

fnac

NOTIFICATION
& INFORMATION
BROCHURE
FNAC
#2016

COMBINED GENERAL MEETING

Tuesday May 24, 2016

at 4:30 PM

La Cinémathèque française

51, rue de Bercy

75012 Paris



Notification
& information
brochure

| 2016

A brief introduction to Groupe Fnac

With revenues of nearly €4 billion and around 14,000 employees in 2015, Fnac is the leader in the leisure and entertainment retail market in France and a major market player on the other countries where it operates, such as Spain, Portugal, Brazil, Belgium, Switzerland, Morocco, Qatar and Ivory Coast.

Fnac offers an unrivaled range of editorial products (37% of sales) and consumer electronics (58% of sales), along with a full range of other services (5% of sales) that complement its core product offering, as well as ticketing and box office services.

Fnac is a strong brand that encompasses the values of innovation, independence and expertise. It is the leading player in almost all of the product categories it offers and enjoys an excellent reputation and brand recognition.

Fnac has a dense network of 199 multi-format stores in key locations combined with a fast-developing internet offering that attracts a high number of visitors. With around 9 million hits per month, fnac.com is the third-largest e-commerce website in France, and the most visited e-commerce website of all brick & mortar retailers. In 2015, online sales accounted for 15% of Fnac's revenues.

This gives Fnac a "click-and-mortar" network that enables it to benefit from synergies between its retail store network and its internet presence and implement its omni-channel strategy.

The brand's reputation and marketing concept enable it to generate a huge amount of traffic both in-store and online. As a result, Fnac has a large customer base, with a core platform of over 6 million members who account for more than half of its revenues. This is unique in the retail sector. These loyalty program members are customers with high purchasing power and are generally more urban-based and more adept internet users than the average consumer.

To address the structural changes in the markets and the deterioration of macroeconomic conditions, in September 2011, Fnac implemented a new strategic plan called Fnac 2015, which is based around four objectives:

- * Ramping up the omni-channel strategy
- * Developing closer ties with customers
- * Developing levers for growth, both in terms of new product categories and new store formats
- * Improving operational efficiency

Performance of company activities

Pursuant to Article R. 225-113 of the French Code of Commerce, we inform you that Group Fnac, during fiscal year 2015 and up to the present, carried out its activities under the conditions put forward in its financial communications and the 2015 registration document, which was registered under number R. 16-0023 by the AMF April 19, 2016.

The English language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation.

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■ 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; (Friday, May 20th, 2016 at midnight 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 mandated by the Company) by D-2 is sufficient; **no other procedure** is necessary;
- * **for bearer shareholders**, institutions holding bearer share ("financial intermediaries") shall provide evidence directly for the shareholder status of their clients to CACEIS Corporate Trust (mandated 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:

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

In all cases, you must **fill out, date and sign the hereto attached single voting form and admission card request and send it to CACEIS Corporate Trust, or for shareholders with bearer share, to your financial intermediary no later than Friday May 20, 2016.**

- * **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 could also download the single voting form by mail or by proxy which can be found at Company's website (<http://www.groupe-fnac.com>).**

Shareholders who have already voted by mail, sent a proxy or requested an admission card of attestation of participation 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 (Friday, May 20, 2016 at midnight Paris time) the Company will consequently invalidate or modify, as applicable, the vote sent by mail, the proxy, the

admission card or the certificate of shareholding. 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 performed after Friday, May 20, 2016 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 19, 2016 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) 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 19, 2016, 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

La Cinémathèque française
51, rue de Bercy – 75012 Paris

Parking:

- Hôtel Ibis Styles Paris Bercy
77, rue de Bercy – 75012 Paris
- 8, boulevard de Bercy – 75012 Paris

By car:

Exit “A4, Pont de Bercy”

Metro:

Lines 6 & 14: Station Bercy

Bus:

Lines 24, 64, 87: Stop “Gare de Bercy-POPB”

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:

- ★ **to 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;
- ★ **to 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;
- ★ **to 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:

- **registered shareholders:** by e-mail to the following address: 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,
- **bearer shareholders:** by e-mail to the following address: 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, an attestation of participation 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.groupe-fnac.com. They can also be sent on request from CACEIS Corporate Trust (see attached form).

