle – 92862 Issy-les-Moulineaux Cedex 9, France.
- Shareholders with **bearer** shares must obtain the single voting form from their financial intermediary and return it to their intermediary by mail (at the current postal rate). The intermediary will forward the single voting form, accompanied by the shareholding certificate that they will have previously drawn up.
- Shareholders can also download the single voting form by mail or by proxy which can be found at Company's website (<http://www.fnacdarty.com>).

Shareholders who have already voted by mail, sent a proxy or requested an admission card or a shareholding certificate can no longer choose another mode of participation. They may however transfer all or part of their shares.

However, if the share transfer takes place before the second business day prior to the meeting (before 0:00 a.m. Monday, May 22, 2017 Paris time) the Company will consequently invalidate or modify, as applicable, the vote sent by mail, the proxy, the

admission card or the shareholding certificate. To this end, the financial intermediary shall give notice of the share transfer to the Company or to CACEIS and send to CACEIS the necessary information.

No share transfer after Monday, May 22, 2017 at midnight Paris time shall be reported by the financial intermediary or taken into consideration by the Company whatever the means used, notwithstanding any agreement to the contrary.

## YOU WISH TO ATTEND THE GENERAL MEETING PERSONALLY

### If you hold REGISTERED shares,

you may:

- request an admission card giving you faster access to the meeting room by checking box A and returning the single voting form in the prepaid envelope that was sent to you;
- or present yourself directly at the counter specially provided for the purpose with an identification document.

If you not have received your admission card by Thursday, May 18, 2017 at the latest, you may contact CACEIS Corporate Trust from Monday to Friday, 8:30 a.m. to 6:00 p.m. (Paris time) at: 00 33 (0)1 57 78 34 44 or by e-mail ([ct-contact@caceis.com](mailto:ct-contact@caceis.com)) for any information regarding processing.

### If you hold BEARER shares,

you must **request an admission card**, which is essential for admission to the meeting:

- by checking box A in the upper part of the single voting form;
- by returning this form as soon as possible to the financial intermediary managing your securities account, who will forward your request accompanied by a shareholding certificate.

In any event, if you have not received your admission card by Thursday, May 18, 2017, at the latest, you should request your financial intermediary to issue you a shareholding certificate that will enable you to demonstrate your shareholder status as of D-2 in order to be admitted to the General Meeting.

### Directions to the meeting

Les Docks de Paris – EUROSITES  
Building 139 – Dock Haussmann  
50, avenue du Président-Wilson –  
93210 La Plaine Saint-Denis

#### By car:

“Périphérique”: Porte de la Chapelle exit  
Car park: on site, 900 spaces

#### Metro:

Line 12 – Front Populaire Stop

#### RER:

Line RER B – La Plaine/Stade de France Stop  
Line RER D – Stop Stade de France/Saint-Denis

#### Bus:

Bus 239 – Netsquare Stop

## YOU DO NOT WISH TO ATTEND THE GENERAL MEETING IN PERSON

If not personally attending the General Meeting, you may choose one among the following formulas:

- 1 vote by mail:** check the box “vote by post” of the individual form and, where applicable, shade the boxes corresponding to the resolutions you do not approve of;
- 2 give proxy to the Chairman of the General Meeting:** check the box “I hereby give proxy to the Chairman of the General Meeting” in the individual form. In this case, the Chairman will vote in favor of the draft resolutions and amendments presented or agreed to by the Board of Directors, or against them if the Board of Directors does not approve the draft resolutions and/or amendments;
- 3 give proxy to a third party (any person of your choice):** check the box “I hereby appoint” in the individual form and indicate the name and address of the person you authorize to attend the General Meeting and vote on your behalf. (Authorizations are revoked under the same formal conditions as those used to grant them.)

In accordance with the provisions of Article R. 225-79 of the French Commercial Code, notice of the appointment and revocation of a proxy may likewise be given electronically as follows:

- **for registered shareholders:** by e-mail, subject to a reliable identification process guaranteeing its link to the absentee voting form, to the following address:

[ct-mandataires-assemblees@caceis.com](mailto:ct-mandataires-assemblees@caceis.com), specifying their first and last name, address and CACEIS Corporate Trust ID for direct registered shareholders (information available on the upper left side of their securities account statements) or, for managed registered shareholders, their financial intermediary's ID, along with the surname and name of the proxy appointed or revoked;

- **for bearer shareholders:** by e-mail, subject to a reliable identification process guaranteeing its link to the absentee voting form, to the following address: [ct-mandataires-assemblees@caceis.com](mailto:ct-mandataires-assemblees@caceis.com), specifying their first and last name, address and complete bank details along with the surname and name of the proxy appointed or revoked, and then requesting the financial intermediary to send a written confirmation (by mail) to CACEIS Corporate Trust – Service Assemblées Générales Centralisées 14, rue Rouget-de-Lisle – 92862 Issy-les-Moulineaux Cedex 9, France (or by fax to 00 33 (0)1 49 08 05 82).

For the bearer shareholders, no matter which mode of participation, a shareholding certificate should be sent to CACEIS Corporate Trust by D-2.

In accordance with the law, all the documents that must be presented to this General Meeting are available to shareholders at the Groupe Fnac registered office and on the Company's website [www.fnacdarty.com](http://www.fnacdarty.com). They can also be sent on request from CACEIS Corporate Trust (see attached form).



## How to complete the form

### STEP I

#### STATE HOW YOU WANT TO PARTICIPATE

- **IF YOU WANT TO ATTEND THE MEETING:** check box **A** to receive your admission card; then date and sign the lower part of the form.
- **IF YOU WON'T BE ATTENDING THE MEETING:** choose absentee voting method **1**, **2** or **3** below.

#### 1 TO VOTE BY POST:

Check here; then date and sign the lower part of the form

- Vote YES to a resolution by leaving the box of that resolution number empty.
- Vote NO to a resolution or abstain from voting by shading the box of that resolution number.

#### 2 TO GIVE PROXY TO THE CHAIRMAN OF THE GENERAL MEETING:

Check here; then date and sign the lower part of the form.

#### 3 TO GIVE PROXY TO A THIRD PARTY (ANY INDIVIDUAL OR LEGAL PERSON OF YOUR CHOICE) TO REPRESENT YOU AT THE MEETING:

Check here, write the address of that person, then date and sign the lower part of the form.

**IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**  
**Quelle que soit l'option choisie, noircir comme ceci la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this, date and sign at the bottom of the form**  
**A.  Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.**  
**B.  J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.**

#### GROUPE FNAC

Société anonyme au capital de 26 374 120 €  
 Siège social : 9, rue des Bateaux-Lavois, ZAC Port d'Ivry  
 94200 Ivry-sur-Seine  
 055 800 286 R.C.S. CRETEIL

#### CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY

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

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

Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.

I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this, for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci la case correspondant à mon choix.

On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this.

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

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

Cf. au verso (3)

I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING

See reverse (3)

#### 3 JE DONNE POUVOIR À : Cf. au verso (4)

I HEREBY APPOINT: See reverse (4)

M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name

Adresse / Address

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

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

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

Pour être prise en considération, toute formule doit parvenir au plus tard :  
 In order to be considered, this completed form must be returned at the latest:

sur 1<sup>ère</sup> convocation / on 1st notification sur 2<sup>ème</sup> convocation / on 2nd notification

à la banque / to the bank  
 à la société / to the company

Date & Signature

### STEP III

Whatever you choose, date and sign here.

### STEP II

ENTER HERE your surname and address or check that they are already shown.



## IF YOU WANT TO ASK A QUESTION

During the General Meeting, you will have the chance to ask questions during the Q&A session that precedes voting on the resolutions.

You may likewise send in your **written questions** prior to the meeting, addressed to the Chairman of the Board of Directors, **at the latest**, on the fourth business day before the date of the General Meeting; i.e., Thursday, May 18, 2017:

- by certified mail with confirmation of receipt, to:

Groupe Fnac, 9, rue des Bateaux-Lavois, ZAC Port d'Ivry, 94200 Ivry-sur-Seine; or

- by e-mail to: [actionnaires@fnacdarty.com](mailto:actionnaires@fnacdarty.com).

Written questions must be accompanied by a shareholding certificate.

# BRIEF OVERVIEW OF GROUP ACTIVITIES

Commenting on Fnac Darty annual results for 2016, Chairman and Chief Executive Officer Alexandre Bompard said: “Fnac Darty’s 2016 results are very solid with strong growth. All indicators are healthy. The strength of our business model and the robustness of our financial position are essential assets as the new group begins

its history. These results are all the more satisfying due to the rapid and effective integration of Fnac and Darty, as can be seen in the new objective to establish synergies one year ahead of schedule. Thanks to the contribution of the Fnac Darty teams, 2016 results are a guarantee of confidence and serenity for the Group’s future.”

## Key figures

| (€ million)  | 2015  | 2016  | Change |
|--|-------|-------|--------|
| Pro-forma revenues <sup>(a)</sup>  | 7,278 | 7,418 | 1.9%   |
| <i>Change on a comparable basis and at constant exchange rates</i>                   |       |       | 2.0%   |
| Pro-forma current operating income (COI) <sup>(a)</sup>                              | 165   | 203   | 23%    |
| Pro-forma free cash flow <sup>(a)</sup>  | 213   | 193   | (9%)   |
| Adjusted <sup>(a)</sup> net current income from continuing operations <sup>(b)</sup> | 54    | 74    | 37%    |
| Net debt as of December 31   | (544) | 208   |        |

(a) Restated for non-recurring costs related to the acquisition of Darty.

(b) In accordance with IFRS 5.

## 2016 HIGHLIGHTS

### Solid results

Fnac Darty pro-forma revenues totaled €7,418 million <sup>(1)</sup>, up +2.0% (at constant exchange rates). The Group is growing, both in France <sup>(2)</sup> (+2.1%) and internationally (+1.3%).

Pro-forma current operating income <sup>(1)</sup> rose +23.1% to €203 million thanks to the combined effect of growth in activity, a well-controlled gross margin rate, the good execution of cost reduction plans and the first synergies.

The pro-forma free cash flow <sup>(1)</sup> generated was very robust, at €193 million. Restated for non-recurring costs related to the acquisition of Darty, free cash flow <sup>(1)</sup> increased +17%.

This very solid performance was achieved in the context of a modest economic recovery and weak markets in most of the Group’s product categories. It reflects the strong transformation momentum under way in both brands and the constant focus of the teams on improving commercial and economic effectiveness.

### Rapid progress of Fnac Darty integration

#### Synergy objective of €130 million brought forward by one year

While Fnac Darty achieved good commercial performance, the integration process has advanced rapidly since the operational takeover of Darty, which took place at the end of July 2016.

The working groups set up during the summer launched the initial initiatives and validated the new group’s high potential for value creation.

At the end of 2016, synergies have already had a favorable impact of €9 million on recurring operating income, compared with the €6.5 million originally targeted.

As a result, the Group is bringing forward its objective of €130 million in synergies to the end of 2018 from the end of 2019. At least half of this would be achieved by the end of 2017.

(1) Taking into account Darty’s inclusion in the scope of consolidation as of January 1, 2015.

(2) France/Switzerland region.



Cross-commercial opportunities (€20 million target contribution to current operating income level) would include the sharing of omnichannel capabilities such as click&collect, or shops-in-shops (putting one brand's space in the other's stores), or joint loyalty cards and gift cards. Some initiatives started after the summer, such as the introduction of a Darty space in the Fnac.com Marketplace, pick-up of Fnac.com purchases in the Darty network (75 stores available as of the end of December 2016) or the introduction of a ticketing space on darty.com.

## An ongoing transformation strategy

### Rapid progress with the e-commerce offering

With a total of 13.6 million unique visitors on average per month, Fnac Darty has become France's second-largest e-commerce retailer.

Internet activities showed sustained momentum in 2016 and were driven in particular by development of Marketplaces, improved delivery services and rapid growth in omnichannel sales, which account for 45% of online orders.

Fnac and Darty continued to reinforce the quality of their digital offering, with the ramp-up of the Marketplace on Darty.com, the launch of the retail site in Switzerland, the introduction of one-click purchasing on Fnac.com, and improved of web platforms in the Iberian Peninsula.

In delivery services, Fnac 2H Chrono is now accessible to 30% of Fnac.com unique visitors thanks to its deployment in 10 major cities during 2016. Darty also developed "same-day" delivery in the Paris region for household appliances and televisions.

### A unique territorial network that continues to expand

Fnac Darty has a network of 664 stores (459 in France) with a territorial density that has increased considerably thanks to the complementarity of the Fnac and Darty networks.

Cost synergies (€110 million target contribution to current operating income level) would mainly stem from synergies from the purchase of goods (brown goods, gray goods and small domestic appliances) and the pooling of support functions. The optimization of logistics would also generate significant savings and develop a distinctive service for the delivery/installation of consumer electronics.

The costs of implementing these synergies should be around €110 million over the period 2016/2018.

The pace of expansion has remained very strong in 2016 in both brands, with a total of 67 stores opening throughout the year.

Fnac opened 27 stores in 2016 (compared with 15 in 2015), seven of which were outside of France. With 20 openings in France, mainly franchises, the Group was able to capitalize on the respective partnerships created with Intermarché and Vindemia for the "Proximity" format, Lagardère Services for the "Travel retail" format, and SEDADI for the Fnac "Connect" format.

Darty opened 40 stores in 2016, 36 of which were franchised stores in France (compared with 24 in 2015) and three integrated stores in Belgium.

### New products and services

The Group has also continued its efforts to enrich products and services. The Games & Toys and Stationery categories are experiencing double-digit growth. In addition, the roll-out of Kitchen offering at Darty was accelerated with the opening of eight new spaces in France, bringing to 86 the number of stores with this offering. The first two Vanden Borre Kitchen stores were opened as franchises in Belgium, under the partnership with Ixina. Finally, Fnac successfully launched its new "Fnac+" loyalty card in October, which includes unlimited access to all express delivery services and benefits of the member program.

## ANALYSIS OF PRO-FORMA OPERATIONAL – PERFORMANCE FIGURES

*Comments on operational performance are based on the pro-forma figures <sup>(1)</sup> and new reporting segments.*

### The year of 2016

**Pro-forma revenue** increased by 2.0% (at constant exchange rates) to €7,418 million.

In markets that remained highly competitive, the **gross margin rate** was well under control in both brands. On a pro-forma basis, it stood at 29.9% for the Group in 2016, down 20 bp from 2015,

mainly due to the dilutive impact of franchise development. The gross margin rate was up 30 bp in the second half of 2016.

The dynamic to improve **operational efficiency and reduce costs** remained robust in 2016. The cost savings generated by Fnac amounted to €43 million, which exceeded the target of

(1) The figures present the situation by taking into account Darty's entry into the scope of consolidation beginning January 1, 2015. The pro-forma financial information includes the consolidated income statements of Fnac and Darty produced on an individual basis after alignment of the accounting policies and impacts of purchase price allocation.

€30 million to €40 million. A significant amount of cost savings was also generated on Darty.

**The first synergies** had a favorable impact of €9 million on the Group's current operating income in 2016.

## 2016 by reporting segment

### France-Switzerland

Revenues for the France-Switzerland segment increased by 2.1%. On a same-store basis and at constant exchange rates, sales increased by 2.4%.

Growth was sustained in the first half of the year and benefited in particular from an exceptional level of sales in the television category with the transition to DTT HD in France. Activity was less dynamic in the second half of the year against a backdrop of less buoyant markets. Both the Fnac and Darty brands reported sales growth throughout the year. The web channel showed strong momentum, with double-digit growth in gross merchandise volume on Fnac.com.

Current operating income increased by 34.2%. The operating margin was 3.0% (compared with 2.3% in 2015).

### Iberian Peninsula

Sales in the Iberian Peninsula were almost stable (-0.2%). On a same-store basis, sales fell very slightly (-0.6%). Promotional intensity remained strong in both countries.

## High levels of cash generation

Cash generation was once again very solid in 2016. Pro-forma **free cash-flow** totaled €193 million, compared to €213 million in 2015. Restated for non-current items related to the acquisition of Darty, free cash flow from operations reached €256 million, up 17% as a result of improved operating performance and

**Pro-forma recurring operating income** increased by 23.1% to €203 million. Adjusted for the impact from capital gains on property disposals, the increase in pro-forma current operating income was +39%.

The current operating margin increased by 50 bp to 2.7%.

The region benefited from the accelerated expansion of the store network, with the opening of the first Fnac Connect store in Spain and Portugal, and the opening of a new franchised store in Andorra. Two stores were also closed in Spain. The internet channel is growing.

The decline in current operating income (-4.1%) is attributable to the expense related to the closure of the Castellana store in Madrid. Restated for that impact, current operating income increased by 7.4% and the operating margin was 4.0%, up 30bp.

### Benelux

Revenues in the Benelux zone increased by 2.4% and 1.3% on a same-store basis.

The activity was driven mainly by the strong momentum of the internet channel, which reported double-digit growth, and the expansion of the store network.

Belgium reported good operational performance. In the Netherlands, the difficulties encountered at the end of 2015, following the introduction of a new IT system that disrupted store supplies, hindered the region's profitability. The Benelux operating margin decreased by 70 bp to 0.4%.

continued optimization of working capital requirements. The Group continued to pursue a controlled investment policy. Pro-forma gross investments totaled €117 million (compared with €103 million in 2015).

## ANALYSIS OF FINANCIAL RESULTS – REPORTED FIGURES

*Comments on this section are based on reported figures <sup>(1)</sup>.*

As reported, the Group's consolidated revenues totaled €5,369 million, an increase of 43.6% compared to 2015, mainly due to the inclusion of Darty in the scope of consolidation as of August 1<sup>st</sup>.

The 89.5% increase in reported current operating income, to €161 million, is mainly due to the inclusion of Darty in the scope of consolidation.

(1) In 2016, the information corresponds to twelve months of activity for the Fnac brand and to the five months of activity for the Darty brand beginning August 1 (for the sake of convenience, flows are counted from August 1 whereas the takeover date of Darty by Groupe Fnac-Darty was July 18).

In 2015, the information corresponds to twelve months of activity for the Fnac brand.

