

NOTIFICATION  
& INFORMATION  
BROCHURE  
**FNAC**  
**# 2015**  

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**COMBINED GENERAL MEETING**

**Friday May 29, 2015**

at 4 PM

Les Docks de Paris – Business Center  
50, avenue du Président Wilson  
93200 La Plaine Saint-Denis

## A brief introduction to Groupe Fnac

**With revenues of nearly €4 billion and over 14,500 employees in 2014, 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 and Switzerland.**

Fnac offers an unrivaled range of editorial products (38% of sales) and consumer electronics (57% 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 184 multi-format stores in key locations combined with a fast-developing internet offering that attracts a high number of visitors. With over 9 million hits per month, [fnac.com](http://fnac.com) is the third-largest e-commerce website in France, and the most visited e-commerce website of all brick & mortar retailers. In 2014, online sales accounted for 14% 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 5.5 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.

*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; (Wednesday, May 27<sup>th</sup>, 2015 at midnight Paris time) (hereinafter, "D-2").

Should you transfer shares after giving notice of your intention to vote by mail but before D-2, the financial intermediary must give notice of the transfer and send the necessary information. After May 27<sup>th</sup>, 2015 at midnight, no notification may take place.

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;
- \* **vote by mail**;
- \* **give proxy to the Chairman** of the General Meeting;
- \* **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 your financial intermediary no later than May 26, 2015.**

- \* **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 who have already voted by mail, sent a proxy or requested an admission card 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 (May 27, 2015 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 or any other operation performed after May 27, 2015 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 May 26, 2015 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 May 26, 2015, 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 – Salle “Business Center”  
50, avenue du Président Wilson – 93200 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 – Stade de France stop

**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:

- ★ **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](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,

- **bearer shareholders:** by e-mail 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).

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](http://www.groupe-fnac.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 16 595 610 €  
 Siège social : 9, rue des Bateaux-Lavoirs, ZAC Port d'Ivry  
 94868 Ivry-sur-Seine  
 055 800 236 R.C.S. CRETEIL

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

Identifiant - Account  
 Nominatif Registered  
 Porteur Bearer  
 Vote simple Single vote  
 Vote double Double vote  
 Nombre d'actions Number of shares  
 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 Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en notifiant 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 Directeur 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	Oui / Yes	Non/No	Abst/Abst	Oui / Yes	Non/No	Abst/Abst
<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"/>	A	<input type="checkbox"/>	<input type="checkbox"/>	F	<input type="checkbox"/>	<input type="checkbox"/>
10	11	12	13	14	15	16	17	18	B	<input type="checkbox"/>	<input type="checkbox"/>	G	<input type="checkbox"/>	<input type="checkbox"/>
19	20	21	22	23	24	25	26	27	C	<input type="checkbox"/>	<input type="checkbox"/>	H	<input type="checkbox"/>	<input type="checkbox"/>
28	29	30	31	32	33	34	35	36	D	<input type="checkbox"/>	<input type="checkbox"/>	J	<input type="checkbox"/>	<input type="checkbox"/>
37	38	39	40	41	42	43	44	45	E	<input type="checkbox"/>	<input type="checkbox"/>	K	<input type="checkbox"/>	<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)

**STEP III**  
 Whatever you choose, date and sign here.

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

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:  
 à la banque / to the bank sur 1<sup>ère</sup> convocation / on 1st notification sur 2<sup>ème</sup> convocation / on 2nd notification  
 à la société / to the company

## 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., **Monday, May 25, 2015**:

- \* 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](mailto:actionnaires@groupe-fnac.com).

Written questions must be accompanied by a shareholding certificate.

## Brief overview of Group activities

\* Commenting on the Groupe Fnac's annual results for 2014, Alexandre Bompard said: "2013 marked the recovery of Fnac. In 2014, our model was consolidated and the transformation accelerated. With significant progress in all areas and

indicators, 2014 results validate the Company's strategy and celebrate a year of innovation. Our Company is on the move, ready to seize opportunities and meet the expectations and needs of our customers."

(€ million)	2013	2014	Change
<b>Revenues</b>	<b>3,905</b>	<b>3,895</b>	<b>(0.3%)</b>
<i>Chg. at comparable scope of consolidation and constant exchange rates</i>			0.0%
<i>Chg. on a same-store basis</i>			+0.4%
<b>Current operating income (COI)</b>	<b>72</b>	<b>77</b>	<b>7.4%</b>
<b>Net income</b>	<b>15</b>	<b>41</b>	<b>+180%</b>
Net current income <sup>(a)</sup>	44	50	14.3%
<b>Free cash flow from operations</b>	<b>48</b>	<b>72</b>	<b>51%</b>
<b>Net cash</b>	<b>461</b>	<b>535</b>	<b>16%</b>

(a) From continuing operations, Group share, excluding non-current items.