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., **Wednesday, May 18, 2016**:

- * 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@groupe-fnac.com.

Written questions must be accompanied by a shareholding certificate.

Overview

Groupe Fnac SA ("Fnac") and Vivendi SA ("Vivendi") announce a strategic partnership based on a planned cooperation in the cultural sector, complemented by a minority equity investment of Vivendi in Fnac.

Fnac and Vivendi, respectively a recognised expert in the distribution of editorial goods and an integrated group in the media and contents industry, have historically placed their commitment to the cultural sector at the centre of their activities. Today, like other international groups, they intend to develop a strategic partnership and an innovative common project which creates value in the long-term around the following pillars:

- * promotion of cultural contents through an omnichannel approach;
- * reinforced cooperation in Live and in Ticketing internationally;
- * privileged access for clients of both groups to broader digital services;
- * acceleration of Fnac international development, in Southern Europe and Africa in particular.

Vivendi equity investment in Fnac will provide Fnac with additional means to implement its development and external growth plans.

Vivendi has irrevocably undertaken to subscribe to a reserved capital increase of €159 million at a price of €54 per Fnac share (Fnac closing share price as at April 8, 2016). Following the capital increase, Vivendi will hold 15% of Fnac capital and voting rights.

As part of this equity investment, Fnac has committed to propose the nomination of two Directors representing Vivendi at Fnac Board of Directors.

The realisation of the reserved capital increase is primarily subject to the vote of shareholders during the next Fnac General Meeting and to the issuance of a Visa on the prospectus by the AMF.

This partnership, consistent with Fnac 2015 strategic plan, confirms and reinforces Fnac's attractiveness.

Artémis will retain its role as a reference shareholder with 33% of Fnac capital and reaffirms its full support to Fnac's strategic development.

■ 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	Number of shares
Alexandre Bompard	Chairman, Chief Executive Officer	Member of the Corporate, Environmental and Social Responsibility Committee	2016 General Meeting	43	81,114
Patricia Barbizet	Director and Vice Chairman	Member of the Appointments and Compensation Committee	2016 General Meeting	60	1,130
Carole Ferrand	Director	Member of the Audit Committee	2017 General Meeting	45	250
Brigitte Taittinger-Jouyet ^(a)	Independant Director	Chairman of the Corporate, Environmental and Social Responsibility Committee	2017 General Meeting	56	250
Antoine Gosset-Grainville ^(a)	Independant Director	Member of the Appointments and Compensation Committee	2016 General Meeting	49	250
Alban Gréget	Director	Member of the Corporate, Environmental and Social Responsibility Committee	2017 General Meeting	39	250
Nonce Paolini ^(a)	Independant Director	Chairman of the Appointments and Compensation Committee	2018 General Meeting	66	250
Arthur Sadoun ^(a)	Independant Director	Member of the Corporate, Environmental and Social Responsibility Committee	2018 General Meeting	44	250
Jacques Veyrat ^(a)	Independant Director	Chairman of the Audit Committee	2016 General Meeting	53	250

(a) *Independant Directors.*

Personal information regarding the Companies' permanent representatives nominated for appointment as Directors will be submitted to the Combined Ordinary and Extraordinary General Meeting on May 24, 2016

**Stéphane
Roussel**

55 years

Member of the Management Board and Chief Operating Officer

Permanent representative of Vivendi company
Public limited company with capital €7,526,302,888.50
Headquarters: 42, avenue de Friedland – 75008 Paris
343 134 763 RCS Paris

Personal information

Stéphane Roussel was born on October 12, 1961, and is a graduate of the École des Psychologues Praticiens de Paris.

From 1985 to 1997, Stéphane Roussel worked at Xerox.