Other operating income and expenses amounted to a net expense of €39 million in 2016, which includes €21 million in non-recurring expenses directly related to the acquisition of Darty.

Financial income/loss represented a net expense of €76 million, a significant increase compared to 2015 (net expense of €11 million). This increase in financing line costs was mainly due to non-recurring expenses and costs of €46 million (costs of setting up new lines of credit, fees for cancellation of ongoing financing for both companies, expenses related to the foreign exchange hedge on the acquisition of Darty shares).

## FINANCIAL STRUCTURE

*Comments on this section are based on reported figures <sup>(1)</sup>.*

**The Group's net financial debt** amounted to €208 million as of December 31, 2016, compared to a net cash position of €544 million as of December 31, 2015.

The change in net debt is the result mainly of the acquisition in cash of 70% of the capital of Darty and of all costs related to the acquisition (for a total amount of €782 million), which was partially offset by the capital increase reserved for Vivendi (for a net amount of €159 million) and the generation of cash for the financial year (in the amount of €151 million as reported).

In connection with the financing of the acquisition of Darty, the Group issued a €650 million senior bond on September 22<sup>nd</sup>, with

**Net income from continuing operations** amounted to €22 million in 2016, compared to €50 million in 2015.

Restated for expenses related to the acquisition of Darty, **adjusted net income from continuing operations** amounted to €74 million in 2016, an increase of 37% compared to 2015.

The Brazilian subsidiary has been classified as **discontinued operations (IFRS 5)**, as the Group has initiated a search process for an active partner that may lead to a disengagement from the country.

a maturity of seven years, bearing interest at 3.25% per year. Prior to this issue, Fnac Darty had received a BB rating from Standard & Poor's and Ba2 from Moody's.

Since April 2016, the Group has also had a five-year bank credit agreement with a pool of some 15 European banks, including a term loan of €200 million used to finance the acquisition of Darty shares and a revolving credit line of €400 million, which had not been used at the end of December 2016.

Cash and cash equivalents amounted to €655 million as of December 31, 2016.

As of December 31, 2016, all the covenants were respected.

## CONCLUSION AND OUTLOOK

Fnac Darty delivered robust results with strong growth in 2016.

The Fnac Darty integration has progressed rapidly. As a result, the Group can bring forward its target of €130 million in synergies by one year, and it is now set for the end of 2018.

Fnac Darty will continue its strategic progress in 2017: development of new product and service offerings, opening of new franchised stores, acceleration of its internet sales through omnichannel and Marketplaces, and also through differentiating after-sales service, personalized customer experience, and implementation of support and purchasing structures that are shared by both brands.

(1) In 2016, the information corresponds to twelve months of activity for the Fnac brand and to the five months of activity for the Darty brand beginning August 1 (for the sake of convenience, flows are counted from August 1 whereas the takeover date of Darty by Groupe Fnac-Darty was July 18).

In 2015, the information corresponds to twelve months of activity for the Fnac brand.

**Summary income statement**

|   | Reported       |                |                | Pro-forma      |                |              |
|---|----------------|----------------|----------------|----------------|----------------|--------------|
|   | 2015*          | 2016           | Change         | 2015*          | 2016           | Change       |
| (€ million)   |                |                |                |                |                |              |
| <b>Revenues</b>   | <b>3,739</b>   | <b>5,369</b>   | <b>43.6%</b>   | <b>7,278</b>   | <b>7,418</b>   | <b>1.9%</b>  |
| <b>Gross margin</b>   | <b>1,113</b>   | <b>1,577</b>   | <b>41.8%</b>   | <b>2,188</b>   | <b>2,218</b>   | <b>1.3%</b>  |
| As a % of revenues  | 29.8%          | 29.4%          |                | 30.1%          | 29.9%          |              |
| <b>Total costs</b>  | <b>(1,028)</b> | <b>(1,416)</b> | <b>37.8%</b>   | <b>(2,023)</b> | <b>(2,015)</b> | <b>0.4%</b>  |
| As a % of revenues  | (27.5%)        | (26.4%)        |                | (27.8%)        | (27.2%)        |              |
| <b>Current operating income</b>                                     | <b>85</b>      | <b>161</b>     | <b>89.5%</b>   | <b>165</b>     | <b>203</b>     | <b>23.1%</b> |
| As a % of revenues  | 2.3%           | 3.0%           |                | 2.3%           | 2.7%           |              |
| Other non-current operating income and expenses                     | (10)           | (39)           | 303.1%         |                |                |              |
| <b>Operating income</b>   | <b>75</b>      | <b>122</b>     | <b>62.0%</b>   |                |                |              |
| Net financial expense   | (11)           | (76)           | 586.5%         |                |                |              |
| Income tax  | (14)           | (24)           | 72.7%          |                |                |              |
| <b>Net income from continuing operations for the financial year</b> | <b>50</b>      | <b>22</b>      | <b>(56.7%)</b> |                |                |              |
| Net income from discontinued operations                             | (2)            | (22)           | N/A            |                |                |              |
| <b>Consolidated net income</b>                                      | <b>48</b>      | <b>0</b>       | <b>(99.6%)</b> |                |                |              |
| Of which attributable to owners of the Company                      | 48             | 0              | (100.8%)       |                |                |              |
| Of which attributable to non-controlling interests                  | 0              | 1              |                |                |                |              |
| <b>Net current income from continuing operations**</b>              | <b>54</b>      | <b>74</b>      | <b>36.7%</b>   |                |                |              |
| <b>EBITDA</b>   | <b>145</b>     | <b>238</b>     | <b>63.8%</b>   | <b>273</b>     | <b>305</b>     | <b>11.8%</b> |
| As a % of revenues  | 3.9%           | 4.4%           |                | 3.8%           | 4.1%           |              |

\* Restated for the reclassification of Fnac Brazil as a discontinued operation.

\*\* Restated for non-recurring costs relating to the acquisition of Darty.

N/A: Not applicable.

**Performance of company activities**

Pursuant to Article R. 225-113 of the French Commercial Code, we inform you that Groupe Fnac, during year 2016 and up to the present, carried out its activities under the conditions put forward in its financial communications and the 2016 Registration Document filed with the AMF on April 18, 2017.

# CURRENT COMPOSITION OF THE BOARD OF DIRECTORS

| Name   | Main position held in the Company    | Other positions held in the Company  | Term of office expires        | Age <sup>(b)</sup> | Number of shares |
|--|--------------------------------------|--|-------------------------------|--------------------|------------------|
| Alexandre Bompard  | Chairman and Chief Executive Officer | Member of the Corporate, Environmental and Social Responsibility Committee   | 2019 Ordinary General Meeting | 44                 | 169,643          |
| Patricia Barbizet  | Director and Vice Chairman           | Member of the Nomination and Remuneration Committee                          | 2019 Ordinary General Meeting | 62                 | 1 130            |
| Marie Cheval <sup>(a)</sup>  | Director                             | Member of the Audit Committee  | 2018 Ordinary General Meeting | 42                 | 250              |
| Carole Ferrand   | Director                             | Member of the Audit Committee  | 2017 Ordinary General Meeting | 47                 | 250              |
| Antoine Gosset-Grainville <sup>(a)</sup>                                     | Director                             | Member of the Nomination and Remuneration Committee                          | 2019 Ordinary General Meeting | 51                 | 250              |
| Alban Gréget   | Director                             | Member of the Corporate, Environmental and Social Responsibility Committee   | 2017 Ordinary General Meeting | 40                 | 250              |
| Nonce Paolini <sup>(a)</sup>   | Director                             | Chairman of the Nomination and Remuneration Committee                        | 2018 Ordinary General Meeting | 68                 | 250              |
| Arthur Sadoun <sup>(a)</sup>   | Director                             | Member of the Corporate, Environmental and Social Responsibility Committee   | 2018 Ordinary General Meeting | 46                 | 250              |
| Brigitte Taittinger-Jouyet <sup>(a)</sup>                                    | Director                             | Chairman of the Corporate, Environmental and Social Responsibility Committee | 2017 Ordinary General Meeting | 57                 | 250              |
| Jacques Veyrat <sup>(a)</sup>  | Director                             | Chairman of the Audit Committee  | 2019 Ordinary General Meeting | 54                 | 250              |
| Compagnie Financière du 42 avenue de Friedland, represented by Simon Gillham | Director                             |  | 2019 Ordinary General Meeting | 61                 | 250              |
| Vivendi SA, represented by Stéphane Roussel                                  | Director                             |  | 2019 Ordinary General Meeting | 55                 | 2944901          |

(a) Independent Directors.

(b) As of the General Meeting of May 24, 2017 (for directors who are moral persons, the age indicated is that of their permanent representatives).

## Personal information concerning the Board members whose renewal is submitted to the Combined Ordinary and Extraordinary General Meeting of May 24, 2017

### Brigitte Taittinger-Jouyet - Independent Director

57

74, rue Raynouard Paris (75016)

#### Biography

Graduate of the Institut d'Études Politiques de Paris with a master's degree in history from the Université des Sciences Humaines. Ms. Taittinger-Jouyet was Head of Advertising at Publicis (1984-1988), and in 1988, she became the mission chief for the Directors of Marketing at the Groupe du Louvre in charge of industrial and economic hospitality products. From 1991 to 2012, she was Chair of the Société des Parfums Annick Goutal. Since 2013, she has been Director of Strategy and Development at the Institut d'Études Politiques de Paris (Sciences Po – Paris).

#### Positions and offices held at December 31, 2016

- Director, HSBC France
- Director, Centre Georges Pompidou
- Director, Festival d'Aix

#### Offices and positions held over the past five years that are no longer held

- Chairwoman, Société des Parfums Annick Goutal

### Carole Ferrand - Director

47

12, rue François-1<sup>er</sup> Paris (75008)

#### Biography

Graduate of the École des Hautes Études Commerciales (class of 1992). Ms. Ferrand started her career at PricewaterhouseCoopers, where she was an Auditor and later a financial advisor in the Transaction Services Division. In 2000, she joined Sony France, the French subsidiary of the consumer and professional electronics branch of the Sony Corporation Group, as Financial Director before becoming General Secretary in 2002. In 2011, she held the position of Chief Financial Officer of the Europacorp Group. Since January 2013 she has been Financing Director at Artémis Group and in charge of strategic and financial support for certain investments.

#### Positions and offices held at December 31, 2016

- Honorary Chairwoman and Director, Terra Nova (association constituted under the French Law of 1901)
- Director, Sebdo, Le Point
- Director, Artémis 21
- Director, Éditions Tallandier

#### Offices and positions held over the past five years that are no longer held

- Director and Chairwoman of the Board of Directors, Sofica EuropaCorp
- Director, Sofica Hoche Artois Image



## Personal information concerning the Board members whose appointment is submitted to the Combined Ordinary and Extraordinary General Meeting of May 24, 2017

---

### Héloïse Temple-Boyer

39

12, rue François-1<sup>er</sup> Paris (75008)

---

#### Biography

Graduate of the Institut d'Études Politiques de Paris (1998), of Essec (2001), and of Harvard Business School (2009).

Corporate officer at Rothschild & Compagnie (2002-2005), then account officer at Advent International (2005-2007), she joined Casino Group (2010-2013) as International Procurement Director.

Since 2013, she is Investment Director at Artemis Group.

---

#### Positions and offices held at December 31, 2016

- Director, Courrèges Group (SAS)
- Director, Chair & Chief Executive Officer, TER Obligations (A32)
- Member of the Management Board, Compagnie du Ponant (SAS)
- Director, Christie's International

#### Offices and positions held over the past five years that are no longer held

- Member of the Management Board, Compagnie du Ponant Holding
- 

Number of Groupe Fnac shares held by Héloïse Temple-Boyer: 0.

**Table summarizing the amounts of delegations and authorizations requested**

| Subject of resolution  | Resolution | Maximum authorized nominal value  | Overall ceilings                               |
|--|------------|---|--|
| Capital increase <b>with preferential subscription rights maintained</b> <sup>(a)</sup>  | 13         | <b>€13 million</b><br>(approx. 50% of share capital*)   | <b>€13m</b><br>(approx. 50% of share capital*) |
| Capital increase with <b>preferential subscription rights waived</b> with <b>mandatory priority period</b> by a public offering and/or remuneration of a public exchange offering <sup>(a)</sup> | 14         | <b>€5.2 million</b><br>(approx. 20% of share capital*)  |  |
| Capital increase with <b>preferential subscription rights waived</b> with <b>optional priority period</b> through a public offering and/or income from public exchange offering <sup>(a)</sup>   | 15         | <b>€2.6 million</b><br>(approx. 10% of share capital*)  |  |
| Capital increase in remuneration of <b>contributions in kind</b> <sup>(a)</sup>  | 18         | <b>10% of the Company's share capital*</b><br><b>€2.6m</b><br>(approx. 10% of share capital*)                                       |  |
| Capital increase with preferential subscription rights waived <b>by an offering in accordance with Article L. 411-2, II CMF</b> <sup>(a)</sup>   | 16         | <b>€2.6 million</b><br>(approx. 10% of share capital*)  |  |
| Increase in the number of shares to be issued if oversubscribed (" <b>Greenshoe</b> " option)  | 17         | 15% of the initial issue<br>The nominal amount counts towards:<br>- the initial issue ceiling;<br>- the €13 million overall ceiling |  |
| Capital increase by <b>incorporating premiums, reserves, profits</b> or other  | 20         | <b>€13 million</b><br>(approx. 50% of share capital*)   |  |
| Capital increase reserved for members of <b>company savings plans</b>  | 21         | <b>€0.78 million</b><br>(approx. 3% of share capital*)  |  |
| Authorization granted to the Board of Directors, in the event of an issue without preemptive subscription rights, to set the <b>issue price</b>  | 19         | 10% of share capital per year   |  |

(a) Authorizations suspended during an offer period.

\* Percentage is calculated based on Company share capital existing on the day of the General Meeting.

# AGENDA OF THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF MAY 24, 2017

## For the Ordinary General Meeting

1. Approval of parent company financial statements for the year ended December 31, 2016.
2. Approval of consolidated financial statements for the year ended December 31, 2016.
3. Approval of expenses and costs under Article 39-4 of the French General Tax Code (CGI).
4. Allocation of net income for the year ended December 31, 2016.
5. Renewal of the term of office of Brigitte Taittinger-Jouyet as Director.
6. Renewal of the term of office of Carole Ferrand as Director.
7. Nomination of Héloïse Temple-Boyer as Director to replace Alban Greget.
8. Renewal of Deloitte et Associés as acting Statutory Auditors.
9. Opinion regarding remuneration components due or allocated to the Chief Executive Officer, for the year ended December 31, 2016.
10. Approval of the principles and criteria for determination, breakdown and allocation of the fixed, variable and exceptional components of total remuneration and benefits in kind allocated to the Chairman and Chief Executive Officer.
11. Total attendance fees allocated to the Board of Directors.
12. Authorization to be given to the Board of Directors to trade in the Company shares.

## For the Extraordinary General Meeting

13. Authorization to be given to the Board of Directors to issue ordinary shares giving access, as the case may be, to ordinary shares or to the allotment of debt instruments and/or investment securities giving access to ordinary shares in the Company, with preferential subscription rights maintained.
14. Authorization to be given to the Board of Directors to issue ordinary shares giving access, as the case may be, to ordinary shares or to the allotment of debt instruments and/or investment securities giving access to ordinary shares in the Company, with preferential subscription rights waived and with a mandatory priority period, in the form of a public offering and/or as consideration for securities contributed as part of a public exchange offering.
15. Authorization to be given to the Board of Directors to issue ordinary shares giving access, as the case may be, to ordinary shares or to the allotment of debt instruments and/or investment securities giving access to ordinary shares in the Company, with preferential subscription rights waived and with an optional priority period, in the form of a public offering and/or as consideration for securities contributed as part of a public exchange offering.
16. Authorization to be given to the Board of Directors to issue ordinary shares giving access, as the case may be, to ordinary shares or to the allotment of debt instruments and/or investment securities giving access to ordinary shares in the Company, with preferential subscription rights waived, in the form of an offer stipulated in Article L. 411-2-II of the French Monetary and Financial Code.
17. Authorization to be given to the Board of Directors to increase the number of securities to be issued in a capital increase whether preferential subscription rights be waived or maintained.
18. Authorization to be given to the Board of Directors to issue ordinary shares and/or investment securities giving access to capital, subject to a ceiling of 10% of existing share capital, to be used as payment for contributions in kind.
19. Authorization, in the case of an issue with preferential subscription rights waived, to be given to set the issue price, subject to a ceiling of 10% of existing share capital per year.
20. Authorization to be given the Board of Directors to increase capital by incorporating reserves, profits and/or premiums.
21. Authorization to be given to the Board of Directors to increase capital by issuing ordinary shares and/or investment securities giving access to capital, with preferential subscription rights waived, to the benefit of the members of a company savings plan in accordance with Articles L. 3332-18 et seq. of the French Labor Code.
22. Change of corporate name – Corresponding amendment of the Articles of Incorporation.
23. Authorization to be given to the Board of Directors to cancel shares bought back by the Company under Article L. 225-209 of the French Commercial Code.
24. Powers for formalities.

# RESOLUTIONS TO BE SUBMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF MAY 24, 2017, AND OBJECTIVES

## For the Ordinary General Meeting:

### APPROVAL OF COMPANY FINANCIAL STATEMENTS AND APPROPRIATION OF EARNINGS

#### ■ Objectives of Resolutions 1 to 4

The purpose of Resolution One is to approve the parent company financial statements of Groupe Fnac for year 2016, which report net income of €138,831,995.95.

The purpose of Resolution Two is to approve the consolidated financial statements of Groupe Fnac for 2016.

The purpose of Resolution Three is to approve the expenses connected with the non-tax-deductible long-term leasing of vehicles and the corresponding tax.

The purpose of Resolution Four is the appropriation of earnings from 2016.

The Management Report for 2016 is included in the Company's 2016 Registration Document available on the Company's website ([www.fnacdarty.com](http://www.fnacdarty.com) on the page "Finance-Results and publications"). The Statutory Auditors' Reports for the parent company and consolidated financial statements are in section 5 of the Registration Document.