### Highlights of the financial year

Fnac accelerated its transformation in 2014, with positive results on all key indicators.

Revenues rose by 0.9% in the second half of the year (at comparable scope of consolidation and constant exchange rates). They remained stable throughout the year, compared to a -3.1% drop in 2013 (at comparable scope of consolidation and constant exchange rates).

The improvement in profitability and cash generation was confirmed over 2014 with a current operating profit of €77 million, for an increase of 7.4%, and free cash flow of €72 million, up +51%.

The Group continued to gain market share and strengthened its leadership in its markets.

This performance, which was achieved in a sluggish consumer environment, validates the strategic choices implemented under the "Fnac 2015" plan.

### Strong omnichannel growth

The growth of the internet channel continued in 2014. It was largely driven by strong growth in omnichannel sales, which accounted for over 35% of internet sales in France (versus 29% in 2013). In order to strengthen the complementarity between the store network and the website, new features were emphasized that allowed customers in stores to have access to the entire range of products available online ("click & mag"), or to pick up the product in the store of their choice in one hour ("click & collect 1h").

The Group has also strengthened its range of delivery services with the introduction of Fnac Express+ <sup>(1)</sup>, Fnac 3h Chrono <sup>(2)</sup> (the fastest offer on the market), and *Retrait Colis gratuit* (free delivery in a collection point for all customers living more than 30 km from a Fnac store).

Growth in sales on the Marketplaces was over 25%. This was due to the rapid development of Marketplaces in Spain and Portugal and the strong growth of the Marketplace in France. Marketplaces now account for 15% of online gross merchandise volumes.

Mobile traffic increased by more than +50% and contributed to 25% of [fnac.com](http://fnac.com) traffic.

### Enhanced commercial attractiveness

The Group continued to pursue an offensive commercial policy in markets characterized by a high promotional pressure. Good management of commercial operations, supported by targeted and visible communication campaigns, enabled it to continue to strengthen its price competitiveness.

New initiatives such as further development of sales force cashing, introduction of the single waiting line and the placement of ticketing terminals in stores were implemented to improve customer service quality.

The customer satisfaction indicator in stores (net promoter score) continued to rise.

The number of members increased by nearly 5% over the year to 5.6 million (an increase of over 35% in four years).

(1) Subscription to service for delivery in one business day of all available products in stock on [fnac.com](http://fnac.com).

(2) Home delivery within 3 hours of placing the order.



### Success of the offer renewal strategy

The Group continued to roll out new product families. Telephony sections were successfully introduced throughout the store network in France in the first quarter of 2014, thus enabling the Group to seize a significant share in this market. After opening corners dedicated to connected objects in all stores in the fall of 2013, a flagship store dedicated to telephony and connected objects was successfully opened in Paris on the Champs-Élysées in June 2014. As a result, the Group strengthened its leading position in the connected health & sports and connected home segments. Stationery sections rolled out in France in the spring delivered results which exceeded expectations and confirmed the category's potential.

The Games & Toys and Home & Design families were driven by continued deployment and good business performance.

In total, the contribution of new families increased significantly to 11% of revenues throughout 2014 (compared to 6% in 2013). This growth confirms the success of the Group's offer renewal strategy and the ability of the banner to position itself quickly on fast-growing markets.

With the launch of Fnac Jukebox (a music streaming service) and Pass location (an exclusive technical products leasing service), the Group has also shown its commitment to providing innovative solutions to new consumer uses.

### Accelerating the expansion of proximity formats

Expansion into new store formats accelerated both in France and internationally. Eleven stores were opened in 2014 (compared to seven in 2013), bringing the total number of new format stores at the end of December 2014 to 34.

This momentum was driven primarily by the proximity format, with six openings in France and four openings in the Iberian Peninsula. In France, the openings include the conversion of two "Culture et Loisirs" stores in the context of ongoing discussions with the Intermarché Group.