From 1997 to 2004, Mr. Roussel held positions within the Carrefour Group. He was first appointed Director of Human Resources for hypermarkets in France, before becoming Director of Human Resources Development for international business and then Director of Human Resources France for the entire Carrefour Group.

From 2004-2009, he served as SFR's Vice President of Human Resources. Mr. Roussel held the position of Executive Vice President of Human Resources at Vivendi from 2009 to 2012 before being appointed Chairman-Chief Executive Officer of SFR. He joined the group's General Management team in August 2013 and was appointed to Vivendi's Management Board in June 2014.

Since November 2015, Mr. Roussel has held the position of Vivendi's Chief Operating Officer after serving as its Senior Executive Vice President, Development and Organization since October 2014.

List of positions and offices

Position and offices at December 31, 2015

- Vivendi SA, member of the Management Board
- Canal+ group, member of the Supervisory Board
- StudioCanal, member of the Supervisory Board
- Dailymotion, Director
- Universal Music France, member of the Supervisory Board
- Vivendi Group Africa, Director
- Telecom Italia (Italy), Director
- Banijay Group (SAS), member of the Supervisory Board
- IMS, Director

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

- GVT Participações SA (Brazil), Director
- Numericable-SFR, permanent representative of Compagnie Financière 42, avenue de Friedland on the Board of Directors
- Fondation SFR, member of the Board of Directors
- SFR, Chairman-Chief Executive Officer
- Fondation SFR, Chairman of the Board of Directors
- Activision Blizzard, Director
- Digitick SA, Chairman of the Board of Directors
- See Group Limited (United Kingdom), Director
- UK Ticketing Ltd (United Kingdom), Director
- Arpejeh, President

**Simon
Gillham**

60 years

**Member of the Management Board, Chairman of Vivendi Village,
Senior Executive Vice President, Communications**

Permanent representative of la Compagnie Financière du 42, avenue de Friedland
Société par actions simplifiée with capital of €37,000
Headquarters: 42, avenue de Friedland – 75008 Paris
529 138 513 RCS Paris

Personal information

Simon Gillham, born on February 24, 1956, holds degrees from both the University of Sussex and the University of Bristol. In 1981, Simon Gillham began his career at Thomson where he was responsible for language and management training. In 1985 he formed his own training and communication company: York Consultants. In 1991 he was appointed Vice President Communications of Thomson Consumer Electronics and subsequently joined the CarnaudMetalbox group in 1994. In early 1999, Simon Gillham became Vice President Global Communications of the Valeo group before assuming the position of Vice President Communications at Havas in April 2001. He joined Vivendi in 2007, serving as Senior Executive Vice President, Communications & CSR. Simon Gillham was appointed as a member of Vivendi's Management Board in November 2015.

Simon Gillham is today Chairman of Vivendi Village which includes the activities of Vivendi Ticketing, MyBestPro (connecting individual consumers with professional service providers), Watchever (subscription video on demand), Radionomy (radio platform) and the legendary Paris theatre L'Olympia of which he is the Chairman. He is also responsible for the group's talent management and live events activities.

He is a Vice President of CA Brive Rugby Club.

In 2010, Simon Gillham was awarded the OBE (*Officer of the British Empire*) by Queen Elizabeth II.

List of positions and offices

Position and offices at December 31, 2015

- Vivendi SA, member of the Management Board
- Vivendi Village, Chairman
- Digitick, Chairman of the Board
- L'Olympia, Chairman
- See Group Limited (UK), Chairman of the Board
- The Way Ahead group (UK), Chairman of the Board
- Watchever, Chairman of the Board
- Wengo, Chairman of the Board
- UK Ticketing Ltd (UK), Chairman of the Board
- UBU Productions, Chairman
- Groupe Canal+, member of the Supervisory Board
- StudioCanal, member of the Supervisory Board
- Vivendi Ticketing US LLC, Director
- Dailymotion, Director
- Universal Music France, member of the Supervisory Board
- CA Brive Rugby Club, Vice President