#### RESOLUTION ONE

##### Approval of the parent company financial statements for the year ended December 31, 2016

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Management Report of the Board of Directors, the Chairman's Report and the Statutory Auditors' Report, approves the parent company financial statements for the year ended December 31, 2016, showing a profit of €138,831,995.95 as well as the transactions reflected in these statements and summarized in these reports.

#### RESOLUTION TWO

##### Approval of the consolidated financial statements for the year ended December 31, 2016

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, and having reviewed the Management Report of the Board of Directors, the Chairman's Report and the Statutory Auditors' Report, approves the consolidated financial statements for the year ended December 31, 2016, as presented, comprising the balance sheet, the income statement and the appendix, as well as the transactions reflected in these statements and summarized in these reports.

#### RESOLUTION THREE

##### Approval of the expenses and charges referred to in Article 39-4 of the French General Tax Code

Pursuant to Article 223 quater of the French General Tax Code, the General Meeting, acting with the quorum and majority required for

Ordinary General Meetings, approves the expenses and charges recognized by the Company and referred to in Article 39-4 of said Code, which amount to €47,895, as well as the corresponding tax.

#### RESOLUTION FOUR

##### Appropriation of earnings for the year ended December 31, 2016

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, as proposed by the Board, resolves to appropriate the earnings from year 2016, in the amount of €138,831,995.95, as follows:

- €943,499.70 to the "Legal reserve" account which, given its previous balance of €1,668,777.40, will have a resulting new balance of €2,612,277.10 which is 10% of share capital for the year ended December 31, 2016;

and

- €137,888,496.25 to the "carryforward" account which, given its previous balance of €201,020,716, will increase to €338,909,212.25.

In accordance with the Article 243 bis of the French General Tax Code, the General Meeting notes no dividend distribution for the three previous years.

## RENEWAL OF TWO TERMS OF OFFICE AND NOMINATION OF ONE NEW DIRECTOR

### ■ Objectives of Resolutions 5 to 7

In accordance with the Board's internal regulations, the Directors' terms of office expire on a staggered basis.

Your General Meeting is therefore asked to approve the renewal of the directorships of Brigitte Taittinger-Jouyet and Carole Ferrand. Brigitte Taittinger-Jouyet is an Independent Director (the independence criteria having been assessed by the Board of Directors at its meeting of February 28, 2017) and is Chairwoman of the Corporate, Environmental and Social Responsibility Committee. Carole Ferrand is a member of the Audit Committee.

With respect to their involvement in the life of the Company as evidenced in their roles in specialized committees and their professional skills and experience described in their curriculum vitae in section 3.1.1 "Corporate Governance" of the Registration Document available on the Company's website ([www.fnacdarty.com](http://www.fnacdarty.com) on the page "Finance-Results and publications") the General Meeting is asked in Resolutions Five and Six, on the recommendation of the Nomination and Remuneration Committee, to renew the terms of office of Brigitte Taittinger-Jouyet and Carole Ferrand for a three year period expiring at the close of the General Meeting to be held in 2020 to approve the financial statements for the previous year.

Alban Gréget does not wish to renew his term of office, which expires at the close of the General Meeting. His membership in the Corporate, Environmental and Social Responsibility Committee will therefore also expire at the close of the General Meeting.

As a result of the foregoing, your General Meeting is asked to appoint Héloïse Temple-Boyer to replace Alban Gréget as Director for a three-year period expiring at the close of the General Meeting to be held in 2020 to approve the financial statements for the previous year.

The offices and positions held by Héloïse Temple-Boyer are shown in the notification and information brochure for this General Meeting.

If your meeting approves the nomination of Héloïse Temple-Boyer as a Director, she, in accordance with the decision of the Board of Directors, will be appointed as a member of the Corporate, Environmental and Social Responsibility Committee.

It should be noted that in the opinion of the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, Héloïse Temple-Boyer does not qualify as an Independent Director based on the independence criteria in the AFEP-MEDEF Code, which the Company uses as a benchmark in corporate governance issues.

As a result, at the close of the General Meeting, the Board of Directors will consist of 12 members, 6 of whom are Independent Directors and 5 of whom are women. The composition of the Board would therefore comply with the AFEP-MEDEF Code as regards the number of Independent Directors and the legally required 40% female/male gender ratio of the Board.

### RESOLUTION FIVE

#### **Renewal of the term of office of Brigitte Taittinger-Jouyet as Director**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, renews the term of Brigitte Taittinger-Jouyet as Director for a three-year period expiring at the close of the General Meeting to be held in 2020 to approve the financial statements for the previous year.

### RESOLUTION SIX

#### **Renewal of the term of office of Carole Ferrand as Director**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, renews the term of Carole Ferrand as Director for a three-year period expiring at the close of the General Meeting to be held in 2020 to approve the financial statements for the previous year.

#### RESOLUTION SEVEN

##### **Nomination of Héloïse Temple-Boyer as Director to replace Alban Greget**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the

Board of Directors, appoints Héloïse Temple-Boyer to replace Alban Greget, whose term of office expires at the end of the current General Meeting, as Director for a three-year period expiring at the close of the General Meeting to be held in 2020 to approve the financial statements for the previous year.

#### RENEWAL OF DELOITTE ET ASSOCIÉS AS ACTING STATUTORY AUDITORS

##### ■ Objective of Resolution 8

As the acting Statutory Auditor's mandate expires at the close of this General Meeting, your Board, in accordance with the recommendations of the Audit Committee, asks you to renew the present acting Statutory Auditors' mandate for a six-year period expiring at the close of the General Meeting held to approve the financial statements for the year ending December 31, 2022.

This renewal proposal by your Board reflects the recommendations of the Audit Committee arising from the tender process conducted in the first quarter of 2017. In accordance with European Regulation 537/2014 of April 16, 2014, the Audit Committee shortlisted two candidates from among the five audit firms bidding for the tender, namely Deloitte et Associés and Mazars. The choice was based on the quality and relevance of the two firms' responses to the specifications of the tender. The Audit Committee also made known to the Board of Directors its preference for Deloitte et Associés for the following reasons:

- Deloitte et Associés has thorough knowledge of Groupe Fnac, thus removing the need for a learning period at a time of major changes involving the merger of Fnac and Darty;
- Deloitte et Associés submitted particularly relevant audit proposals for 2017.

The Audit Committee confirmed that its decision had not been influenced by any third party and that no contractual provisions had restricted its choice.

It should be noted that the mandate of alternate Statutory Auditor held by BEAS expires at the close of this General Meeting and that, as permitted by law, it will not be renewed or replaced.

#### RESOLUTION EIGHT

##### **Renewal of Deloitte et Associés as acting Statutory Auditors**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, renews the mandate of Deloitte et Associés as acting Statutory Auditors for a six-year period expiring at the close

of the General Meeting held to approve the financial statements for the year ending December 31, 2022.

The General Meeting further acknowledges that the mandate of alternate Statutory Auditor held by BEAS expires at the close of this General Meeting and that, as permitted by law, it will not be renewed or replaced.



## OPINION REGARDING REMUNERATION DUE OR ALLOCATED TO ALEXANDRE BOMPARD, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, FOR YEAR 2016

### ■ Objective of Resolution 9

In accordance with the recommendations of the AFEP-MEDEF Code as amended in June 2016 (Articles 26.1 and 26.2), which the Company refers to, pursuant to Article L. 225-37 of the French Commercial Code, the following remuneration items due or allocated to each executive corporate officer of the Company for the year under review are subject to shareholders' approval:

- fixed portion;
- the annual variable portion with the performance criteria for calculating the amount;
- exceptional remuneration;
- stock options, performance shares, and multi-year variable remuneration with the performance criteria for calculating those remuneration components;
- payments related to the assumption or termination of duties;
- supplementary pension plan;
- benefits of any type.

In Resolution Nine, you are asked to vote in favor of the following remuneration items due or allocated to Alexandre Bompard, Chairman and Chief Executive Officer and sole executive corporate officer, for year 2016.

All these items are detailed in section 3.3 of the 2016 Registration Document available on the Company's website [www.fnacdarty.com](http://www.fnacdarty.com) on the page "Finance-Results and publications".

### **2016 fixed remuneration**

For 2016, the Chairman and Chief Executive Officer's gross annual fixed remuneration was set at €900,000, the same as for 2015. The gross amount due and paid for 2016 was €900,000 (amount submitted to the vote).

### **2016 variable annual remuneration (paid in 2017)**

For 2016, just as for 2015, the Chairman and Chief Executive Officer's annual variable remuneration was of a maximum of 105% of his annual fixed remuneration.

In the same way as in 2015, 80% of it was based on financial targets, with a maximum level of attainment of 85%, and 20% on qualitative targets, with a maximum level of attainment of 20%.

The 2016 financial targets set for the variable portion were as follows:

- Group current operating income (COI), corresponding to 35% of the total target with a maximum level of attainment of 110%;
- Group free cash flow (FCF), corresponding to 15% of the total target with a maximum level of attainment of 110%;
- Group revenues, corresponding to 20% of the total target with a maximum level of attainment of 100%;
- evolution of Group market shares, corresponding to 10% of the total target with a maximum level of attainment of 100%.

The level of attainment of the 2016 financial target is 103.5% of the fixed annual remuneration, and the gross amount payable for 2016 is €931,500 (amount submitted to the vote). This amount was paid in March 2017.

### **Multi-year variable remuneration**

At its meeting on April 4, 2016, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors decided to implement the 2016 multi-year variable remuneration plan in the equivalent in bonus shares settled in cash.

The plan consists in the grant of the equivalent of 28,996 bonus shares settled in cash to Alexandre Bompard. The vesting of this equivalent in bonus shares is subject to the achievement of a performance condition in June 2018 (average closing price of Groupe Fnac shares over the last 20 trading days immediately preceding June 17, 2018). If the price of the Groupe Fnac share in June 2018 is below a predefined price, no payment will be made.

The vesting of this equivalent of bonus shares is additionally conditional on being in service on June 16, 2018: the related payment, in cash, will take place no later than September 2018, provided that the conditions of being in service and performance are met. No amount is due in this respect for 2016. This amount, net of all withholdings and taxes, will be reinvested by the beneficiary in Groupe Fnac shares for a minimum duration of two years, and held in registered form.

The valuation of the gross amounts at the grant date and according to IFRS 2 rules, before apportionment of expenses over the vesting period of the equivalent in bonus shares granted in 2016, was €1,474,737. This valuation corresponds to the number of equivalent in bonus shares granted multiplied by a share price of reference at the grant date, which is €50.86 (average closing price of Groupe Fnac shares over the last 20 trading days immediately preceding June 17, 2016) per share. This amount has not yet been vested for the corporate officer, considering the conditions of being in service and performance. It is therefore not submitted to the vote.

This multi-year variable remuneration scheme is not capped.

In 2014, 58,051 value units were granted to Alexandre Bompard. The first date of maturity corresponding to two-thirds of this remuneration occurred at the end of February 2016 and the second date of maturity corresponding to one-third of the remuneration occurred in February 2017.

The value per unit corresponds to the average price of the Groupe Fnac share in February 2016. This average price was €55.33, which means that the performance criteria are completely achieved. Consequently, and considering that Alexandre Bompard was in service on February 29, 2016, two-thirds of this gross variable remuneration (excluding employer contributions), i.e. €2,141,415 (amount submitted to the vote), was paid in April 2016. The remaining third (€1,070,547) was paid in February 2017.

In 2013, 197,925 value units were granted to Alexandre Bompard. The first date of maturity corresponding to two-thirds of this remuneration occurred at the end of July 2015 and the second date of maturity corresponding to one-third of the remuneration occurred in July 2016.

The value per unit corresponds to the average price of the Groupe Fnac share in July 2015. This average price was €55.07, which means that the performance criteria are completely achieved. Considering that Alexandre Bompard was in service on July 31, 2016, the remaining third of this gross variable remuneration (excluding employer contributions), i.e. €3,632,880 (amount submitted to the vote), was paid in July 2016.

In 2014, 82,738 performance options were granted with a maturity date of September 30, 2016 and 72,628 performance options with a maturity date of September 30, 2017, which could be vested provided that the condition of being in service is met (or as decided by the Nomination and Remuneration Committee if the condition of being in service is not met) and the performance condition is achieved.

The first tranche of the performance options granted in 2014 matured on September 30, 2016. Considering the average of the last 20 Groupe Fnac closing share prices preceding September 30, 2016 (average of €65.74), the performance criteria have been achieved and all of the performance options of the first tranche have been vested for Alexandre Bompard as of September 30, 2016, i.e. 82,738 performance options.

The reference price used to value these options is defined on the base of the average of the stock exchange closing prices for the Groupe Fnac share between October 1 and October 20, 2016 (average of €62.94). The associated gross cash amount (excluding employer contributions) of €3,254,913 (amount submitted to the vote) was paid in October 2016.

In 2013, 79,959 performance options were granted with a maturity date of March 31, 2016 and 115,495 performance options with a maturity date of March 31, 2017, which could be vested provided that the condition of being in service is met (or as decided by the Nomination and Remuneration Committee if the condition of being in service is not met) and the performance condition is achieved.

One of the tranches of the performance options granted in 2013 matured on March 31, 2016. Considering the average of the last 20 closing Groupe Fnac share prices preceding March 31, 2016 (average of €57.17), the performance criteria have been achieved and all of the performance options of this tranche have been vested for Alexandre Bompard on March 31, 2016, i.e. 79,959 performance options. The associated gross cash amount (excluding employer contributions) of €2,949,688 (amount submitted to the vote) was paid in April 2016.

These multi-year variable remuneration schemes are not capped.

Mr. Alexandre Bompard has decided to reinvest all of the amounts net of withholdings and taxes paid as multi-year variable remuneration in 2016 in Fnac Groupe shares. Shares acquired in this manner will be registered shares and held for at least two years.

Accordingly, €5,311,740 (corresponding to the entire multi-year variable remuneration paid in 2016, net of levies and taxes) was invested in Groupe Fnac shares on October 25, 2016.

### **Exceptional remuneration**

No exceptional remuneration was granted to Alexandre Bompard in 2016.

### **Stock options, performance shares**

No stock options or performance shares were granted to Alexandre Bompard in 2016.

### **Non-compete commitment**

The Board of Directors has signed a non-compete agreement with Alexandre Bompard limited to the specialized retail sector for cultural and/or technological and entertainment products for the general public in France, Belgium, Spain, Switzerland, Portugal and Brazil. This non-compete agreement is limited to two years and begins at the end of his term of office. As remuneration for this commitment, Alexandre Bompard will receive a gross allowance representing 80% of his fixed monthly remuneration, for a period of two years from the effective end of his term of office. The Board of Directors is entitled to waive implementation of this clause.

No amount is payable by the Company for FY 2016.

With the exception of the non-compete agreement, there is no arrangement to pay Alexandre Bompard any severance package, any allowance or any benefits in the event of his termination or change of function.

### **Supplementary pension plan**

The Board of Directors authorized Alexandre Bompard's membership in the supplementary defined contribution pension plan (Article 83 of the French General Tax Code) that exists for all Groupe Fnac executives in France.

Contributions paid in respect of 2016 amounted to €10,631.04.

This commitment pursuant to Article L. 225-42-1 of the French Commercial Code was renewed by the Board of Directors at its meeting on February 17, 2016; this was confirmed by the renewal of the term of office of Director of Alexandre Bompard at the General Meeting of June 17, 2016 and his nomination by the Board of Directors to the position of Chairman and CEO for the term of his office as Director.

At its annual review of regulated agreements conducted at its meeting on February 28, 2017, the Board approved the continuation of this commitment.

### **Attendance fees**

Attendance fees payable to Alexandre Bompard for his service in 2016 on Groupe Fnac's Board of Directors totaled €27,558 (amount submitted to the vote).

Attendance fees are allocated on the following basis:

- 60% of the comprehensive annual amount of attendance fees is allocated to the members of the Board of Directors, of which 30% is fixed and 70% variable (the variable portion reflecting their attendance at Board meetings);
- the balance, amounting to 40% of the total annual attendance fees, is paid to the members of specialized committees and distributed as follows: 20% to the Audit Committee, 12% to the Nomination & Remuneration Committee, and 8% to the Corporate Social and Environmental Responsibility Committee. These component distributions are strictly committee attendance-based;
- the Chairman of the Board of Directors and the Chairs of the Committees receive a 50% higher fee for their attendance at each meeting.

### **Other benefits**

In 2016, Alexandre Bompard was covered by a supplementary unemployment plan and education annuity plan, the 2016 premiums for which were paid and amounted to €12,529 and €2,782 respectively (item submitted to the vote). These premiums are subject to social security and employer contributions and are therefore considered benefits in kind.

In 2016, Alexandre Bompard had the use of a company car which represented a benefit in kind of €6,821 (items submitted to the vote).

## RESOLUTION NINE

### **Opinion on items of remuneration due or awarded to the Chairman and Chief Executive Officer, for the year ended December 31, 2016**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, consulted in accordance

with the recommendation in section 26.2 of the AFEP-MEDEF Corporate Governance Code, gives a favorable opinion to items of remuneration paid or awarded for the year ended December 31, 2016 to the Chairman and Chief Executive Officer, as disclosed in the 2016 Registration Document, section 3.3.1.

## **APPROVAL OF THE PRINCIPLES AND CRITERIA FOR DETERMINATION, BREAKDOWN AND ALLOCATION OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS IN KIND ALLOCATED TO THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

### ■ Objective of Resolution 10

**This presentation is submitted as the special report specified in Article L. 225-37-2 of the French Commercial Code which has to be appended to the report specified in Articles L. 225-100 and L. 225-102 of the French Commercial Code.**

In accordance with Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determination, breakdown and allocation of the fixed, variable and exceptional components of the total remuneration and benefits in kind allocated to the Chairman and Chief Executive Officer are submitted for shareholders' approval:

### **Description of the components of total remuneration and benefits in kind for the Company's Chairman and Chief Executive Officer.**

#### **2017 fixed remuneration**

The fixed annual remuneration for the Chairman and Chief Executive Officer is determined to be consistent with market practices.

This approach takes into consideration the main features of the Company, and of the purview of the executive, such as:

- revenues, budget, workforce;
- the context in which the duties are exercised, with the consideration of strategic challenges, and short and long-term development prospects;
- the level of responsibility.