In 2014, the commercial and economic effectiveness of these new formats was confirmed, thus allowing the Group to boost its presence on the ground by expanding into high traffic areas (travel retail format) or smaller catchment areas (proximity format). Benefitting of all of the omnichannel features, they contribute also to the development of the Group's websites and the strengthening of its omnichannel strategy.

### Operational performance

~~Positive sales momentum continued in the fourth quarter despite a higher comparison base than in previous quarters across all geographical areas.~~

~~The Group's revenues grew by 0.1% at comparable scope of consolidation and constant exchange rates and +0.3% on a same-store basis.~~

~~France posted growth of +1% in sales on a same-store basis. After factoring in the impact from store closures, sales were stable (+0.1%). Iberian Peninsula revenues increased by 1.8% and were driven in particular by expansion, with four proximity format stores opened over the period (three in Portugal and one in Spain).~~

~~In Brazil, business activity continued to be penalized by the deterioration of macroeconomic conditions in the country. As a result, sales were down 4.1% at constant exchange rates.~~

~~Improving sales trends in the Other Countries area, which includes Switzerland and Belgium, was confirmed in the fourth quarter, with a decline in sales of -1.1% (at constant exchange rates).~~

~~Fourth quarter performance reflects the high level of operational excellence, both commercially and logistically, at a key period of the year.~~

~~Internet channel growth continued at a high pace, driven in particular by strong growth in omnichannel sales and sustained development of Marketplaces. Omnichannel sales accounted for 39% of online sales in France over the period (versus 36% in the third quarter and 31% in the first half of the year).~~

~~The contribution of new product families reached 13% of revenues.~~

Over the whole of 2014, the Group's **consolidated revenues** remained stable at comparable scope of consolidation and constant exchange rates.

Exchange rates had a negative impact of -0.4% mainly due to the decline of the Brazilian real against the euro. The acquisition of Datasport, which was completed in late December 2013, had a positive impact of +0.1%.

As reported, the Group's consolidated revenue amounted to €3.895 billion, down slightly (-0.3%) compared to 2013.

Sales momentum was more favorable in the second half of the year, with sales growth of 0.9%, compared to a decline of -1.1% in the first half of the year (at comparable scope of consolidation and constant exchange rates).

The **gross margin** was 29.4% in 2014, versus 29.8% in 2013. The margin resisted better in the second half of the year, showing a decrease of -30 basis points, compared to a decline of -60 basis points in the first half of the year.

This resilience of the margin in the second half of the year was the result of the good performance of the commercial action plan implemented starting in the second quarter and a less unfavorable category mix.

The Group continued its policy of improving **operational efficiency** in 2014, thus generating €63 million in cost savings for that year.

**Current operating income** increased for the second consecutive year. It totaled €77 million, up +7.4%.

### **By reporting segment**

Revenues in **France** increased by +0.5% and +1.3% on a same-store basis. Revenue momentum improved during the year, with sales on a same-store basis increasing by 2.3% in the second half of the year (after a decline of -0.1% in the first half). This favorable development, which took place in a sluggish consumer environment and declining markets, enabled the brand to continue to gain market share. Current operating profit rose 10.8%. The operating margin was 1.7% (versus 1.5% in 2013).

Sales on the **Iberian Peninsula** were up 0.7% in a context of competitive markets. Portugal posted growing sales. Spain has suffered from highly promotional markets.

Internet channel growth continued at a double-digit pace, showing a marked acceleration in the second half of the year. Current operating income increased 10.8%. The operating margin was 3.6% (versus 3.3% in 2013).

Revenues from **Brazil** declined -3.4% at constant exchange rates (-11.3% at current exchange rates). Activity was impacted by the significant decline in store traffic during the World Cup and the economic downturn. Internet sales are growing. Current operating income was negative at -€0.9 million. Strict cost management helped limit the impact of lower activity on operating income.

Sales from the **“Other Countries”** area, which includes Switzerland and Belgium, were down -3.1% at constant exchange rates (-2.6% at current exchange rates). Sales trends improved in the second half of the year with almost stable sales (-0.1% at current exchange rates and -0.7% at constant exchange rates). This turnaround reflects successful implementation of sales promotions, the increased contribution of new product families and the ramp-up of the website in Belgium. Current operating income is stable. The operating margin was 2.5% (versus 2.4% in 2013).

### **Financial performance**

**Other non-current operating income and expenses** represented a net expense of €9 million in 2014, compared to a net expense of -€29 million in 2013. This decrease resulted primarily from the significant reduction in the cost of organizational changes.