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

- Canal+ France, member of the Supervisory Board
- SIG 100, President
- The Franco-British Chamber of Commerce, President

Notice of the Combined Ordinary and Extraordinary General Meeting

Shareholders are informed that they are called to attend the General Meeting **on Tuesday, May 24, 2016 at 4:30 PM at the following address:**

La Cinémathèque française
51, rue de Bercy
75012 Paris

■ Agenda of the Combined Ordinary and Extraordinary General Meeting of May 24, 2016

FOR THE EXTRAORDINARY GENERAL MEETING

1. Capital increase through the issue of new shares with the removal of preferential subscription rights.
2. Removal of preferential subscription rights to the benefit of Vivendi SA.
3. Corresponding amendment to Article 7 of the bylaws subject to a condition precedent.
4. Delegation of authority to the Board of Directors to increase capital by issuing ordinary shares and/or transferable securities giving access to capital, with the removal of preferential subscription rights, 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.

FOR THE ORDINARY GENERAL MEETING

5. Appointment of Vivendi SA as Director subject to a condition precedent.
6. Appointment of Compagnie Financière du 42, avenue de Friedland as Director subject to a condition precedent.
7. Powers for legal formalities.

■ Proposed resolutions submitted to the Combined Ordinary and Extraordinary General Meeting of May 24, 2016, and objectives

RESOLUTIONS WITHIN THE COMPETENCE OF THE EXTRAORDINARY GENERAL MEETING

Capital increase by issuing new shares with the removal of preferential subscription rights-Corresponding amendment of the bylaws

Objectives of Resolution 1 to 3

The purpose of **Resolution One** is to approve the capital increase through the issuance of new shares with the removal of preferential subscription rights to the benefit of Vivendi.

This reserved capital increase would allow Vivendi to hold a minority 15% equity interest in the share capital of Groupe Fnac and would be in line with the strategic partnership based on collaboration in cultural fields.

In fact, Groupe Fnac and Vivendi, recognized respectively as experts in the distribution of cultural products and an industrial group involved in media and content, have historically focused on cultural activities as their core business.

Like other global groups, they now want to develop a strategic partnership and an innovative project as a creator of long-term value based on a number of vectors:

- * the development of cultural content with an omnichannel approach;
- * strengthened cooperation on “live” events and ticketing internationally;
- * privileged access for the two groups’ customers to expanded digital services;
- * acceleration in Fnac’s international development, particularly in Southern Europe and Africa.

Vivendi’s stake in Groupe Fnac will give Groupe Fnac additional resources to implement its development plans and external growth.

This reserved capital increase would amount to €159,024,654 by issuing 2,944,901 new shares in the Company with a par value of €1 each, the issued price having been set at €54 per share, representing an issue premium of €53 per share.

This would increase share capital from €16,687,774, fully paid up, to €19,632,675, the issue premium amounting to €156,079,753.

Following this capital increase, Vivendi would hold 15% of the capital and voting rights in Groupe Fnac.

The new shares would be similar to the existing shares as soon as they are issued and will have the same entitlements. The new shares will be listed on Euronext Paris (Compartment B) under ISIN code FR0011476928.

The issue price of €54 represents the closing price of Groupe Fnac shares on April 8, 2016.

PROPOSED RESOLUTIONS SUBMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF MAY 24, 2016, AND OBJECTIVES

For indicative purposes: the impact of the issue on the percentage of Groupe Fnac consolidated equity (as at December 31, 2015) held by a Groupe Fnac shareholder prior to the issue, is as follows (calculations based on consolidated equity as at December 31, 2015 and the number of shares comprising share capital at that date):

Share of Groupe Fnac consolidated equity (in euros)	Non Diluted Basis	Diluted Basis
Before issue of 2,944,901 new shares	33.4	32.2
After issue of 2,944,901 new shares	28.4	27.5

Source: Groupe Fnac 2015 Registration Document.