The Board of Directors annually analyses the Chairman & CEO's fixed remuneration, with the objective to review it only on a long term basis, in accordance with AFEP-MEDEF Code recommendations.

#### **2017 annual variable remuneration**

The Chairman & CEO's annual variable remuneration is determined by the Board of Directors which, every year, sets the quantitative and qualitative targets along with their relative weighting for the variable portion of remuneration. The annual variable remuneration is proportioned and represents in 2017 a maximum amount of 120% of the fixed annual remuneration. This maximum was determined to be consistent with market practices.

Economic and financial criteria are the predominant considerations when structuring annual variable remuneration. Financial targets account for 80% of variable remuneration, and qualitative goals account for 20%.

For 2017, the economic and financial objectives set by the Board of Directors for the variable portion are as follows:

- Group current operating income (COI), corresponding to 35% of the total target with a maximum level of attainment of 120%;
- Group free cash flow (FCF), corresponding to 15% of the total target with a maximum level of attainment of 120%;
- Group revenues, corresponding to 15% of the total target with a maximum level of attainment of 120%;
- achievement of synergies related to the merger with Groupe Darty corresponding to 10% of the total target with a maximum level of attainment of 120%;
- evolution of Group market shares, corresponding to 5% of the total target with a maximum level of attainment of 120%;

The achievement level of each economic and financial target as well as the type of qualitative goals for the Chairman & Chief Executive Officer are precisely established beforehand by the Board of Directors but for confidentiality reasons are not publicized.

Each economic or financial objective is subject to a trigger point below which no remuneration is payable for the objective.

### **Long-term remuneration, stock options and performance shares**

In 2017, the Chairman & Chief Executive Officer is eligible for the same long-term incentive plans that the Board of Directors awards to the other members of the Executive Committee. The plans awarded to the Chairman & Chief Executive Officer may take the form of share subscription and/or purchase options, bonus shares subject to performance conditions, performance options settled in cash, or the equivalent in bonus shares settled in cash. The purpose of these plans is to align the Chairman & CEO's interests more closely to shareholders' interests.

In accordance with AFEP-MDEF Code recommendations, the grant value of such plans within the IFRS 2 framework is proportionate to the annual fixed and variable components. The Board of Directors also ensures that they are consistent with market practices.

Vesting is conditional on the beneficiary being in service at time of vesting, as well as on various performance conditions set by the Board of Directors, including, at the very least, the Company's share price performance.

The performance criteria, identical to those for Executive Committee members, are designed to reflect improvements in the Company's and/or Group's performance. They are demanding, they do not permit payment until thresholds are triggered, and they are measured each year during the vesting period of the plans.

### **Exceptional remuneration**

In accordance with AFEP-MEDEF Code recommendations, the Board of Directors does not intend to award exceptional remuneration to the Chairman & Chief Executive Officer except in very special circumstances. The payment of such remuneration must be able to be justified by an event such as the achievement of a major Company project, or substantial outperformance.

### **Attendance fees**

Attendance fees for year 2017 will be determined, broken down and allocated to the Chairman & Chief Executive Officer in accordance with the rules applicable to the category of Directors to which he belongs.

Attendance fees are allocated on the following basis:

- 60% of the total annual amount of attendance fees is allocated to the members of the Board of Directors, of which 30% is fixed and 70% variable (the variable portion reflecting their attendance at Board meetings);
- the balance, amounting to 40% of the total annual attendance fees, is paid to the members of specialized committees and distributed as follows: 20% to the Audit Committee, 12% to the Nomination and Remuneration, and 8% to the Corporate, Environmental and Social Responsibility Committee. Allocations are strictly committee attendance-based;
- the Chairman of the Board of Directors and the Chairs of the committees receive a 50% higher fee for their attendance at each meeting.

### **Other benefits**

In the absence of an employment contract with the Company, in 2017 the Chairman & Chief Executive Officer will benefit from an unemployment insurance plan specifically for non-salaried corporate officers, to compensate, to some extent, for the lack of unemployment insurance similar to that provided for employees.

In 2017, the Chairman & Chief Executive Officer also benefits from an educational annuity plan. This plan compensates for having a lower rate of coverage with the insurance available for all Groupe Fnac employees in the case of death or permanent disability, as these benefits are capped.

In 2017, the Chairman & Chief Executive Officer has a company car consistent with the Company's fleet policy and market practices.

In accordance with Article L. 225-37-2 of the French Commercial Code, the payment of variable and exceptional remuneration awarded for the year in review must be ratified by an Ordinary General Meeting item by item for each beneficiary in accordance with Article L. 225-100.

**Regulated agreements benefiting the Company's Chairman & Chief Executive Officer governed by Article L. 225-42-1 of the French Commercial Code.**

**Non-compete agreement**

In 2017, the Chairman & Chief Executive Officer was subject to a non-compete agreement regarding the retail sector specializing in cultural and/or technological and leisure products for the mass market in France, Belgium, Spain, Switzerland, Portugal and Brazil. This non-compete agreement is limited to two years starting at the end of his term of office. As remuneration for this commitment, the Chairman & Chief Executive Officer will receive a gross allowance representing 80% of his fixed monthly remuneration, for a period of two years from the effective end of his term of office. The Board of Directors is entitled to waive implementation of this clause.

At its annual review of regulated agreements conducted at its meeting on February 28, 2017, the Board approved the continuation of this commitment.

**Supplemental pension plan**

In 2017, the Chairman & Chief Executive Officer was a member of the supplemental defined contribution pension plan recognized under Article 83 of the French General Tax Code, which also includes all Groupe Fnac managers in France, all on the same terms.

At its annual review of regulated agreements conducted at its meeting on February 28, 2017, the Board approved the continuation of this commitment.

**RESOLUTION TEN**

**Approval of the principles and criteria for determination, breakdown and allocation of the fixed, variable and exceptional components of the total remuneration and benefits in kind allocated to the Chairman and Chief Executive Officer**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the report specified in Article L. 225-37-2 of the French Commercial Code, approves the principles and criteria for determination, breakdown and allocation of the fixed, variable and exceptional components of total remuneration and benefits in kind of any type presented in the aforementioned report, payable to the Chairman & Chief Executive Officer for the performance of his duties.

**ATTENDANCE FEES**

■ **Objective of Resolution 11**

The total annual attendance fees allocated by the General Meeting of April 17, 2013 remains unchanged since that date. As three Directors were appointed in 2016, the Board of Directors now has 12 members instead of the 9 previous members. Furthermore, by acquiring Darty, the size of the Group has doubled, making its strategic challenges and the Board's role of critical importance for the Group's future. The Board therefore considered it appropriate to increase the attendance fees from €300,000 to €360,000 unless a General Meeting decides otherwise.

**RESOLUTION ELEVEN**

**Total attendance fees allocated to the Board of Directors**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, resolves to increase the total annual

attendance fees for the Board of Directors from €300,000 to €360,000.

This decision applies to the current year and will continue in effect unless decided otherwise.



## BUY-BACK OF SHARES

### ■ Objective of Resolution 12

The authorization granted by the General Meeting to the Board of Directors on June 17, 2016 to trade in the shares of the Company will be expiring on December 16, 2017. In Resolution Twelve, we ask you to authorize the Board of Directors once more, for a period of 18 months, to trade in the Company shares at a maximum purchase price of €100 per share, subject to a ceiling of €263,085,710.

Acquisitions may be made for the following purposes:

- a) To stimulate the secondary market or the liquidity of Groupe Fnac shares via a liquidity contract with an investment services Provider in accordance with the Amafi Ethics Charter permitted by regulations, it being understood that the number of shares used to calculate the aforementioned ceiling is the number of shares bought less the number of shares sold.
- b) To hold the bought shares for future sale (as exchange, payment or other transaction) as part of external growth operations.
- c) To cover stock purchase options and/or bonus share allocation (or similar) schemes for the benefit of Group employees and/or corporate officers as well as allocations of shares in connection with a company or group savings plan (or similar), profit-sharing plan and/or any other form of share allocations to Group employees and/or corporate officers.
- d) To cover investment securities that establish the right to Company shares, as required by applicable regulations.
- e) To potentially cancel the bought shares, in accordance with the authorization granted or to be granted by an Extraordinary General Meeting.

This authorization is also intended to enable the Company to trade in its shares using any means and for any other authorized purpose or using any market practice permitted now or subsequently by applicable laws and regulations or those accepted by the AMF. If the Company undertakes any transactions outside the purposes mentioned above, it will inform its shareholders by means of a press release.

Acquisitions, sales, exchanges or transfers may be arranged by any means, including by acquiring blocks of shares, and the Company reserves the right to use options or derivative instruments subject to applicable regulations.

**The Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares.**

In accordance with the regulations, the Company may not hold, at any time, more than **10% of the shares** comprising its share capital. The number of shares acquired to be held for subsequent surrender in a merger, spin-off or capital contribution, may not exceed 5% of the share capital.

As of December 31, 2016, the Company held none of its own shares.

## RESOLUTION TWELVE

### Authorization to be given to the Board of Directors to trade in Company shares

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, authorizes the latter, including the option to subdelegate this authorization, for a period of 18 months, in accordance with Articles L. 225-209 et seq. of the French Commercial Code and Articles L. 241-1 et seq. of the AMF General Regulations, to buy, sell or transfer, on one or over several occasions and at such times as it considers appropriate, up to 10% of the

number of shares comprising the Company's share capital, it being understood that this ceiling will be adjusted where necessary to take into any account capital increase or capital reduction transactions during the authorization period.

This authorization terminates the authorization granted to the Board of Directors in Ordinary Resolution Eleven of the General Meeting of June 17, 2016.

Acquisitions may be made for the following purposes:

- a) to stimulate the secondary market or liquidity for Groupe Fnac shares via a liquidity contract with an investment services

provider in accordance with the Amafi Ethics Charter and permitted by regulations, it being understood that the number of shares used to calculate the aforementioned ceiling is the number of shares bought minus the number of shares sold;

- b) to hold the bought shares for future sale (as exchange, payment or other transaction) as part of external growth operations;
- c) to cover stock purchase options and/or bonus share allocation (or similar) schemes for the benefit of Group employees and/or corporate officers as well as allocations of shares in connection with a company or group savings plan (or similar), profit-sharing plan and/or any other form of share allocations to Group employees and/or corporate officers;
- d) to cover investment securities that give the right to Company shares, as required by applicable regulations;
- e) to potentially cancel the bought shares, in accordance with the authorization granted or to be granted by an Extraordinary General Meeting.

This authorization is also intended to enable the Company to trade in its shares using any means and for any other authorized purpose or using any market practice permitted now or subsequently by applicable laws and regulations or those accepted by the AMF. If the Company undertakes any transactions outside the purposes

mentioned above, it will inform its shareholders by means of a press release.

Acquisitions, sales, exchanges and transfers may be arranged by any means, including by acquiring blocks of shares, and the Company reserves the right to use options or derivative instruments subject to applicable regulations.

The Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares.

The maximum purchase price is set at €100 per share. In the case of an operation affecting capital, specifically the splitting or consolidation of shares or allotment of bonus shares, the amount indicated above will be adjusted in the same proportions (multiplied by the ratio [number of shares composing share capital before the operation]/[number of shares composing share capital after the operation]).

The maximum nominal value of the operation is thus set at €263,085,710.

The General Meeting grants all powers to the Board of Directors to undertake such operations, to set their terms and conditions, to sign any agreements and perform any pertinent formalities.

## For the Extraordinary General Meeting:

### AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES AND/OR INVESTMENT SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED OR MAINTAINED

The Board of Directors asks for the necessary authorizations to issue any securities, as and when it considers appropriate or necessary, for the Company's business development.

This is why you are being asked to renew the financial authorizations that are about to expire.

Furthermore, regarding authorizations potentially giving rise to a cash capital increase, you are asked to authorize the Board to increase capital to benefit the members of a company savings plan, in accordance with applicable regulations.

In this regard, the General Meeting is asked to approve the maximum nominal amount of **€13 million** (approximately 50% of the Company's share capital on the date of the General Meeting) for such potential capital increases (whether they be made on one occasion or across several occasions, either immediately or in the future, for an issue of investment securities giving access to capital) with preferential rights waived or maintained in the terms of the following resolutions, which will be submitted for your approval.

Furthermore, as part of this comprehensive ceiling:

- the nominal amount of capital increases with preferential subscription rights waived and with a mandatory priority period through a public offering and/or as payment in a public exchange offering under Resolution Fourteen of this General Meeting may not exceed €5.2 million (approximately 20% of share capital on the date of the General Meeting);

- the nominal amount of capital increases with preferential subscription rights waived under Resolution Fifteen (authorization with preferential subscription rights waived and with an optional priority period through a public offering and/or as payment in a public exchange offering), Resolution Sixteen (capital increase through a private placement), and Resolution Eighteen (contributions in kind) (see below) of this General Meeting may not exceed €2.6 million (approximately 10% of share capital on the date of the General Meeting), this being a combined comprehensive ceiling covering these three resolutions, which will also count towards the ceiling in Resolution Fourteen (€5.2 million or approximately 20% of share capital on the date of the General Meeting).

With respect to Resolution Thirteen (authorization with preferential subscription rights maintained), Resolution Fourteen (authorization with preferential subscription rights waived and with a mandatory priority period through a public offering and/or as payment in a public exchange offering), Resolution Fifteen (authorization with preferential subscription rights waived and with an optional priority period through a public offering and/or as payment in a public exchange offering), Resolution Sixteen (private placement) of this General Meeting, it shall be provided that any instrument giving access to capital may be used to preserve flexibility in growth or financing operations or to permit the Company to optimize the structure of its balance sheet.

### **AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES AND/OR INVESTMENT SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS MAINTAINED**

#### ■ Objective of Resolution 13

We ask you to renew this authorization which is about to expire, to grant the Board of Directors, as previously authorized by the General Meeting of May 29, 2015, the option to increase capital **with preferential subscription rights (hereinafter "PSR") maintained** to finance its growth, through the Company's issue of:

- ordinary shares;
- and/or ordinary shares giving the right to receive allotments of other ordinary shares or debt securities;
- and/or investment securities giving access to ordinary shares;

to be issued by the Company by any means, immediately and/or in the future.

Any cash capital increase allows shareholders a PSR which is detachable and tradable during the subscription period: whereby each shareholder has the right to subscribe, during a minimum of five trading days counting from the opening of the subscription period, a number of new shares proportional to the shareholder's existing holding.

Under the terms of this resolution, **€13 million** (approximately 50% of the Company's share capital on the date of the General Meeting) is the maximum nominal amount for potential capital increases (whether they be made on one occasion or across several occasions, either immediately or in the future, for an issue of investment securities giving access to capital).

The maximum comprehensive nominal amount of potential capital increases under Resolution Thirteen (general authorization with PSR maintained) and under the authorizations granted in (i) Resolution Fourteen (general authorization with PSR waived and with a mandatory priority period), Resolution Fifteen (general authorization with PSR waived and with an optional priority period), Resolution Sixteen (private placement), Resolution Seventeen (greenshoe option), Resolution Eighteen (contribution in kind), Resolution Twenty (incorporation of premiums, reserves and profits) and Resolution Twenty-One (company savings plan) of this General Meeting and (ii) Resolution Thirteen (allotment of share subscription and/or purchase options) and Resolution Fourteen (allotment of bonus shares) approved by the Combined Ordinary and Extraordinary General Meeting of June 17, 2016, would be €13 million (approximately 50% of the Company's share capital on the date of the General Meeting).

These ceilings would be increased by the nominal value of any shares that may be issued to safeguard, in accordance with applicable laws and regulations and any contractual provisions specifying other adjustments, the rights of those holding investment securities or other rights giving access to capital.

**The Board of Directors, unless authorized in advance by the General Meeting, may not use this authorization for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares.**

This authorization will be granted for a period of 26 months. For the record, the authorization granted for this purpose by the General Meeting of May 29, 2015, has not been used.

### RESOLUTION THIRTEEN

**Authorization to be given to the Board of Directors to issue ordinary shares giving access, as the case may be, to ordinary shares or to the allotment of debt instruments and/or investment securities giving access to ordinary shares in the Company, with preferential subscription rights maintained**

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L. 228-91, L. 228-92, L. 225-129-2 and L. 225-132 et seq. of the French Commercial Code:

- 1) authorizes the Board of Directors, including the option to subdelegate this authorization, to decide to issue, on one or over several occasions and in such proportions and at such times as it considers appropriate, in euros or in a foreign currency or in any other unit of account established by reference to a basket of currencies:
  - ordinary shares,
  - and/or ordinary shares giving the right to receive allotments of other ordinary shares or debt securities,
  - and/or investment securities giving access to ordinary shares,to be issued by the Company by any means, immediately or in the future;
- 2) sets the validity period of this authorization as 26 months beginning at the date of this meeting;
- 3) sets, as detailed below, ceilings on the authorized issue amounts in the event that the Board of Directors utilizes this authorization.

The comprehensive nominal amount of potential capital increases, made immediately or in the future, under this authorization may not exceed €13 million, which is approximately 50% of share capital on the date of this General Meeting, it being understood that the maximum comprehensive amount of potential capital increases under this authorization and those granted in Resolutions Fourteen, Fifteen, Sixteen, Seventeen, Eighteen, Twenty and Twenty-One of this General Meeting and Resolutions Thirteen and Fourteen approved by the Combined Ordinary and Extraordinary General Meeting of June 17, 2016, is €13 million.

This ceiling will be raised, if necessary, by the additional value of any ordinary shares to be issued to safeguard, in accordance with the Law and any contractual provisions specifying other adjustments, the rights those holding investment securities giving access to the Company's capital;

- 4) decides that the Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares;
- 5) should the Board of Directors use this authorization for issues specified in 1) above:
  - a) decides that the issue(s) of ordinary shares or investment securities giving access to capital shall be reserved preferentially for shareholders who can subscribe on an irrevocable basis;
  - b) decides that in the event that irrevocable or revocable subscriptions, as the case may be, do not absorb the entire issue specified in 1), the Board of Directors shall have the following options:
    - limit the amount of the issue to the amount subscribed, subject to regulatory limits,
    - at its discretion distribute all or some of the non-subscribed securities,
    - offer to the public all or some of the non-subscribed securities;
- 6) decides that the Board of Directors shall have, within the limits set above, the necessary powers to set the terms and conditions of the issue(s) and to set the issue price as applicable declare the completion of resulting capital increases, correspondingly amend the bylaws, charge at its discretion the cost of capital increases against the corresponding premiums and deduct from that amount the sums necessary to maintain the legal reserve at one tenth of the new capital after each increase and, in general, do everything necessary of a similar nature;
- 7) acknowledges that this authorization supersedes any previous authorization that has the same purpose.

## AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES AND/OR INVESTMENT SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED AND WITH A MANDATORY PRIORITY PERIOD THROUGH A PUBLIC OFFERING AND/OR AS PAYMENT IN A PUBLIC EXCHANGE OFFERING

### ■ Objective of Resolution 14

As this authorization is about to expire this year, you are asked to renew it. This authorization allows the Board of Directors **to undertake growth or financing operations**, by issuing, with PSR waived, on French and/or foreign markets, through a public offering:

- ordinary shares;
- and/or ordinary shares giving the right to receive allotments of other ordinary shares or debt securities;
- and/or investment securities giving access to ordinary shares;

to be issued by the Company by any means immediately and/or in the future.

Under this resolution, you are asked to waive the PSR. Depending on market conditions, the type of investors concerned, and the type of securities issued, it may be preferable or even necessary to waive the PSR in order to place the securities on the best possible terms, particularly when transaction speed is an essential condition of their success, or when the issues are placed on foreign financial markets. Such a waiver may attract substantially more capital due to more favorable terms of issuance.

The Board of Directors would, however, have to **mandatorily grant a priority period** for subscription by existing shareholders. Such a priority period is not a tradable right. It would be a minimum of three trading days. It would be exercised proportionately to the number of shares held by the shareholder and may be supplemented by a revocable subscription.

The maximum nominal amount of potential capital increases made immediately or in the future under Resolution Fourteen would be **€5.2 million (approximately 20% of share capital on the date of the General Meeting)**. This amount would be a comprehensive ceiling covering the nominal amount of capital increases with PSR waived under Resolution Fifteen (authorization with PSR waived and with an optional priority period through a public offering and/or as payment in a public exchange offering), Resolution Sixteen (capital increase through private placement), and Resolution Eighteen (contribution in kind).

In addition, these issues would also count towards the comprehensive ceiling of €13 million specified in Resolution Thirteen of this General Meeting.

These ceilings would be increased by the nominal value of any shares that may be issued to safeguard, in accordance with applicable laws and regulations and any contractual provisions specifying other adjustments, the rights of those holding investment securities or other rights giving access to capital.

The issue price of shares issued directly would be at least equal to the minimum specified in applicable regulations on the date of issue (which is currently, as an indicative price only, the weighted average of the share price over the three trading days immediately preceding the date on which the subscription price for the capital increase is set, minus 5% after any adjustment to this average to reflect differences in entitlement dates).

In accordance with the Law, the authorizations granted by your General Meeting to issue securities giving access to capital include a waiver by shareholders of their PSR to the equity instruments to which those securities give entitlement. Should you adopt these resolutions, you would legally waive your PSR to the shares that your Company would issue for the purpose of servicing the redemption of share-redeemable bonds.

The issue price of the securities giving access to capital would be set in such a way that, for every share issued under investment securities giving access to capital, the total received by the Company under these investment securities giving access to capital would be at least the minimum regulatory price per share (as it was on the date that the securities giving access to capital were issued).

Lastly, this resolution would allow shares or securities giving access to capital to be issued as payment for the securities of a company that meets the criteria in Article L. 225-148 of the French Commercial Code as part of a public exchange offering initiated by the Company in France or outside France in accordance with local regulations, for which the Board of Directors would be free to set the exchange parity, as the pricing rules described above would not apply.

**The Board of Directors, unless authorized in advance by the General Meeting, may not use this authorization for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares.**

The validity period of this authorization would be 26 months.

For the record, the authorization granted for this purpose by the General Meeting of May 29, 2015, has not been used.

#### RESOLUTION FOURTEEN

**Authorization to be given to the Board of Directors to issue ordinary shares giving access, as the case may be, to ordinary shares or to the allotment of debt instruments and/or investment securities giving access to ordinary shares in the Company, with preferential subscription rights waived and with a mandatory priority period, in the form of a public offering and/or as consideration for securities contributed as part of a public exchange offering**

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L. 225-129-2, L. 225-135, L. 225-136, L. 225-148, L. 228-91 and L. 228-92 of the French Commercial Code:

1) authorizes the Board of Directors, including the option to subdelegate this authorization, to decide to issue, on one or over several occasions and in such proportions and at such times as it considers appropriate, on the French or an international market, as a public offering in euros or in a foreign currency or in any other unit of account established by reference to a basket of currencies:

- ordinary shares,
- and/or ordinary shares giving the right to receive allotments of other ordinary shares or debt securities,
- and/or investment securities giving access to ordinary shares,

to be issued by the Company by any means immediately and/or in the future.

These securities may be issued as payment for securities contributed to the Company as part of a public exchange offering of securities eligible under Article L. 225-148 of the French Commercial Code.

- 2) sets the validity period of this authorization as 26 months from the date of this meeting;
- 3) decides that the maximum comprehensive nominal amount of potential capital increases, made immediately or in the future under this authorization would be €5.2 million (approximately 20% of share capital on the date of the General Meeting). The ceilings in Resolutions Fifteen, Sixteen and Eighteen count

towards this comprehensive ceiling which itself counts towards the total comprehensive ceiling for capital increases specified in section 3) of Resolution Thirteen of this General Meeting and, as the case may be, towards the comprehensive nominal ceiling on capital increases specified in any other authorizations similar to the above-cited resolution that follow on from it during the period this authorization is valid.

This ceiling will be raised, if necessary, by the additional value of any ordinary shares to be issued to safeguard, in accordance with the Law and any contractual provisions specifying other adjustments, the rights of those holding investment securities giving access to the Company's capital;

- 4) decides to waive shareholders' preferential subscription rights to ordinary shares and/or investment securities giving access to capital and/or to debt instruments that are the subject of this resolution. The Board of Directors, however, shall have to mandatorily grant existing shareholders a priority period in accordance with terms and conditions that it will set in accordance with applicable laws and regulations, which shall not constitute a tradable right and which shall be exercised proportionately to the number of shares owned by the shareholder and may be supplemented by a revocable subscription;
- 5) decides the sum that is received, or that should be received, by the Company for each ordinary share issued under this authorization, after taking into account, in the case of an issue of equity warrants, the issue price of such warrants, shall be at least equal to the minimum required by applicable laws and regulations at the time that the Board of Directors utilizes the authorization;
- 6) decides that the Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares;
- 7) decides, in the case of an issue of securities intended as payment for securities contributed as part of a public exchange offering, that the Board of Directors, under the conditions specified in Article L. 225-148 of the French Commercial Code and within the limits specified above, shall have all necessary powers to approve the list of securities listed, the exchange parity, the amount of any balance payable in cash, and the terms and conditions of the issue;



8) decides that in the event that subscriptions do not absorb the entire issue specified in 1), the Board of Directors shall have the following options:

- limit the amount of the issue to the amount subscribed, subject to regulatory limits,
- at its discretion distribute all or some of the non-subscribed securities;

9) decides that the Board of Directors shall have, within the limits set above, the necessary powers to set the terms and conditions

of the issue(s), declare the completion of resulting capital increases, correspondingly amend the bylaws, charge at its discretion the cost of capital increases against the corresponding premiums and deduct from that amount the sums necessary to maintain the legal reserve at one tenth of the new capital after each increase and, in general, do everything necessary of a similar nature;

10) acknowledges that this authorization supersedes any previous authorization that has the same purpose.

### AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES AND/OR SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED AND WITH AN OPTIONAL PRIORITY PERIOD THROUGH A PUBLIC OFFERING AND/OR AS PAYMENT IN A PUBLIC EXCHANGE OFFERING

#### ■ Objective of Resolution 15

As this authorization is about to expire this year, you are asked to renew it. This authorization allows the Board of Directors **to undertake growth or financing operations**, by issuing, with preferential subscription rights (hereinafter, "DPS") waived, on French and/or foreign markets, through a public offering:

- ordinary shares;
- and/or ordinary shares giving the right to receive allotments of other ordinary shares or debt securities;
- and/or securities giving access to ordinary shares,
- to be issued by the Company by any means immediately and/or in the future.

As part of this resolution, you are also asked to waive the PSR for the same reasons stated in Resolution Fourteen.

The Board of Directors would have the option of granting shareholders a priority subscription period. The Board of Directors would use this authorization in situations of high market volatility.

Such a priority period is not a tradable right. It would be exercised proportionately to the number of shares held by the shareholder and may be supplemented by a revocable subscription.

The maximum nominal amount of potential capital increases made immediately or in the future under this Resolution Fifteen would be **€2.6 million (approximately 10% of share capital on the date of the General Meeting)**. This amount would also represent a comprehensive ceiling covering the potential capital increases under Resolution Sixteen (capital increase through private placement) and Resolution Eighteen (contribution in kind), the issues carried out under these three resolutions would, further, count towards the ceiling specified in Resolution Fourteen (€5.2 million which is approximately 20% of share capital on the date of this General Meeting).

These issues would also count towards the comprehensive ceiling of €13 million specified in Resolution Thirteen of this General Meeting.

These ceilings would be increased by the nominal value of any shares that may be issued to safeguard, in accordance with applicable laws and regulations and any contractual provisions specifying other adjustments, the rights of those holding investment securities or other rights giving access to capital.

Similarly to Resolution Fourteen:

- the issue price of shares issued directly would be at least equal to the minimum specified in applicable regulations on the date of issue (which is currently, as an indicative price only, the weighted average of the share price over the three trading days immediately preceding the date on which the subscription price for the capital increase is set, minus 5% after any adjustment to this average to reflect differences in entitlement dates);



- in accordance with the Law, the authorizations granted by your General Meeting to issue securities giving access to capital include a WAIVER by shareholders of their PSR to the equity instruments to which those securities give entitlement. Should you adopt these resolutions, you would legally waive your PSR to the shares that your Company would issue for the purpose of servicing the redemption of share-redeemable bonds;
- the issue price of the securities giving access to capital would be set in such a way that, for every share issued under investment securities giving access to capital, the total received by the Company under these investment securities giving access to capital would be at least the minimum regulatory price per share (as it was on the date that the securities giving access to capital were issued);
- lastly, this resolution would allow shares or securities giving access to capital to be issued as payment for the securities of a company that meets the criteria in Article L. 225-148 of the French Commercial Code as part of a public exchange offering initiated by the Company in France or outside France in accordance with local regulations, for which the Board of Directors would be free to set the exchange parity, as the pricing rules described above would not apply;
- **the Board of Directors, unless authorized in advance by the General Meeting, may not use this authorization for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares.**

The validity period of this authorization would be 26 months. For the record, the delegation of authority for this purpose granted by the General Meeting of May 29, 2015, has not been used.

## RESOLUTION FIFTEEN

**Authorization to be given to the Board of Directors to issue ordinary shares giving access, as the case may be, to ordinary shares or to the allotment of debt instruments and/or securities giving access to ordinary shares in the Company, with preferential subscription rights waived and with an optional priority period, through a public offering and/or as payment for securities contributed as part of a public exchange offering**

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L. 225-129-2, L. 225-135, L. 225-136, L. 225-148, L. 228-91 and L. 228-92 of the French Commercial Code:

- 1) authorizes the Board of Directors, including the option to subdelegate this authorization, to decide to issue, on one or over several occasions and in such proportions and at such times as it considers appropriate, on the French or an international market, as a public offering in euros or in a foreign currency or in any other unit of account established by reference to a basket of currencies:
  - ordinary shares,
  - and/or ordinary shares giving the right to receive allotments of other ordinary shares or debt securities,
  - and/or securities giving access to ordinary shares,to be issued by the Company by any means immediately and/or in the future.

These securities may be issued as payment for securities contributed to the Company as part of a public exchange offering of securities eligible under Article L. 225-148 of the French Commercial Code;

- 2) sets the validity period of this authorization as 26 months from the date of this meeting;
- 3) decides that the maximum comprehensive nominal amount of potential capital increases, made immediately or in the future under this authorization would be €2.6 million (approximately 10% of share capital on the date of the General Meeting). This amount is a total comprehensive ceiling encompassing the ceilings in Resolutions Sixteen and Eighteen. It counts towards (i) the ceiling specified in Resolution Fourteen and towards the total comprehensive ceiling for capital increases specified in section 3) of Resolution Thirteen of this General Meeting and/or, as the case may be, towards the comprehensive nominal ceiling on capital increases specified in any other authorizations similar to the above-cited resolution that follow on from it during the period this authorization is valid.

This ceiling will be raised, if necessary, by the additional value of any ordinary shares to be issued to safeguard, in accordance with the Law and any contractual provisions specifying other adjustments, the rights of those holding investment securities giving access to the Company's capital;

- 4) decides to waive shareholders' preferential subscription rights to ordinary shares and/or securities giving access to capital and/or to debt instruments that are the subject of this resolution, leaving to the Board of Directors, however, the option to grant shareholders a priority right in accordance with law;

- 5) decides the sum that is received, or that should be received, by the Company for each ordinary share issued under this authorization, after taking into account, in the case of an issue of equity warrants, the issue price of such warrants, shall be at least equal to the minimum required by applicable laws and regulations at the time that the Board of Directors utilizes the authorization;
- 6) decides that the Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares;
- 7) decides, in the case of an issue of securities intended as payment for securities contributed as part of a public exchange offering, that the Board of Directors, under the conditions specified in Article L. 225-148 of the French Commercial Code and within the limits specified above, shall have all necessary powers to approve the list of securities listed, the exchange parity, the amount of any balance payable in cash, and the terms and conditions of the issue;
- 8) decides that in the event that subscriptions do not absorb the entire issue specified in 1), the Board of Directors shall have the following options:
  - limit the amount of the issue to the amount subscribed, subject to regulatory limits,
  - at its discretion distribute all or some of the non-subscribed securities;
- 9) decides that the Board of Directors shall have, within the limits set above, the necessary powers to set the terms and conditions of the issue(s), declare the completion of resulting capital increases, correspondingly amend the bylaws, charge at its discretion the cost of capital increases against the corresponding premiums and deduct from that amount the sums necessary to maintain the legal reserve at one tenth of the new capital after each increase and, in general, do everything necessary of a similar nature;
- 10) acknowledges that this authorization supersedes any previous authorization that has the same purpose.

#### **AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE SHARES AND/OR INVESTMENT SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED THROUGH AN OFFER SIN ARTICLE L. 411-2-II OF THE FRENCH MONETARY AND FINANCIAL CODE**

##### **■ Objective of Resolution 16**

This resolution asks you to renew your authorization to the Board of Directors of May 29, 2015 which is about to expire, allowing the Company to make "private placement" offers, which give rise to capital increases or investment securities offers, with preferential subscription rights (PSR) waived, aimed exclusively at (i) providers of asset management investment services to third parties, or at (ii) qualified investors or a restricted circle of investors provided they are acting on their own account.

This authorization would make it easier for the Company to access capital and benefit from the best market conditions, as this method is faster and simpler than a capital increase in the form a public offering. You are asked to waive PSR to permit the Board of Directors to arrange financing more simply by private placement, by issuing on a French and/or foreign market shares and/or investment securities giving access to Company capital.

**The Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares.**

The nominal amount of capital increases with PSR waived that may be carried out immediately or in the future under this authorization, excluding any additional amount issued to safeguard the rights those holding investment securities giving access to capital, **shall not exceed €2.6 million (approximately 10% of share capital on the date of the General Meeting)**. This amount would also represent an comprehensive ceiling covering the capital increases that may be carried out under Resolution Fifteen (authorization with PSR waived and with an optional priority period through a public offering and/or as payment in a public exchange offering) and Resolution Eighteen (contribution in kind), the issues carried out under these three resolutions would, further, count towards the ceiling specified in Resolution Fourteen (€5.2 million which is approximately 20% of share capital on the date of this General Meeting).

These capital increases would also count towards the comprehensive authorization ceiling of €13 million specified in Resolution Thirteen of this General Meeting.

Like the three preceding resolutions, this authorization would permit the issue of new shares or investment securities giving access to capital or the right to be allotted debt instruments.

The issue price of directly issued shares and investment securities will be set in the same way as in Resolution Fourteen.

The validity period of this authorization would be 26 months. For the record, the delegation of authority for this purpose granted by the General Meeting of May 29, 2015, has not been used.

## RESOLUTION SIXTEEN

### **Authorization to the Board of Directors to issue ordinary shares giving access, as the case may be, to ordinary shares or to the allotment of debt instruments and/or investment securities giving access to ordinary shares in the Company, with preferential subscription rights waived, in the form of an offer specified in Article L. 411-2-II of the French Monetary and Financial Code**

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92 of the French Commercial Code:

- 1) authorizes the Board of Directors, including the option to subdelegate this authorization, to decide to issue, on one or over several occasions and in such proportions and at such times as it considers appropriate, on the French or an international market, as a public offering specified in Article L. 411-2 of the French Monetary and Financial Code, in euros or in a foreign currency or in any other unit of account established by reference to a basket of currencies:
  - ordinary shares,
  - and/or ordinary shares giving the right to receive allotments of other ordinary shares or debt securities,
  - and/or investment securities giving access to ordinary shares,to be issued by any means immediately and/or in the future;
- 2) sets the validity period of this authorization as 26 months from the date of this General Meeting;
- 3) decides that the maximum nominal amount of capital increases that may be carried out immediately or in the future under this authorization would be €2.6 million (approximately 10% of share capital on the date of the General Meeting). This amount is a comprehensive ceiling covering also the ceilings in Resolutions Fifteen and Eighteen. It counts towards (i) the ceiling specified in Resolution Fourteen and towards (ii) the comprehensive ceiling for capital increases specified in section 3) of Resolution Thirteen of this General Meeting and/or, as the case may be, towards the total nominal ceiling on capital increases specified in any other authorizations similar to the above-cited resolution that follow on from it during the period this authorization is valid.