**Consolidated net income** amounted to €41 million, a sharp increase (+180%) compared to 2013 (profit of €15 million).

Adjusted for non-recurring items, **net current income from continuing operations, Group share**, amounted to €50 million in 2014, compared to €44 million in 2013, an increase of +14%.

**Diluted earnings per share** (excluding non-current items and on the basis of continuing operations) amounted to €2.97 in 2014, an increase of 13.4% compared to 2013.

### **Financial structure**

The Group continued to improve its cash generation in 2014. **Free cash flow from operations** totaled €72 million, compared to €48 million in 2013.

This positive trend is the result of improved operating performance combined with lower restructuring charges. Investments are under control and totaled €54 million, in line with their 2013 level. The Group continued to optimize its working capital requirements, in particular by reducing inventories.

The Group's **financial position** was strengthened.

Net cash amounted to €535 million at December 31, 2014 (versus €461 million in 2013).

Equity capital amounted to €595 million at December 31, 2014 (versus €550 million in 2013).

At December 31, 2014, the covenants of the credit facility were complied with.

### **Conclusion and outlook**

The 2014 results reflect the acceleration of the Group's transformation and its ability to innovate to adjust its business model to changing consumer uses.

In a consumer environment that is expected to remain sluggish in 2015, the Group is well positioned to continue to strengthen its leadership through the continued deployment of its omnichannel model, the pursuit of a proactive policy of enriching the product and services offer, and accelerated expansion of the proximity formats in France and abroad.

Cost savings for 2013 and 2014 amounted to a total of nearly €120 million, exceeding the goal of €80 million. The Group will pursue its operational efficiency improvement policy and has set a cost savings target of €30 million to €40 million for 2015.

It will also continue its efforts to maximize cash generation.

In the longer term, the Group confirms its current operating profitability target of above 3%, after finalization of the transformation of its business model and under stabilized market and economic conditions.

## ■ 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	42	364
Patricia BARBIZET	Director and Vice Chairman	Member of the Appointments and Compensation Committee	2016 General Meeting	60	1,130
Stéphane BOUJNAH <sup>(a)</sup>	Independent Director	Member and Chairman of the Audit Committee	2015 General Meeting	51	300
Carole FERRAND	Director	Member of the Audit Committee	2017 General Meeting	44	250
Antoine GOSSET-GRAINVILLE	Independent 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	38	250
Nonce PAOLINI <sup>(a)</sup>	Independent Director	Member and Chairman of the Appointments and Compensation Committee	2015 General Meeting	66	250
Arthur SADOUN <sup>(a)</sup>	Independent Director	Member of the Corporate, Environmental and Social Responsibility Committee	2015 General meeting	43	250
Brigitte TAITTINGER-JOUYET	Independent Director	Member of the Corporate, Environmental and Social Responsibility Committee	2017 General Meeting	55	250
Jacques VEYRAT	Independent Director	Member of the Audit Committee	2016 General Meeting	52	250

(a) Board members whose renewal is submitted to the General Meeting of May 29<sup>th</sup>, 2015.

## Personal information concerning the Board members whose renewal is submitted to the General Meeting of May 29<sup>th</sup>, 2015

**Stéphane  
Boujnah**

51 years

40, rue de Courcelles  
Paris (75008)

### Independant Director

#### Personal information

Graduate of the *Institut d'Études Politiques* de Paris, DEA in international economic law, an LLM in international law from the University of Kent in Canterbury and an MBA from INSEAD. From 1991 to 1997, Mr. Boujnah was an attorney at Freshfields and specialized in mergers and acquisitions and international investment projects. He became a consultant for Dominique Strauss-Kahn at the Ministry of Economy, Finances and Industry, where he was in charge of innovation, new technologies, risk capital, foreign investments and certain structural reforms (1997-1999). From 2000 to the end of 2002, he was the Director of mergers and acquisitions at Crédit Suisse First Boston Technology Group in Palo Alto and later in London. He then created KM5 Capital, a company specializing in mergers and acquisitions in the technology sector and in advising risk-capital funds and private equity operators (2003-2004) and became Managing Director in charge of business development for the Deutsche Bank's investment bank in Paris (2005-2010). Since May 2010, he has been the General Director of Santander Global Banking and Markets for France and Benelux.