a) the impact of the issue on the percentage of Groupe Fnac company equity (as at December 31, 2015) held by a Groupe Fnac shareholder prior to the issue, is as follows (calculations based on company equity as at December 31, 2015 and the number of shares comprising share capital at that date):

Share of Groupe Fnac company equity (in euros)	Non Diluted Basis	Diluted Basis
Before issue of 2,944,901 new shares	42.9	41.3
After issue of 2,944,901 new shares	36.5	35.3

Source: Groupe Fnac 2015 Registration Document.

b) the impact of the issue on a shareholder holding 1% of Groupe Fnac company share capital as at March 31, 2016, is as follows:

Shareholding (in %)	Non Diluted Basis	Diluted Basis
Before issue of 2,944,901 new shares	1.00%	0.96%
After issue of 2,944,901 new shares	0.85%	0.82%

Source: Groupe Fnac 2015 Registration Document.

c) the theoretical impact of the issue on the present share price expressed as its average price over the 20 trading days immediately preceding April 11 (the date that the capital increase was announced) would be as follows:

Theoretical impact on share price (€)	
Before issue of 2,944,901 new shares	55.6
After issue of 2,944,901 new shares	55.4

This theoretical value is for indicative purposes only and in no way predicts the future value of a Groupe Fnac share.

The purpose of **Resolution Two** is to approve the removal of preferential subscription rights, to the benefit of Vivendi, as this capital increase is reserved for a single investor who will alone have the right to subscribe to the new shares.

The purpose of **Resolution Three** is to amend Article 7 of the bylaws which relates to the amount of share capital, as in this case it would increase to €19,632,675.

Resolutions One, Two and Three are contingent on the appointment of two representatives of Vivendi to the Board of Directors of Groupe Fnac.

Also available for you is the Report of the Statutory Auditors to the financial statements, regarding the capital increase with the removal of preferential subscription rights to the benefit of Vivendi, and the Listing Prospectus of the new shares approved by the AMF.

Resolution One

Capital increase by issuing new shares with the removal of preferential subscription rights

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, after having acknowledged that the share capital is fully paid up, and in accordance with Articles L. 225-129 et seq. of the French Commercial Code and its Article L. 225-138 in particular:

1. Decides, subject to the adoption of Resolutions 2, 3, 4, 5 and 6 submitted to this General Meeting, to increase the Company's capital of €2,944,901 by €16,687,774 to €19,632,675 by issuing 2,944,901 new shares in the Company, with a par value of €1 each.
2. Decides that the issue price will be equal to €54 per share including issue premium, which is an issue premium of €53 per share, representing a total subscription price of €159,024,654.
3. Decides that the new shares will be fully paid up at subscription, exclusively by payment in cash and with no option to offset with specific liquid debt payable by the Company.
4. Decides that the new shares will enjoy entitlements from the first day of the fiscal year in which they are issued, regardless of the effective date of the capital increase, and will be, once created, completely similar to existing shares and subject to all the provisions of the bylaws and to the decisions of the General Meeting.
5. Authorizes, as necessary, the Board of Directors, when the time comes, to increase capital by a nominal amount corresponding to the shares to be issued subject to potential adjustments in accordance with applicable laws and regulations and, if necessary, corresponding to any specific contractual agreements specifying any other adjustments to safeguard the rights of holders of transferable securities giving access to the Company's capital.
6. Grants full powers to the Board of Directors, including the option to subdelegate subject to legal conditions, in order to accomplish everything necessary for a successful capital increase, including but not limited to the following:
 - declare the fulfillment of the condition precedent specified in this Resolution;
 - receive and declare the subscription of the new shares, receive the required payments and, as necessary, open or modify the account in which the funds will have to be deposited;
 - do, where required, everything necessary to safeguard the rights of holders of securities giving access to capital, in accordance with applicable laws and regulations and, where required, any specific contractual provisions specifying other adjustments;

- declare the completion of the capital increase and amend the corresponding bylaws;
- do everything necessary and perform all required formalities at the time of the issue to permit the new shares to be admitted for trading on the Euronext regulated market in Paris and for financial services for the issued shares and generally to do what is necessary;
- at its sole discretion, to allocate the expenses incurred by the capital increase to the associated premium account and draw from it the amounts necessary to legal reserve contributions; and
- do everything necessary and perform all formalities, in particular advertising, to accomplish this capital increase.