This ceiling will be raised, if necessary, by the additional value of any ordinary shares to be issued to safeguard, in accordance with the Law and any contractual provisions specifying other adjustments, the rights of those holding investment securities giving access to the Company's capital;
- 4) decides to waive shareholders' preferential subscription rights to ordinary shares and to investment securities giving access to capital and/or to debt instruments that are the subject of this resolution;
- 5) decides the sum that is received, or should be received, by the Company for each ordinary share issued under this authorization, after taking into account, in the case of an issue of autonomous warrants, the issue price of such warrants, shall be at least equal to the minimum required by applicable laws and regulations at the time that the Board of Directors utilizes the authorization;
- 6) decides that the Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares;
- 7) decides that in the event that subscriptions do not absorb the entire issue specified in 1), the Board of Directors shall have the following options:
  - limit the amount of the issue to the amount subscribed, subject to regulatory limits,
  - at its discretion distribute all or some of the non-subscribed securities;
- 8) decides that the Board of Directors shall have, within the limits set above, the necessary powers to set the terms and conditions of the issue(s), declare the completion of resulting capital increases, correspondingly amend the bylaws, charge at its discretion the cost of capital increases against the corresponding premiums and deduct from that amount the sums necessary to maintain the legal reserve at one tenth of the new capital after each increase and, in general, do everything necessary of a similar nature;
- 9) acknowledges that this authorization supersedes any previous authorization that has the same purpose.

## AUTHORIZATION TO THE BOARD OF DIRECTORS TO INCREASE THE NUMBER OF SECURITIES TO BE ISSUED IN A CAPITAL INCREASE

### ■ Objective of Resolution 17

Should a capital increase with preferential subscription rights waived or maintained authorized by your General Meeting be oversubscribed, you are asked to renew the option granted to the Board of Directors at the General Meeting of May 29, 2015, to increase the number of securities to be issued at the same price as the initial issue price, as permitted by applicable regulations (currently within 30 days of the close of the subscription period and limited to a 15% over-allotment of the initial capital increase).

The nominal amount of capital increases possible under this resolution would count towards (i) the ceiling specified in the resolution enabling the initial issue and (ii) the amount of the comprehensive ceiling specified in Resolution Thirteen of this General Meeting.

This authorization will be granted for a period of 26 months. For the record, the delegation of authority for this purpose granted by the General Meeting of May 29, 2015, has not been used.

## RESOLUTION SEVENTEEN

### Authorization to the Board of Directors to increase the number of securities to be issued in a capital increase with preferential subscription rights waived or maintained

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and in accordance with Article L. 225-135-1 of the French Commercial Code:

1) authorizes the Board of Directors, including the option to subdelegate this authorization, to decide to increase the number of securities to be issued in any issue of ordinary shares or investment securities giving access to capital under Resolutions Thirteen to Sixteen, when the Board of Directors finds that the issue has been oversubscribed, at the same price as the

initial issue and with the same regulatory deadlines and limits as the initial issue (currently, within 30 days of the close of the subscription period and limited to 15% of the initial issue), with a view to granting an over-allotment option in accordance with market practices;

- 2) decides that the nominal amount of capital increases decided under this resolution shall count towards (i) the ceiling specified in the resolution enabling the initial issue and towards (ii) the ceiling specified in section 3 of Resolution Thirteen of this General Meeting and/or any ceiling specified in resolutions similar to Resolution Thirteen that follow on from them during the period this authorization is valid;
- 3) sets the validity period of this authorization as 26 months from the date of this meeting.

## AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE ORDINARY SHARES AND/OR INVESTMENT SECURITIES GIVING ACCESS TO CAPITAL TO BE USED AS PAYMENT FOR IN-KIND CONTRIBUTIONS

### ■ Objective of Resolution 18

You are asked to renew the option granted to the Board of Directors at the General Meeting of May 29, 2015 which is about to expire, to undertake as private exchange offers, acquisitions financed by ordinary shares or investment securities giving access to ordinary shares issued by the Company to pay for contributions in kind to the Company impacting equity securities or investment securities giving access to capital in cases not governed by Article L. 225-148 of the French Commercial Code. These issues are carried out with PSR waived.

The nominal amount of issuances which would be carried out under this resolution **may not exceed 10% of share capital and must be under a nominal amount in the order of €2.6 million.**

This amount would also represent an comprehensive ceiling covering the capital increases that may be carried out under Resolution Fifteen (authorization with PSR waived and with an optional priority period through a public offering and/or as payment in a public exchange offering) and Resolution Sixteen (capital increase through private placement), the issues carried out under these three resolutions would, further, count towards the ceiling specified in Resolution Fourteen (€5.2 million which is approximately 20% of share capital on the date of this General Meeting).

These capital increases would also count towards the comprehensive authorization ceiling of €13 million (approximately 50% of share capital) specified in Resolution Thirteen of this General Meeting.

This authorization would allow the Board to set the terms and conditions of the issue, the exchange parity, and any balance to be paid in cash. The Board of Directors will review and decide on the basis of the Statutory Auditors' Report on the value of the assets contributed.

**The Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares.**

The validity period of this authorization would be 26 months. For the record, the delegation of authority for this purpose granted by the General Meeting of May 29, 2015, has not been used.

## RESOLUTION EIGHTEEN

**Authorization to the Board of Directors to issue ordinary shares and/or investment securities giving access to capital, subject to a ceiling of 10% of existing share capital, to be used as payment for in-kind contributions**

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Report of the Statutory Auditors and in accordance with Articles L. 225-147 and L. 228-92 of the French Commercial Code:

- 1) authorizes the Board of Directors, including the option to subdelegate this authorization, to issue, in accordance with the recommendations in the Statutory Auditors' Report, ordinary shares or investment securities giving access to ordinary shares to be used as payment for contributions in kind to the Company consisting of equity instruments or investment securities giving access to capital in cases not governed by Article L. 225-148 of the French Commercial Code;
- 2) sets the validity period of this authorization as 26 months from the date of this meeting;
- 3) decides that the total nominal amount of capital increases possible under this authorization immediately or in the future may not exceed 10% of share capital on the date of the General Meeting, not including the nominal additional value of ordinary shares to be issued to safeguard, in accordance with the law and any contractual provisions specifying other adjustments, the rights of those holding investment securities giving access to the Company's capital.
- 4) decides that the Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation for the remainder of the offer period once a third-party tender offer has been filed for the Company's shares;
- 5) grants all powers to the Board of Directors to approve the valuation of contributions, decide resulting capital increases, declare their completion, charge all costs and fees arising from the capital increase against the contribution premium, deduct from the premium any sums necessary to maintain the legal reserve as one-tenth of the new share capital after each capital increase, correspondingly amend the bylaws, and do everything necessary of a similar nature;
- 6) acknowledges that this authorization supersedes any previous authorization that has the same purpose.

and any contractual provisions specifying other adjustments, the rights of those holding investment securities giving access to the Company's capital.

This amount is a total comprehensive ceiling covering also the ceilings in Resolutions Fifteen and Sixteen. It counts towards (i) the ceiling specified in Resolution Fourteen and towards (ii) the total comprehensive ceiling for capital increases specified in section 3) of Resolution Thirteen and/or, as the case may be, towards the total nominal ceiling on capital increases specified in any other authorizations similar to the above-cited resolution that follow on from it during the period this authorization is valid;

## AUTHORIZATION TO SET THE ISSUE PRICE

### ■ Objective of Resolution 19

This resolution asks you to renew the authorization granted to the Board by the General Meeting of May 29, 2015 which is about to expire, permitting the Company – should it issue ordinary shares and/or investment securities giving access to Company capital with preferential subscription rights waived, in accordance with the terms (particularly the amount) in Resolution Fourteen (authorization with PSR waived and with a mandatory priority period through a public offering and/or as payment in a public exchange offering), Resolution Fifteen (authorization with PSR waived and with an optional priority period through a public offering and/or as payment in a public exchange offering) or Resolution Sixteen (private placement) – to override the pricing requirements in those resolutions and to set the issue price as follows:

- the issue price of ordinary shares would be equal to at least its average weighted Euronext Paris share price on over the five trading days immediately preceding the date on which the price was set, potentially minus a discount of up to 10%;
- the issue price of investment securities other than ordinary shares shall be such that the amount immediately received by the Company, plus any amount subsequently received, for an ordinary share issued to service the issue of investment securities, would at least equal the amount specified in the preceding paragraph.

This pricing exemption allows the Board flexibility in calculating the discount when setting the issue price depending on the market operation and market conditions, and the average reference price.

The nominal amount of capital increases possible under this authorization must not exceed **10% of share capital** in any 12-month period.

The validity period of this authorization would be 26 months. For the record, the corresponding authorization granted by the General Meeting of May 29, 2015, has not been used.

## RESOLUTION NINETEEN

### **Authorization, in the case of an issue with preferential subscription rights waived, to set the issue price, subject to a ceiling of 10% of existing share capital per year**

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L. 225-136-1 paragraph 2 of the French Commercial Code authorizes the Board of Directors, including the option to subdelegate this authorization, to issue ordinary shares or investment securities giving access to capital under Resolutions Fourteen, Fifteen and Sixteen, to override up to a maximum of 10% of share capital, the pricing terms and conditions

in the those resolutions and to set the issue price for any equity instruments to be issued as follows:

- the issue price of ordinary shares shall be equal to at least its average weighted share price on Euronext Paris over the five trading days immediately preceding the date on which the price was set, potentially minus a discount of up to 10%;
- the issue price of investment securities other than ordinary shares shall be such that the amount immediately received by the Company, plus any amount subsequently received, for an ordinary share issued to service the investment securities issue, will at least equal the amount specified in the preceding paragraph.



## AUTHORIZATION TO THE BOARD OF DIRECTORS TO INCREASE CAPITAL BY INCORPORATING RESERVES, PROFITS AND/OR PREMIUMS

### ■ Objective of Resolution 20

You are asked to renew the option, which is about to expire, granted to the Board of Directors at the General Meeting of May 29, 2015, to incorporate into the Company's share capital **up to a nominal €13 million** of reserves, premiums, profits and other funds so as to increase capital by increasing the nominal value of shares and/or by allotting new shares or bonus shares to shareholders.

These issues would count towards the combined comprehensive ceiling of €13 million (approximately 50% of share capital) specified in Resolution Thirteen.

These ceilings would be increased by the nominal value of any shares that may be issued to safeguard, in accordance with applicable laws and regulations and any contractual provisions specifying other adjustments, the rights of those holding investment securities or other rights giving access to capital.

This authorization will be granted for a period of 26 months. For the record, the delegation of authority for this purpose granted by the General Meeting of May 29, 2015, has not been used.

### RESOLUTION TWENTY

#### Authorization to the Board of Directors to increase capital by incorporating reserves, profits and/or premiums

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors and in accordance with Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

- 1) authorizes the Board of Directors, including the option to subdelegate this authorization, to increase share capital, on one or over several occasions and in such proportions and at such times as it considers appropriate, by incorporating reserves, profits, premiums or other capitalizable funds, by issuing and granting new bonus shares to shareholders or by increasing the nominal value of existing ordinary shares, or a combination of the two;
- 2) decides that, in accordance with Article L. 225-130 of the French Commercial Code, should the Board of Directors use this authorization to increase capital by allotting bonus shares, fractional rights shall not be tradable or transferable and that the corresponding capital shall be sold, the proceeds from such sales accruing to the holders of those rights within regulatory deadlines;
- 3) sets the validity period of this authorization as 26 months from the date of this meeting;
- 4) decides that the nominal amount of the capital increase resulting from the instruments issued under this resolution must not exceed €13 million, not taking into account any amount necessary to safeguard, in accordance with the Law, the rights of those holding investment securities giving access to the Company's capital. This amount counts towards the ceiling specified in section 3) of Resolution Thirteen of this General Meeting and/or, as the case may be, towards the total nominal ceiling on capital increases specified in any other authorizations similar to the above-cited resolution that follow on from it during the period this authorization is valid;
- 5) grants to the Board of Directors all powers to implement this resolution and, in general, perform all formalities and do everything necessary to ensure a successful capital increase, declare its completion, and amend the corresponding bylaws;
- 6) acknowledges that this authorization supersedes any previous authorization that has the same purpose.



## AUTHORIZATION TO THE BOARD OF DIRECTORS TO ISSUE SECURITIES TO MEMBERS OF COMPANY SAVINGS PLANS WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED

### ■ Objective of Resolution 21

This resolution is submitted to the vote of the General Meeting, in order to comply with the provisions of Article L. 225-129-6 of the French Commercial Code under the terms of which an Extraordinary General Meeting must also vote on a resolution permitting a capital increase under the terms of Articles L. 3332-18 et seq. of the French Labor Code, when it delegates its authority to carry out a capital increase in cash. Having been asked to vote on authorizations to potentially increase capital in cash, the General Meeting must therefore also vote on an authorization benefiting the members of a company savings plan, it being noted that the listing of this authorization on the agenda, benefiting the members of a company savings plan, also permits the Company to meet its three-yearly obligation under the aforementioned provisions.

Under this resolution, your Board of Directors asks you, in accordance with Article L. 225-138-1 of the French Commercial Code, to authorize it, including the option to subdelegate as permitted by Law, to decide to increase capital, on one or over several occasions, by issuing shares or investment securities giving access to capital, reserved for employees, with preferential subscription rights waived.

The total nominal amount of capital increases possible under this resolution **may not exceed €780,000 (approximately 3% of share capital on the date of this General Meeting).**

This amount counts towards the combined comprehensive ceiling of €13 million specified in Resolution Thirteen. These ceilings will be increased by the nominal value of any shares that may be issued to safeguard, in accordance with applicable laws and regulations, the rights of those holding investment securities or other rights giving access to capital.

The issue price of the new shares or transferable securities giving access to capital will be set by the Board of Directors and will be equal to at least 80% of the Benchmark Price (as this expression is defined below) or at least 70% of the Benchmark Price when the lock-in period specified in the plan in accordance with Articles L. 3332-25 and L. 3332-26 of the French Labor Code is 10 years or longer. The Benchmark Price is defined as the Company's weighted average share price on the Euronext regulated market in Paris over the 20 trading days immediately preceding the date on which the decision was made to set the opening date for subscriptions by the beneficiaries indicated above. Your Board of Directors may reduce or remove this discount if it considers appropriate, particularly to take into account local laws in beneficiaries' countries of residence.

This authorization will be granted for a period of 26 months. For the record, the delegation of authority for this purpose granted by the General Meeting of June 17, 2016, has not been used.

## RESOLUTION TWENTY-ONE

### **Authorization to the Board of Directors to increase capital by issuing ordinary shares and/or investment securities giving access to capital, with preferential subscription rights waived, for the benefit of the members of a company savings plan in accordance with Articles L. 3332-18 et seq. of the French Labor Code**

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L. 225-129-6, L. 225-138-1 and L. 228-92 of the French Commercial Code and Article L. 3332-18 et seq. of the French Labor Code:

1) authorizes the Board of Directors, at its sole discretion and on one or over several occasions, to increase share capital by issuing ordinary shares or investment securities giving access to equity instruments to be issued by the Company for the benefit

of members of one or more company or group savings plans set up by the Company and/or French or foreign companies related to it within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code;

- 2) waives existing shareholders' preferential rights to subscribe to the shares that may be issued under this authorization;
- 3) sets the validity period of this authorization as 26 months from the date of this meeting;
- 4) caps the maximum nominal amount of capital increases possible under this authorization at €780,000 (approximately 3% of share capital on the date of this General Meeting) it being understood that this amount shall count towards the comprehensive nominal ceiling on capital increases specified in section 3) of Resolution Thirteen of this General Meeting or, as the case may be, towards the comprehensive nominal ceiling on capital increases specified in any other authorizations similar to the above-cited resolution

that follow on from it during the period this authorization is valid. This ceiling will be raised, if necessary, by the additional value of any ordinary shares to be issued to safeguard, in accordance with the Law and any contractual provisions specifying other adjustments, the rights of those holding investment securities giving access to the Company's capital;

- 5) decides that the price of the shares to be issued under paragraph 1) of this authorization, must be between 80% and 100% (or between 70% and 100% when the lock-in period under Articles L. 3332-25 and L. 3332-26 of the French Labor Code is equal to or longer than 10 years) of the Company's average opening share price over the 20 trading days immediately preceding the date of the Board of Directors' decision to increase capital and issue the corresponding shares, and it must not exceed this average. The Board of Directors is expressly authorized by the General Meeting to reduce or remove the above-mentioned discounts (subject to legal and regulatory limits) if the Board considers it appropriate, so as to

take into account locally applicable legal, accounting, tax and social security regimes;

- 6) decides, in accordance with Article L. 3332-21 of the French Labor Code, that the Board of Directors may grant to the beneficiaries defined in the first paragraph above, free of charge, shares to be issued or already issued or other securities giving access to the Company's capital to be issued or already issued as (i) employer's contributions in accordance with the rules of company or group savings plans, and/or (ii) a discount, where applicable;
- 7) acknowledges that this authorization supersedes any previous authorization that has the same purpose.

The Board of Directors has sole discretion as to whether or not to implement this delegation of authority, and shall do everything necessary and perform all formalities in connection with it.

## CHANGE OF CORPORATE NAME AND CORRESPONDING AMENDMENT OF THE ARTICLES OF INCORPORATION

### ■ Objective of Resolution 22

In this resolution, you are being asked to approve a change of the Company's corporate name, from "Groupe Fnac" to "Fnac Darty", and to amend the corresponding Article 3 of the Articles of Incorporation.

## RESOLUTION TWENTY-TWO

### Change of corporate name and corresponding amendment of the Articles of Incorporation

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, decides, as proposed by the Board, to change the Company's corporate name to "Fnac Darty" at the close of this General Meeting.

Accordingly, the General Meeting decides to amend the corresponding Article 3 of the Articles of Incorporation as follows:

"Article 3 – Name

The corporate name is: FNAC DARTY.

In all instruments and documents emanating from the Company, the corporate name must be immediately preceded or followed by the words: "société anonyme" or the initials "SA" and disclosure of the amount of share capital.