#### List of positions and offices

##### Positions and offices held at December 31, 2014

- Chief Executive Officer, Santander Global Banking & Markets for continental Europe
- Member of the Board of Directors, Paris Europlace
- Director, Cinétévé
- Chairman of the Board of Directors, En Temps Réel, Association pour la Recherche et le Débat
- Chairman of the Board of Directors of the Orchestral Ensemble "Accentus/Erda/Insula"

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

- Managing Director, Deutsche Bank

**Nonce  
Paolini**

61 years

1, quai du Point-du-Jour  
Boulogne (92656)**Independant Director****Personal information**

Master's degree in literature and graduate of the Paris *Institut d'Études Politiques* (class of 1972). Mr. Paolini began his career with EDF-GDF, where he held operational and management positions. In 1998, he joined the Bouygues group, where he successively held the positions of Director of Development and Director of Human Resources, before going on to become central Director of Communications. In 1993, he joined TF1 as Director of Human Resources, and in 1999, he was named Deputy Chief Executive Officer. In 2002, he was named Deputy Chief Executive Officer of Bouygues Telecom and was then appointed Vice Chief Executive Officer and a member of the Board of Directors in April of 2004. In 2007, he was named Chief Executive Officer of TF1 Group before becoming Chairman and Chief Executive Officer in 2008.

**List of positions and offices****Positions and offices held at December 31, 2014**

- Chairman and CEO, TF1 <sup>(a)</sup>
- Chairman and Director, Monte Carlo Participation
- Chairman and Director, Fondation d'entreprise TF1
- Director, Bouygues <sup>(a)</sup>
- Director, Bouygues Telecom
- Permanent Representative of TF1 Director, Groupe AB
- Permanent Representative of TF1 Director, Extension TV
- Permanent Representative of TF1 Director, TF6 Gestion
- Permanent Representative of TF1 Director, GIE TF1 Acquisitions de droits
- Vice President and Director, TMC (Télé Monte Carlo)
- Permanent Representative of TF1, Director, École de la Cité, du Cinéma et de la Télévision

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

- Permanent Representative of TF1, Director, Mediamétrie
- Director, TF1 Thématiques
- Chairman, NT1
- Chairman, HDI
- Chairman, TF1 Management
- Permanent Representative of TF1 Management, Managing Director, La Chaîne Info
- Permanent Representative of TF1 Management, Managing Director, TF1 DS
- Chairman, TF1 Publicité
- Chairman, Programmes Européens Francophones Audiovisuels Spéciaux 4
- Chairman, HOP (Holding Omega Participations)

**Arthur  
Sadoun**

43 years

133, avenue des  
Champs-Élysées  
Paris (75008)**Independant Director****Personal information**

Graduate of the European Business School with an MBA from the European Institute of Business Administration (*Institut Européen d'Administration des Affaires*). He created his own public relations firm in Chile before joining the TBWA network in Paris as Director of International Strategic Planning and then Director of Development. In 2000 he was named Chief Executive Officer of TBWA/Paris and then went on to become Chairman of the Board in 2003. In 2006, he joined Publicis Conseil as Chairman-Chief Executive Officer. He has been Chairman of Publicis France since 2009 and Chief Executive of Public Worldwide since 2011.

**List of positions and offices****Positions and offices held at December 31, 2014**

- Chairman and CEO, Publicis Conseil
- Chairman and CEO, Publicis Activ France
- CEO, Publicis Worldwide
- Chairman, Marcel
- Chairman, Publicis Dialog
- Chairman, Publicis Webperformance
- Director, F2SCom
- Director, Care France

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

- None

(a) Listed company.