Resolution Two

Removal of preferential subscription rights to the benefit of Vivendi SA

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, and in accordance with Articles L. 225-129 et seq. of the French Commercial Code and its Article L. 225-138 in particular, decides, subject to the adoption of Resolutions 1, 3, 5 and 6 submitted to this meeting, to remove shareholders' preferential subscription rights to the 2,944,901 shares to be issued under Resolution One submitted to this meeting, to the benefit of:

Vivendi SA: a French limited liability company with a Management Board and Supervisory Board and share capital of €7,526,302,888.50 with its registered office at: 42, avenue de Friedland – 75008 Paris, RCS Paris 343 134 763.

Resolution Three

Corresponding amendment to Article 7 of the bylaws subject to a condition precedent

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, subject to the prior adoption of Resolutions 1, 2, 5 and 6 submitted to this General Meeting and the completion of the capital increase to which it refers, decides to amend Article 7 of the bylaws as follows:

“Article 7 – Share capital.

The amount of share capital is set at nineteen million six hundred thirty-two thousand six hundred seventy-five euros (€19,632,675) divided into nineteen million six hundred thirty-two thousand six hundred seventy-five shares with a par value of one (1) euro each, all of the same class and fully paid up.”

Delegation of authority to the Board of Directors to increase capital by issuing ordinary shares and/or transferable securities giving access to capital, with the removal of preferential subscription rights, to the benefit of the members of a company savings plan in accordance with Articles 3332-18 et seq. of the French Labor Code

Objective of Resolution 4

For Resolution Four, 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 more occasions, by issuing shares or transferable securities giving access to capital, reserved for employees, with the removal of preferential subscription rights.

The nominal value of the capital increases under this Resolution must not exceed €500,000 (approximately 3% of the share capital as of the date of this General Meeting).

This amount will count towards the overall combined €8 million ceiling on capital increases specified in Resolution Ten of the General Meeting of May 29, 2015. This ceiling 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 holders of transferable securities and 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 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 greater than or equal to ten years. The Benchmark Price is defined as the average of the Groupe Fnac opening share prices on the Euronext regulated market in Paris over the 20 trading days preceding the date on which the decision of capital increase and corresponding share issues was made by the Board of Directors. Your Board of Directors may reduce or remove this discount if it considers appropriate, in particular to take into account local laws in beneficiaries' countries of residence.

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

Resolution Four

Delegation of authority to the Board of Directors to increase capital by issuing ordinary shares and/or transferable securities giving access to capital, with the removal of preferential subscription rights, to the benefit of the members of a company savings plan in accordance with Articles 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 and following of the French Labor Code:

1. Delegates authority to the Board of Directors, including the option to subdelegate this authorization, if it sees fit, at its sole discretion and on one or more occasions, to increase share capital by issuing ordinary shares or securities giving access to equity instruments to be issued by the Company to 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 in the sense of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code.
2. Removes, to the benefit of those persons, existing shareholders' preferential rights to subscribe to the shares that may be issued under this delegation of authority.
3. Sets the validity period of this authorization as 26 months counting from the date of this meeting.
4. Sets a €500,000 ceiling on the total nominal value of the capital increases that may be implemented under this delegation of authority (approximately 3% of the share capital on the date of this meeting), it being understood that this amount will count towards the overall nominal-value ceiling for capital increases specified in 3) of Resolution Ten of the General Meeting of May 29, 2015 or towards the overall nominal-value ceiling for capital increases under any subsequent similar delegation of authority during the validity period of this delegation, as applicable. This ceiling will be raised by the nominal 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 holders of securities giving access to the Company's capital.
5. Decides that the price of the shares to be issued under paragraph 1) of this delegation, 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, it being understood that the Board of Directors may reduce or remove the above-mentioned discounts (subject to legal and regulatory limits) if it considers 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, on a free basis, shares to be issued or already issued or other securities giving access to the Company's capital to be issued or already issued (i) as employer's contributions in accordance with the rules of the company or group savings plans, and/or (ii) as a discount, as applicable.