## AUTHORIZATION TO THE BOARD OF DIRECTORS TO CANCEL SHARES BOUGHT BACK BY THE COMPANY UNDER ARTICLE L. 225-209 OF THE FRENCH COMMERCIAL CODE

### ■ Objective of Resolution 23

You are asked to renew the authorization that is about to expire and to authorize the Board of Directors to reduce share capital on one or over several occasions by canceling any amount of treasury shares at its discretion, subject to legal limits.

As of that cancellation date, the maximum number of shares that may be canceled by the Company during the 24 months immediately preceding said cancellation, including the shares targeted in said cancellation, may not exceed 10% of the shares comprising Company capital on that date, it being understood that this limit would apply to any capital adjusted to take into account transactions impacting share capital after this General Meeting.

This authorization would be granted for a period of 26 months counting from the date of this General Meeting. For the record, the delegation of authority for this purpose granted by the General Meeting of May 29, 2015, has not been used.



### RESOLUTION TWENTY-THREE

#### **Authorization to the Board of Directors to cancel shares bought back by the Company under Article L. 225-209 of the French Commercial Code**

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors and the Special Report of the Statutory Auditors, in accordance with Articles L. 225-209 et seq. and L. 225-213 of the French Commercial Code, authorizes the Board of Directors to reduce share capital, on one or over several occasions and in such proportions and at such times as it considers appropriate, as permitted by law.

The maximum number of shares that may be canceled by the Company under this authorization, over a 24-month period, is 10%

of the shares comprising the Company's share capital on the date of the decision to cancel, it being understood that this limit would apply to any capital adjusted to take into account transactions impacting share capital after this General Meeting.

This authorization would be granted for a period of 26 months counting from this date.

The General Meeting grants all powers to the Board of Directors, including the option to subdelegate this authorization, to do everything necessary to reduce capital as permitted by this authorization, including setting the terms and conditions, declaring completion, assigning the difference between the book value and nominal value of the canceled shares to any item of reserves or premiums, correspondingly amending the Articles of Incorporation, and carrying out all formalities.

### POWERS FOR FORMALITIES

#### ■ Objective of Resolution 24

This resolution grants the bearer of an original, extract or copy of the minutes of this General Meeting full powers to conduct any submissions or formalities necessary in this regard, including digitally with an electronic signature, in accordance with applicable laws.

### RESOLUTION TWENTY-FOUR

#### **Powers for formalities**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, grants the bearer of an original, extract or copy of the minutes full powers to perform all the required legal formalities relating to filings and announcements.

# STATUTORY AUDITORS' REPORTS AND INDEPENDENT THIRD PARTY'S REPORT

|  |           |
|--|-----------|
| <b>Statutory Auditors' Report on the annual financial statements for the year ended December 31, 2016</b>  | <b>43</b> |
| <b>Statutory Auditors' Report on the consolidated financial statements for the year ended December 31, 2016</b>  | <b>44</b> |
| <b>Report of the Statutory Auditors on the pro forma financial information for the years ended December 31, 2015 and 2016</b>  | <b>45</b> |
| <b>Special Statutory Auditors' Report on regulated agreements and commitments identified in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code</b>   | <b>46</b> |
| <b>Statutory Auditors' Report prepared in accordance with Article L. 225-235 of the French Commercial Code on the Report of the Chairman of the Board of Directors of Groupe Fnac SA</b>                                   | <b>48</b> |
| <b>Statutory Auditors' Report on the issue of shares and other investment securities with preferential subscription rights waived or maintained</b>  | <b>49</b> |
| <b>Report of the Statutory Auditors on the issue of ordinary shares and/or investment securities giving access to capital with preferential subscription rights waived, reserved for members of a company savings plan</b> | <b>51</b> |
| <b>Statutory Auditors' Report on the reduction of share capital</b>  | <b>52</b> |
| <b>Independent Third-Party Report on the Consolidated Social, Environmental and Corporate Information reflected in the Management Report</b>   | <b>53</b> |

## STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

### Year ended December 31, 2016

Dear Shareholders,

In execution of the mission entrusted to us by your General Meeting, we hereby submit our report for the year ended December 31, 2016, on:

- the audit of the annual financial statements of Groupe FNAC, as attached to this report;
- the justification of our assessments;
- the specific controls and disclosures required by law.

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

### I. Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we perform tests and procedures so as to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes the examination of evidence supporting the amounts and disclosures in the financial statements using sample-testing techniques or other selection methods. It also involves an assessment of the appropriateness of the accounting principles used and of the significant estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We certify that, with regard to French accounting rules and principles, the financial statements are regular, accurate, and reflect a faithful image of the results of the operations of the past financial year as well as the Company's financial position and assets as of the end of that year.

### II. Justification of the assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code regarding the justification of our assessments, we hereby draw the following matter to your attention.

Note 2.1 to the financial statements explains the accounting rules and methods relating to the valuation of equity investments. In the course of our assessment of the accounting rules and principles followed by your Company, we have checked the suitability of the accounting methods specified above and ascertained their correct application.

The assessments made in this way are part of our process of auditing the annual financial statements as a whole and have thus contributed to our opinion as expressed in the first part of this report.

### III. Specific verifications and information

We also conducted the specific controls required by law in accordance with professional standards applicable in France.

We have no observations to make as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' Management Report and in the documents provided to shareholders on the financial position and annual accounts.

As regards the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on the remuneration and benefits paid to corporate officers and the commitments made in their favor, we have checked their agreement with the accounts or with the data used to establish them, and, as applicable, with the items obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fairness of this information.

In accordance with the law, we have made certain that you have been provided in the Management Report with the various information related to the acquisition of capital and controlling interest, along with the identity of the shareholders and voters.

Paris La Défense and Neuilly-sur-Seine, March 29, 2017

Statutory Auditors

#### KPMG Audit

*A department of KPMG S.A.*

Hervé CHOPIN

*Partner*

#### Deloitte & Associés

Stéphane RIMBEUF

*Partner*

## STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

### Year ended December 31, 2016

Dear Shareholders,

In execution of the mission entrusted to us by your General Meetings, we hereby submit our report for the year ended December 31, 2016, on:

- the audit of the consolidated financial statements of Groupe FNAC, as attached to this report;
- the justification of our assessments;
- the specific verification provided for by law.

The consolidated financial statements have been approved by the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on these statements.

#### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we perform tests and procedures so as to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes the examination of evidence supporting the amounts and disclosures in the financial statements using sample-testing techniques or other selection methods. It also involves an assessment of the appropriateness of the accounting principles used and of the significant estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We hereby certify that the consolidated financial statements for the financial year in question present a true and fair view of the net assets, financial position and income of the whole formed by the consolidated entities, in accordance with IFRS guidelines, as adopted by the European Union.

#### II. Justification of the assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code regarding the justification of our assessments, we hereby draw the following matters to your attention:

- Note 15.2 "Business combination" to the consolidated financial statements sets forth the procedures for the takeover of Darty plc and its subsidiaries, and the impact thereof on the consolidated financial statements, on the understanding that allocation of the acquisition price was not finalized as of December 31, 2016.

Our work included examining the report of the independent assessor used by the company to determine the fair value of the brands (and the franchises) recognized as intangible assets, to review the data and valuation methods used, and to assess the accuracy of the assumptions employed. We also verified the correct accounting treatment for this acquisition in accordance with the procedures described in Note 2.4.3 "Business combinations" and the appropriateness of the information presented in Note 15.2 to the financial statements.

- During the second half of the financial year, your Company systematically tested goodwill for impairment, and also assessed whether there was any evidence of impairment of long-term assets, in accordance with the procedures set out in note 2.10 to the consolidated financial statements. We have reviewed the procedures for implementing these impairment tests together with the forecasted cash flows and assumptions used, and have verified that note 18 in the annex to the consolidated financial statements provides appropriate disclosures;
- Your company continues with the evaluation, and if necessary, the impairment of inventory according to the methods described in note 2.9 in the annex to the consolidated financial statements. We have ascertained the appropriateness of the method, and the reasonable nature of the assumptions used to assess and measure inventory impairment.
- Notes 2.12 and 2.16 in the annex to the Consolidated Financial Statements specify the evaluation methods of share-based payments and employee retirement benefits and other long-term employee benefits. These commitments have been measured by outside actuaries. Our work consisted in reviewing the data used, assessing the assumptions made, and verifying that notes 7 and 24 in the annex to the consolidated financial statements provide appropriate disclosures.

The assessments made in this way are part of our process of auditing the consolidated financial statements as a whole and have thus contributed to our opinion as expressed in the first part of this report.

#### III. Specific verification

We have also proceeded, in accordance with the professional standards applicable in France, with the specific verification provided by the law of information relating to the Group data in the Management Report.

We have no comment to make on its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, March 29, 2017

Statutory Auditors

**KPMG Audit**  
A department of KPMG S.A.  
Hervé CHOPIN  
Partner

**Deloitte & Associés**  
Stéphane RIMBEUF  
Partner



## REPORT OF THE STATUTORY AUDITORS ON THE PRO FORMA FINANCIAL INFORMATION FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2016

Dear Chairman and Chief Executive Officer,

In our capacity as Statutory Auditors and pursuant to Commission Regulation (EC) no. 809/2004, we have prepared this report on the pro forma financial information of the company Groupe Fnac S.A. («Groupe Fnac») for the years ended December 31, 2015 and 2016, included in section 4.1 of the 2016 Registration Document.

This pro forma financial information has been prepared for the sole purpose of illustrating the effect that the acquisition of Darty Plc by Groupe Fnac (the «Transaction») could have had on the components of consolidated operating income for the years ended December 31, 2015 and 2016 for Groupe Fnac, if the Transaction had taken effect as of January 1, 2015. By its very nature, the information describes a hypothetical situation and is not necessarily representative of the operational performance that might have been observed if the Transaction had occurred at a date prior to the one on which it actually occurred.

This pro forma financial information was prepared under your responsibility pursuant to Commission Regulation (EC) no. 809/2004 and the ESMA recommendations on pro forma financial information.

It is our responsibility, on the basis of our audit, to express an opinion, under the terms required by Annex II, point 7 of Commission Regulation (EC) no. 809/2004, as to whether the pro forma information has been properly compiled.

We have applied the procedures we considered necessary with regard to the professional standards of the national auditing body

(Compagnie Nationale des Commissaires aux Comptes) with regard to this mission. These procedures, which do not include either an audit or a limited review of the underlying financial information upon which the pro forma financial information is based, mainly consisted of verifying that the bases used for the pro forma information are in agreement with the source documents described in section 4.1 of the 2016 Registration Document, examining the evidence justifying the pro forma adjustments and meeting with Groupe Fnac management to obtain the information and explanations we deemed necessary.

In our opinion:

- the pro forma financial information was properly compiled on the basis indicated;
- this basis is consistent with the accounting methods of the issuer.

This report is issued for the sole purposes of:

- the filing of the 2016 Registration Document with the AMF and,
- as necessary, the admission to trading on a regulated market, and/or a public offering, of financial securities of the company Groupe Fnac in France and in other countries of the European Union in which notification is made of the prospectus stipulated by AMF which includes this Registration Document

and may not be used in any other context.

Paris La Défense and Neuilly-sur-Seine, March 29, 2017

Statutory Auditors

**KPMG Audit**

*A department of KPMG S.A.*

Hervé CHOPIN

*Partner*

**Deloitte & Associés**

Stéphane RIMBEUF

*Partner*



## SPECIAL STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS IDENTIFIED IN ARTICLES L. 225-38 AND L. 225-42-1 OF THE FRENCH COMMERCIAL CODE

### General Meeting called to approve the financial statements for the year ended December 31, 2016

Dear Shareholders,

As the Statutory Auditors of your Company, we are presenting our report on regulated agreements and commitments.

Based on the data that we have been given, it is our responsibility to inform you of the features, principal terms, the justifying reasons of interest to the Company, and the agreements and commitments of our assignment; we are not required to express an opinion as to their utility or suitability or to investigate whether other agreements and commitments exist. Under Article R. 225-31 of the French Commercial Code, it is your responsibility to assess

the appropriateness of entering into these agreements and commitments, for the purpose of approving them.

In addition, it is our responsibility to inform you, where appropriate, of the data stipulated in Article R. 225-31 of the French Commercial Code regarding the performance of agreements and commitments in the course of the last year that had already been approved by the General Meeting.

We have applied the procedures we considered necessary pursuant to the professional standards of the national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this mission. These procedures consisted of checking the consistency of the data we were given against the basic documents from which the data was taken.

## Agreements and commitments submitted for the approval of the general meeting

### Agreements and commitments authorized during the last year

We hereby inform you that we have not been advised of any agreement or commitment authorized during the last year which is to be submitted for approval by the General Meeting pursuant to Article L.225-38 of the French Commercial Code.

## Agreements and commitments already approved by the general meeting

### Agreements and commitments approved in prior years

#### a) the performance of which continued during the past year

Pursuant to Article L. 225-30 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments, which had already been approved by the General Meeting in prior years, continued during the last year.

#### Consulting services agreement with the BDGS firm authorized by the Board of Directors at its meeting of July 10, 2015

##### Person concerned

Antoine Gosset-Grainville, Director, Groupe Fnac SA and partner in the firm BDGS.

##### Nature and purpose

This agreement with the BDGS firm covers consulting services rendered to Groupe Fnac S.A. to monitor the process to acquire the Darty Group and any capital transaction related to this acquisition. This agreement ended at the end of December 2016.

##### Terms

The amount of the fees for the consulting services of the BDGS firm recognized for the year ended December 31, 2016, established on the basis of the time spent by the attorneys and the application of the hourly rates per category of consultant, totaled €4,019,166.86 before taxes.

#### Participation of Mr. Alexandre Bompard, Chairman and Chief Executive Officer, in a defined-contribution supplemental pension plan

##### Person concerned

Mr. Alexandre Bompard, Chairman and CEO of Groupe Fnac S.A.

##### Nature and purpose

In a decision dated July 30, 2013, the Board of Directors of your Company authorized Mr. Alexandre Bompard's membership in the supplemental defined-contribution pension plan for all Groupe Fnac executives in France; this commitment was extended by the Board of Directors on February 17, 2016, subject to renewal of Alexandre Bompard's term of office by the General Meeting of June 17, 2016.

### Terms

Mr. Alexandre Bompard has a supplemental defined-contribution pension plan identical to the one given to all Groupe Fnac executives in France.

The payments made for his membership amounted to €10,631.04 before taxes for 2016.

### Agreement on exit from the tax consolidation by and between Kering SA, Groupe Fnac S.A. and its French subsidiaries

#### Persons concerned

Mrs. Patricia Barbizet, Director of Groupe Fnac S.A. and director of Kering S.A.

#### Nature and purpose

On January 1, 2013, Kering SA assigned slightly more than 5% of the capital of Groupe Fnac S.A. to the Dutch company KERNIC MET BV. This disposal resulted in the exit of Groupe Fnac S.A. and the French subsidiaries in which it holds at least 95% from the scope of the Kering SA tax consolidation group, effective January 1, 2013.

In a decision dated April 17, 2013, the Board of Directors of your Company authorized the agreement for the exit of Groupe Fnac SA and its French subsidiaries from the tax consolidation group of Kering SA.

#### Terms

The exit of these companies from the tax consolidation group of Kering SA resulted in the signature of an agreement for removal from tax consolidation signed by Kering SA and Groupe Fnac SA and its French subsidiaries. The agreement stipulates in particular that the tax deficits, net long-term capital losses and tax credits accrued during the period when they belonged to the consolidated Kering Group will remain posted to the Kering Group.

In the event of an additional tax assessment for Groupe Fnac S.A. or one of its subsidiaries, it will owe Kering S.A. the amount as assessed, in accordance with the principles of the agreement, as it can no longer benefit from the tax deficits, net long-term losses or tax credits recognized during the period in which they belonged to the Kering consolidated group.

Over the course of 2016, the amount €948,071.00 was paid to Kering S.A. as the result of a tax assessment concerning the company MSS, a subsidiary of Groupe Fnac S.A.

### **b) not performed during the last year**

We have also been informed of the continuation of the following agreements and commitments, already approved by the General Meeting in previous years, which were not performed during the past year.

### Non-compete commitment for Mr. Alexandre Bompard, Chairman and Chief Executive Officer

#### Persons concerned

Mr. Alexandre Bompard, Chairman and CEO of Groupe Fnac S.A.

#### Nature and purpose

In a decision dated July 30, 2013, the Board of Directors of your Company authorized a non-compete agreement concluded between your Company and its Chairman and Chief Executive Officer Mr. Alexandre Bompard. This commitment was extended by the Board of Directors on February 17, 2016, subject to the renewal of Mr. Alexandre Bompard's term of office by the General Meeting of June 17, 2016.

#### Terms

This commitment covers the distribution segment specialized in cultural and/or technological products and entertainment products for the consumer market in France, Belgium, Spain,

Switzerland, Portugal and Brazil. This commitment is limited to a period of two years from the end of Alexandre Bompard's term of office.

In return for this commitment, Alexandre Bompard will receive a gross severance package amounting to 80% of his fixed monthly remuneration for a period of two years from the effective date of termination of his office, with the understanding that the Board of Directors has the right to waive implementation of this clause.

Paris La Défense and Neuilly-sur-Seine, March 29, 2017

Statutory Auditors

#### **KPMG Audit**

A department of KPMG S.A.

Hervé CHOPIN  
Partner

#### **Deloitte & Associés**

Stéphane RIMBEUF  
Partner

**STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF GROUPE FNAC SA**

**Year ended December 31, 2016**

Dear Shareholders,

In our capacity as Statutory Auditors of the company Groupe Fnac SA and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby submit to you our report on the report prepared by the Chairman of your Company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the year ended December 31, 2016.

It is the Chairman's task to prepare and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company, containing the other disclosures required by Article L. 225-37 of the French Commercial Code, particularly as regards corporate governance.

It is our responsibility to:

- report to you our observations made on the information contained in the Chairman's report concerning the internal control and risk management procedures pertaining to the preparation and treatment of the accounting and financial information, and
- certify that the report reflects those other items of information required by Article L. 225-37 of the French Commercial Code, specifying that we are not responsible for verifying the truth of these other items of information.