7. Acknowledges that this authorization terminates all previous authorizations that have the same purpose.

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

RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY GENERAL MEETING

Appointment of two Directors

Objectives of Resolutions 5 and 6

As part of the subscription commitment signed on April 11, 2016 by Groupe Fnac with Vivendi, Groupe Fnac promises to make its best effort to enable Vivendi to have two representative on Groupe Fnac's Board of Directors (out of a total of 12 Directors) if it holds at least 10% of Groupe Fnac capital, and one representative if it holds at least 5%.

You are therefore asked to ratify the appointment for a three year period ending at the close of the General Meeting called in 2019 to approve the financial statements for the fiscal year ended December 31, 2018:

- Vivendi, a limited liability company with €7,526,302,888.50 share capital, and its head office at 42, avenue de Friedland, Paris 8th arrondissement, France, listed in the Paris Trade & Companies Register (RCS) under number 343 134 763, that will be represented by Mr. Stephane Roussel; and
- La Compagnie Financière du 42, avenue de Friedland, a simplified joint stock company with €37,000 share capital, and its head office at 42, avenue de Friedland, Paris 8th arrondissement, listed in the Paris Trade & Companies Register (RCS) under number 529 138 513, that will be represented by Simon Gillham.

The professional experience and expertise of Messrs. Stéphane Roussel and Simon Gillham are presented above in the resumes under the section "Personal information regarding the Companies' permanent representatives nominated for appointment as Directors will be submitted to the Combined Ordinary and Extraordinary General Meeting on May 24, 2016". Resolutions 5 and 6 are conditional on the accomplishment of the capital increase with removal of preferential subscription rights to the benefit of Vivendi.

In this context, Groupe Fnac received, by order of the Presiding Judge of the Créteil Commercial Court dated April 21, 2016, the appointment of Mr. Didier Faury as the Capital Contributions Auditor tasked with evaluating the particular advantages in order to confirm that Vivendi's representation on the Groupe Fnac board of directors and Groupe Fnac's granting of the usual guarantees (powers, capacity, no distributions from now until the completion of the Reserved Capital Increase) does not constitute such advantages. The Capital Contributions Auditor's report will be made available for consultation on the Groupe FNAC website (www.groupe-fnac.com), twenty-one days before the Combined Ordinary and Extraordinary General Meeting of Groupe Fnac planned for May 24, 2016.

Resolution Five

Appointment of Vivendi SA as Director subject to a condition precedent

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, decides to appoint Vivendi, a limited liability company with €7,526,302,888.50 share capital, and its head office

at 42, avenue de Friedland, Paris 8th arrondissement, France, listed in the Paris Trade & Companies Register (RCS) under number 343 134 763, as Director, subject to the adoption of Resolutions 1, 2, 3 and 6 submitted to this General Meeting and the completion of the capital increase to which it refers, for a period of three years which is until the close of the General Meeting to be called in 2019 to approve the financial statements for the fiscal year ending December 31, 2018.

Resolution Six

Appointment of Compagnie Financière du 42, avenue de Friedland as Director subject to a condition precedent

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, decides to appoint La Compagnie Financière du 42, avenue de Friedland, a simplified joint stock company

with €37,000 share capital, and its head office at 42, avenue de Friedland, Paris 8th arrondissement, listed in the Paris Trade & Companies Register (RCS) under number 529 138 513, as Director, subject to the adoption of Resolutions 1, 2, 3 and 5 submitted to this General Meeting and the completion of the capital increase to which it refers, for a period of three years which is until the close of the General Meeting to be called in 2019 to approve the financial statements for the fiscal year ending December 31, 2018.

Powers for formalities

Objective of Resolution 7

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

Resolution Seven

Powers for legal formalities

The General Meeting, acting with the quorum and majority required for the Extraordinary General Meetings, grants full powers to the bearer of an original, extract or copy of the minutes of its deliberations to perform all filings and formalities required by law.

■ Statutory Auditors' Report on the capital increase with removal of preferential subscription rights

Combined General Meeting of May 24, 2016 – Resolutions One and Two

To the Shareholders,

As your Company's Statutory Auditors and in accordance with our duties under Articles L. 225-135 et seq. of the French Commercial Code, we hereby present our report on the proposal to increase capital by issuing ordinary shares with the removal of existing preferential subscription rights, in the amount of €2,944,901, reserved for the company Vivendi SA, a transaction which you are asked to approve.

This capital increase would involve the issue of 2,944,901 shares, with a nominal value of €1, plus an issue premium of €53, making a total subscription price of €159,024,654, and will be contingent on this meeting having adopted Resolutions Five and Six proposing the appointment of two Vivendi SA representatives to your Company's Board of Directors.

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 of the quantitative information drawn from the accounts, on the proposal to remove preferential subscription rights, and on certain other information concerning the issue, provided in this report.

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. They consist mainly of verifying:

- * the information in the Board of Directors Report on the reasons for the proposal to remove preferential subscription rights and on the justification of elements chosen for calculating the issue price and its amount;
- * the fairness of the quantitative information drawn from the annual and consolidated financial statements approved by the Board of Directors. We have audited these financial statements in accordance with French generally accepted accounting practices (GAAP).

We have no observations to make regarding:

- * the fairness of the quantitative information drawn from those financial statements and data in the Board of Directors Report, it being understood that the annual and consolidated financial statements have not yet been approved by your General Meeting;
- * elements chosen for calculating the issue price and its amount;
- * the presentation issue's impact on the financial position of holders of equity securities and securities giving access to capital, in terms of shareholder equity and stock market share price;
- * the proposal to remove preferential subscription rights.

Paris La Défense and Neuilly-sur-Seine, April 22, 2016

The Statutory Auditors

KPMG Audit

A department of KPMG SA

Hervé CHOPIN

Partner

Deloitte & Associés

Stéphane RIMBEUF

Partner

■ Statutory Auditors' Report on the issuance of ordinary shares and/or securities giving access to capital, reserved for members of a company savings plan

Combined Ordinary and Extraordinary General Meeting of May 24, 2016 – Resolution four

To the Shareholders,

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 delegate to the Board of Directors, including the option to subdelegate within the conditions of the law, the authority to decide to increase capital, on one or more occasions, by issuing ordinary shares and/or transferable securities giving access to equity securities to be issued from the Company with the removal of preferential subscription rights, 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 within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code, under a Resolution that you are asked to approve.

The maximum total nominal value of the capital increases that may be transacted immediately or in the future under this Resolution is €500,000 and will count towards the overall combined ceiling of €8 million specified in Resolution Ten of the General Meeting of May 29, 2015.

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, to delegate to it, including the option to subdelegate, for a period of 26 months counting from the date of this meeting, the authority to decide to increase capital and remove your preferential subscription rights to the ordinary shares and securities to be issued. If required, 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 of the quantitative information drawn from the accounts, on the proposal to remove preferential subscription rights, and on certain other information concerning the issue, provided in this report.

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. 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.

Restricted to a future review of the terms and conditions of an issue yet to be decided, 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 remove preferential subscription rights.

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 securities giving access to other equity securities or if new securities offer access to future capital.

Paris La Défense and Neuilly-sur-Seine, April 22, 2016

The Statutory Auditors

KPMG Audit

A department of KPMG SA

Hervé CHOPIN

Partner

Deloitte & Associés

Stéphane RIMBEUF

Partner

■ Request for documents and information

(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 General Meeting of May 24, 2016, as stipulated in Article R. 225-81 and Article R. 225-83 of the French Commercial Code on commercial companies.

Done in, on2016

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.



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