We conducted our work in accordance with the professional standards applicable in France.

**Information concerning the internal control and risk management procedures related to the preparation and treatment of accounting and financial information**

Professional standards require that we perform the necessary checks to assess whether the information provided in the Chairman's Report in respect of internal control and risk management procedures relating to the preparation and treatment of accounting and financial information is true and fair. These tests and examinations primarily consist of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and treatment of the accounting and financial information on which the information presented in the Chairman's Report is based and of the existing documentation;
- reviewing the work that has given rise to the preparation of this information and the existing documentation;

- determining whether any major deficiencies of internal control related to the preparation and treatment of accounting and financial information that we have noted in the course of our mission have been appropriately reflected in the Chairman's report.

On the basis of our work, we have nothing to report on the information concerning the company's internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information contained in the report of the Chairman of the Board of Directors prepared pursuant to Article L. 225-37 of the French Commercial Code.

**Other information**

We hereby attest that the report of the Chairman of the Board of Directors reflects those other items of information required by Article L. 225-37 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine, March 29, 2017

Statutory Auditors

**KPMG Audit**  
A department of KPMG S.A.  
Hervé CHOPIN  
Partner

**Deloitte & Associés**  
Stéphane RIMBEUF  
Partner



## STATUTORY AUDITORS' REPORT ON THE ISSUE OF SHARES AND OTHER INVESTMENT SECURITIES WITH PREFERENTIAL SUBSCRIPTION RIGHTS WAIVED OR MAINTAINED

### Combined General Meeting of May 24, 2017 – Resolutions 13, 14, 15, 16, 17, 18 and 19

Dear Shareholders,

In our capacity as your Company's statutory auditors and in performance of our duties under Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby present our report on the proposal to authorize the Board of Directors to issue shares and/or investment securities, and you are being asked to decide on these transactions.

Based on its report, your Board of Directors asks you to:

- authorize it, for a period of 26 months counting from the date of this General Meeting, to undertake the following transactions and set the definitive terms and conditions of those issues and to, as necessary, waive your preferential subscription rights:
  - issue, with preferential subscription rights waived (Resolution 13), ordinary shares and/or ordinary shares carrying warrants for other ordinary shares or debt securities and/or investment securities which give access to ordinary shares to be issued by the Company,
  - issue, with preferential subscription rights waived and with shareholders having the right to a mandatory priority subscription period, through a public offering (Resolution 14), ordinary shares and/or ordinary shares carrying warrants for other ordinary shares or debt securities and/or investment securities giving access to ordinary shares to be issued by the Company, it being understood that such securities may be issued as consideration for securities covered by Article L. 225-148 of the French Commercial Code which would be contributed in the framework of a public exchange offering,
  - issue, with preferential subscription rights waived and with shareholders having the right to an optional priority subscription period, through a public offering (Resolution 15), ordinary shares and/or ordinary shares carrying warrants for other ordinary shares or debt securities and/or investment securities giving access to ordinary shares to be issued by the Company, it being understood that such securities may be issued as consideration for securities covered by Article L. 225-148 of the French Commercial Code which would be contributed in the framework of a public exchange offering,
  - issue, with preferential subscription rights waived as permitted by Article L. 411-2 of the French Monetary and Financial Code (Resolution 16), ordinary shares and/or ordinary shares carrying warrants for other ordinary shares or debt securities and/or investment securities giving access to ordinary shares to be issued by the Company;

- delegate to it, for a period of 26 months counting from the date of this General Meeting, all powers necessary for the an issue of ordinary shares or investment securities giving access to ordinary shares, to be used to pay for contributions in kind permitted by the Company consisting of equity instruments or investment securities giving access to capital (Resolution 18), without exceeding the ceiling of 10% of existing capital on the date of this General Meeting;
- authorize it, by Resolution 19, for the purpose of exercising the authority described in Resolutions 14, 15, 16, to set the issue price, without exceeding the statutory annual ceiling of 10% of share capital.

The comprehensive nominal amount of potential capital increases, made immediately or in the future, may not, pursuant to Resolution 13, exceed €13 million when made under Resolutions 13, 14, 15, 16, 17, 18, 20 and 21 of this General Meeting and Resolutions 13 and 14, which were approved by the Combined General Meeting of June 17, 2016. This amount is also the individual ceiling under Resolution 13, it being specified that:

- the total nominal amount of potential capital increases, made now or in the future, may not individually exceed €5.2 million when made under Resolution 14. The ceilings established in Resolutions 15, 16 and 18 and mentioned below will count towards this €5.2 million ceiling, which will in turn count toward the comprehensive nominal ceiling of €13 million established in Resolution 13;
- the total nominal amount of potential capital increases, made now or in the future, may not individually exceed €2.6 million when made under Resolutions 15, 16 and 18. Pursuant to Resolution 15, this amount represents a ceiling shared with the ceilings established in Resolutions 16 and 18 and will count towards the €5.2 million ceiling established in Resolution 14.

These ceilings take into account any additional number of securities to be created under the authorizations in Resolutions 13, 14, 15 and 16,, subject to Article L. 225-135-1 of the French Commercial Code, should you adopt Resolution 17.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to give our opinion on the fairness and accuracy of the quantitative information drawn from the accounts, on the proposal to remove preferential subscription rights, and on certain other information provided in this report concerning these transactions.

We have applied the procedures we considered necessary pursuant to the professional standards of the national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this mission. They consist of verifying the content of the Board of Directors' report on this transaction and the terms and conditions for setting the issue price of the equity securities to be issued.

Subject to a future review of the actual issue terms and conditions of a future transaction, we have no observations to make on the methods provided in the Board of Directors' report for setting the issue price of the equity securities to be issued in respect of Resolutions 14, 15, 16 and 19.

Furthermore, as this report does not specify the methods for calculating the issue price of the equity instruments to be issued

under Resolutions 13 and 18, we can offer no opinion on the choice of method for calculating that issue price.

As the final terms and conditions of the issue have not yet been established, we have no opinion to express regarding them or, consequently, regarding the proposal made to you to waive preferential subscription rights in Resolutions 14, 15 and 16.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue an additional report, as necessary, should your Board of Directors use this authorization to issue investment securities that give access to other equity securities or offer rights to the allotment of debt securities, as part of any issue of securities giving access to capital or ordinary shares with preferential subscription rights waived or maintained.

Paris La Défense and Neuilly-sur-Seine, April 21, 2017

Statutory Auditors

**KPMG Audit**

*A department of KPMG S.A.*

Hervé CHOPIN  
*Partner*

**Deloitte & Associés**

Stéphane RIMBEUF  
*Partner*



**REPORT OF THE STATUTORY AUDITORS ON THE ISSUE OF ORDINARY SHARES  
AND/OR INVESTMENT SECURITIES GIVING ACCESS TO CAPITAL WITH PREFERENTIAL  
SUBSCRIPTION RIGHTS WAIVED, RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN**

**Combined General Meeting of May 24, 2017 – Resolution 21**

Dear Shareholders,

In our capacity as your Company's statutory auditors and in accordance with our duties under Articles L. 228-92 and L. 225-135 et seq. of the French Commercial Code, we hereby present our report on the proposal to authorize the Board of Directors to decide to increase capital, including the authorization to subdelegate that authorization, on one or over several occasions, by issuing ordinary shares and/or investment securities giving access to equity securities to be issued with preferential subscription rights waived, reserved for members of one or more Company or Group savings plans set up by the Company and/or French or foreign companies related to it in the sense of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code. You are being asked by this Resolution to approve this transaction.

The amount of capital increases possible under this resolution, made immediately or in the future, may not exceed €780,000 and shall count towards the comprehensive ceiling specified in Resolution Thirteen of this General Meeting.

This issue is subject to your approval in accordance with Article L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labor Code.

Your Board of Directors asks you, based on its report, that it be delegated the authority to decide to increase capital and waive your preferential subscription rights to the shares and securities to be issued, for a period of 26 months counting from the date of this

General Meeting. It will be its responsibility to set the final terms and conditions for such a transaction.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 et seq. of the French Commercial Code. It is our responsibility to give our opinion on the fairness and accuracy of the quantitative information drawn from the accounts, on the proposal to waive preferential subscription rights, and on certain other information concerning the issue, provided in this report.

We have applied the procedures we considered necessary pursuant to the professional standards of the national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this mission. They consist of verifying the content of the Board of Directors' report on this transaction and the terms and conditions for setting the issue price of the equity securities to be issued.

Subject to a future review of the eventually decided for a future transaction's issuance, we have no observations to make on the methods provided in the Board of Directors' report for setting the issue price of the equity securities to be issued.

As the final terms and conditions of the issue have not yet been set, we have no opinion to express regarding them or, consequently, regarding the proposal made to you to waive preferential subscription rights.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue an additional report in the event that the Board of Directors uses this authorization.

Paris La Défense and Neuilly-sur-Seine, April 21, 2017

Statutory Auditors

**KPMG Audit**

*A department of KPMG S.A.*

Hervé CHOPIN  
*Partner*

**Deloitte & Associés**

Stéphane RIMBEUF  
*Partner*

## STATUTORY AUDITORS' REPORT ON THE REDUCTION OF SHARE CAPITAL

### Combined General Meeting of May 24, 2017 – Resolution 23

Dear Shareholders,

In our capacity as your Company's statutory auditors and in performance of our duties under Article L. 225-209 of the French Commercial Code in the case of reduction of share capital by canceling shares purchased, we have prepared this report to inform you of our assessment of the terms and conditions of the proposed reduction of share capital.

Your Board of Directors asks you to delegate to it, for a period of 26 months beginning at the date of this General Meeting, all powers to cancel up to 10% of share capital in any 24-month period, consisting of the shares purchased under the authorization granted to the Board in the previous Article to buy back Company shares.

We have applied the procedures we considered necessary pursuant to the professional standards of the national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this mission. These procedures require us to review the terms and conditions of the intended capital reduction to assess whether they are consistent with shareholders' interests and comply with applicable laws and regulations.

We have no observations to make on the terms and conditions of the intended capital reduction.

Paris La Défense and Neuilly-sur-Seine, April 21, 2017

Statutory Auditors

**KPMG Audit**

*A department of KPMG S.A.*

Hervé CHOPIN

*Partner*

**Deloitte & Associés**

Stéphane RIMBEUF

*Partner*





## INDEPENDENT THIRD-PARTY REPORT ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND CORPORATE INFORMATION REFLECTED IN THE MANAGEMENT REPORT

Year ended December 31, 2016

To the Shareholders,

In our professional capacity as an independent third-party body of the company Fnac, accredited by COFRAC under number 3-1080 <sup>(1)</sup>, we hereby present you with our report on the consolidated social, environmental and corporate information for the year ended December 31, 2016, presented in the Management Report (hereinafter the "CSR Information"), pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

### The Company's responsibility

It is the role of the Board of Directors to draft a Management Report containing the CSR Information provided for by Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reference documentation used by the Company (hereinafter the "Reference Framework"). This is available upon request from the Company's head office, and a summary can be found in section 2.2. of the Management Report entitled "Methodology note".

### Independence and quality control

Our independence is defined by statutory texts, the profession's Code of Ethics, and the provisions contained in Article L. 822-11-3 of the French Commercial Code. We have also established a quality control system, which covers the policies and documented procedures aiming to ensure compliance with ethical rules and the applicable legal and regulatory requirements.

### Responsibility of the independent third party

Our role, on the basis of our work, is to:

- verify that the required CSR Information is presented in the Management Report or, if omitted, is the subject of an explanation pursuant to the third point of Article R. 225-105 of the French Commercial Code ("Certification of inclusion of CSR Information");
- express a conclusion of reasonable assurance that the CSR Information, taken as a whole, is, in all significant respects, accurately presented in accordance with the Reference Framework (Reasoned opinion on the accuracy of CSR Information).

Our work was conducted by four people and carried out between November 2016 and February 2017 over a total period of approximately three weeks. To aid us in the conduct of our tasks, we called upon our CSR experts.

We performed the work described below in accordance with the Decree of May 13, 2013, which determines the methods whereby the independent third-party performs its mission and, with regard to the reasoned opinion on the accuracy of the information, in accordance with international standard ISAE 3000 <sup>(2)</sup>, as well as with the professional standards of the national auditing body (Compagnie nationale des commissaires aux comptes) with regard to this assignment.

(1) The scope of this accreditation can be viewed on [www.cofrac.fr](http://www.cofrac.fr).

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

## 1) Certification of inclusion of CSR Information

### Nature and extent of the work

Based on interviews with the managers of the departments concerned, we noted a strategic focus on sustainable development as a function of the social and environmental consequences of the Company's activity and its commitments to society and, where applicable, the actions or programs arising from it.

We compared the CSR Information presented in the Management Report with the list prescribed in Article R. 225-105-1 of the French Commercial Code.

If any consolidated information was absent, we verified that the explanations were provided in accordance with the provisions of point 3 of Article R. 225-105 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope of the Group – i.e. the Company and its subsidiaries within the meaning of Article L. 233-1 and the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code – within the limits specified in section 2.2 of the Management Report entitled "Methodology Note".

### Conclusion

On the basis of this work and within the limits mentioned above, we have verified the presence of the required CSR Information in the Management Report.

## 2) Reasoned opinion on the accuracy of the CSR Information

### Nature and extent of the work

We conducted fifteen interviews with the persons responsible for the preparation of the CSR Information in the departments in charge of the process for collecting information and, where applicable, responsible for the internal control and risk management procedures, in order to:

- assess the appropriate structure of the Reference Framework in terms of its relevance, comprehensiveness, reliability, impartiality and understandability, taking into consideration, where applicable, best practice within the sector;
- verify the establishment of a procedure to collect, compile, process and check data to ensure the comprehensiveness and consistency of the CSR Information and observe the internal control and risk management procedures relative to the compiling of the CSR Information.

We determined the nature and extent of our tests and checks according to the nature and importance of the CSR Information with regard to the features of the Company, the social and environmental aspects of its activities, its focus in terms of sustainable development, and best practice in the sector.

For the CSR Information that we considered the most important <sup>(1)</sup>:

- at the level of the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we set up analytical procedures for the quantitative information and, based on sampling, we verified the calculations and consolidation of the data and confirmed their consistency and agreement with the other information provided in the Management Report;
- at the level of a representative sample of entities that we selected <sup>(2)</sup> according to their activity, contribution to the consolidated indicators, location and a risk analysis, we conducted interviews to verify the correct application of the procedures, and, on a sample basis, we performed detailed tests, consisting of verifying the calculations made and reconciling the data in the supporting documentation. The selected sample represented 82% of the workforce, which is considered to be of a size characteristic of the corporate

segment, and between 68% and 100% of the quantitative environmental information is considered to be of a size characteristic of the environmental segment.

We assessed the consistency of other consolidated CSR Information in relation to our knowledge of the Company.

Lastly, we assessed the pertinence of the explanations regarding, where applicable, the total or partial lack of certain data, and taking into account, where applicable, professional best practices.

We consider that the sampling methods and sample sizes that we used in applying our professional judgment enable us to arrive at a conclusion of moderate assurance; a higher level of assurance would have required a more extensive job of verification. Due to the fact that sampling techniques were used, and also due to the other limitations inherent to the operation of any information and internal control system, the risk that a significant anomaly in the CSR Information might not be detected cannot be completely ruled out.

### Conclusion

On the basis of this work, we have not identified any significant anomaly that would call into question the fact that the CSR Information, taken as a whole, is presented accurately and in accordance with the Reference Framework.

Paris, February 24, 2017

Independent Third-Party

**Grant Thornton**

*French member of Grant Thornton International*

Vincent Papazian

*Partner*

(1) **Quantitative social data:** total workforce; number of employees with a disability; number of managers; number of open-ended employment contracts; number of fixed-term contracts; number of new hires; total number of departures; number of calendar days of stoppage time accidents; number of stoppage time accidents; number of hours worked; total number of absentee days due to sickness; number of theoretical work days; total number of hours of training.

**Quantitative environmental data:** WEEE waste; battery waste; toner cartridge waste; cardboard and paper waste; waste from palettes and other wood; consumption of paper (tonnages purchased); consumption of cardboard (tonnage purchased); consumption of plastic packaging; consumption of electricity; refrigerant leakage; carbon emissions related to energy consumption; carbon emissions related to BtoC transport; carbon emissions related to BtoB transport.

**Qualitative data** relating to the following sections: "The Group's territorial, economic and social impact"; "Dialogue with stakeholders"; "Relations with subcontractors and suppliers".

(2) Fnac France (excluding logistics activities), the Massy logistics platform (logistics activities in France), Fnac Spain.

# FNAC DARTY

## REQUEST FOR DOCUMENTS AND INFORMATION

To be submitted to:  
**GROUPE FNAC**  
Flavia  
9, rue des Bateaux-Lavoirs  
94200 Ivry-sur-Seine

**(Art. R. 225-81, R. 225-83 and R. 225-88 of the French Commercial Code)**

I, the undersigned:

LAST NAME .....

First name(s) .....

Address .....

E-mail address .....

Owner of ..... REGISTERED SHARE(S) of Groupe Fnac

and/or ..... BEARER SHARES of Groupe Fnac (attach a copy of the certificate of registration in the bearer account held by your financial intermediary)

requests the documents and information regarding the Combined Ordinary and Extraordinary General Meeting of **May 24, 2017**, as stipulated in Articles R. 225-81 and R. 225-83 of the French Commercial Code on commercial companies.

Issued at....., on.....2017

Signature

**NOTE :** Registered shareholders may, through a single request, obtain the documents and information stipulated in Articles R. 225-81 and R. 225-83 of the French Commercial Code from the Company at each of the subsequent Shareholders' Meetings.



Conception and design:  **Donnelley**  
Financial Solutions

© Photo credits: Fnac / Agence Réa.



Groupe Fnac  
Flavia  
9, rue des Bateaux-Lavoirs  
94200 Ivry-sur-Seine (France)  
[www.fnacdarty.com](http://www.fnacdarty.com)

A French limited company (société anonyme)  
with share capital of €26,374,120  
RCS Créteil 055 800 296