Summary of authorizations and amounts requested

Subject of resolution	Resolution	Maximum authorized nominal value	Total limits
Capital increase <b>with preferential subscription rights</b>	10	<b>€8 million</b> (approx. 50% of the Company's share capital*)	
Capital increase <b>without preferential subscription rights</b> but with <b>a mandatory priority period</b> in the form of a public offering	11	<b>€3.3 million</b> (approx. 20% of the Company's share capital*)	<b>€3.3 million</b> (approx. 20% of the Company's share capital*)
Capital increase <b>without preferential subscription rights</b> but with <b>an optional priority period</b> in the form of a public offering	12	<b>€1.6 million</b> (approx. 10% of the Company's share capital*) Counts towards the ceiling of 15% of share capital specified in Resolution 13 (regarding capital increases by reserved offers in accordance with Article L. 411-2, II, Monetary & Financial Code)	<b>€1.6 million</b> (approx. 10% of the Company's share capital*)
Capital increase to be used in payment for <b>in-kind contributions</b>	15	<b>10% of the Company's share capital</b>	
Capital increase without preferential subscription rights in the form of a <b>reserved offer in accordance with Article L. 411-2, II, Monetary &amp; Financial Code</b>	13	<b>€2.5 million</b> (approx. 15% of the Company's share capital*) Counts towards the ceiling of 10% of share capital specified in Resolution 12 (regarding increases without PSR but with optional priority period)	<b>€8 million</b> (approx. 50% of the Company's share capital*)
Increase in number of securities to be issued in the event of excess demand (" <b>Greenshoe</b> ")	14	15% of the initial issue The nominal value counts towards: - the initial issue ceiling - the overall €8 million ceiling	
Authorization granted to the Board of Directors, in the event of an issuance without preferential subscription rights, to set the <b>issue price</b>	16	10% of the Company's share capital per year	
Capital increase by <b>capitalizing reserves, earnings</b> or other	17	<b>€8 million</b> (approx. 50% of the Company's share capital*)	
Capital increase reserved for members of <b>company savings plans</b>	18	<b>€0.5 million</b> (approx. 3% of the Company's share capital*)	

\* Percentage calculated on the basis of the Company's share capital as at February 26, 2015, the date of the Board of Directors' meeting approving the draft resolutions.

### **Notice of the combined Ordinary and Extraordinary General Meeting**

Shareholders are informed that they are called to attend the General Meeting **on Friday, May 29, 2015 at 4:00 PM at the following address:**

Les Docks de Paris – Business Center  
50, avenue du Président Wilson  
93200 La Plaine Saint-Denis

## ■ Agenda of the Combined Ordinary and Extraordinary General Meeting of May 29, 2015

### **FOR THE ORDINARY GENERAL MEETING**

1. Approval of corporate financial statements for the financial year ended on December 31, 2014.
2. Approval of consolidated financial statements for the financial year ended on December 31, 2014.
3. Approval of expenses and costs under Article 39-4 of Article 158 of the French General Tax Code (CGI).
4. Allocation of net income from the financial year ended on December 31, 2014.
5. Renewal of the term of Stéphane Boujnah as Director.
6. Renewal of the term of Nonce Paolini as Director.
7. Renewal of the term of Arthur Sadoun as Director.
8. Opinion regarding compensation components due or attributed to Alexandre Bompard, Chief Executive Officer, for the financial year ended on December 31, 2014.
9. Authorization for the Board of Directors to trade in the Company shares.

## FOR THE EXTRAORDINARY GENERAL MEETING

10. Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's capital and/or granting rights to the allotment of debt instruments **with the retention** of preferential subscription rights.
11. Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's share capital and/or granting rights to the allotment of debt instruments, **with the removal of preferential subscription rights** and **with a mandatory priority period**, in the form of a public offering and/or as share-based payment in a public exchange offer.
12. Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's share capital and/or granting rights to the allotment of debt instruments, **with the removal of preferential subscription rights** and **with an optional priority period**, in the form of a public offering and/or as share-based payment in a public exchange offer.
13. Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to Company capital and/or granting rights to the allotment of debt instruments with the removal of preferential subscription rights in the form of an offer specified in **Article L. 411-2** of the French Monetary and Financial Code.
14. Delegation of authority to the Board of Directors to increase the **number of shares** to be issued in any capital increase with or without preferential subscription rights.
15. Delegation of authority to the Board of Directors to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving access to capital by up to 10% of the existing share capital to permit **contributions in kind**.
16. Authorization, in the case of an issue with removal of preferential subscription rights, to set the **issue price**, subject to a ceiling of 10% of existing share capital.
17. Delegation of authority to the Board of Directors to increase share capital by **incorporating reserves**, profits and/or premiums.
18. 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, for the benefit of the **members of a company savings plan** in accordance with Articles 3332-18 et seq. of the French Labor Code.
19. Authorization to the Board of Directors to cancel the shares bought back by the Company under Article L. 225-209 of the French Commercial Code.
20. Amendment to Article 10 of the Company bylaws to insert a clause **maintaining single voting rights**.
21. Amendment to Article 22 of the Company bylaws to take into account the tightening of the share **record date** for General Meetings.
22. Powers for formalities.



## ■ Resolutions submitted to the combined Ordinary and Extraordinary General Meeting of May 29, 2015, and objectives

### **Approval of company financial statements**

#### **(Objectives of Resolutions 1 to 4)**

The purpose of **Resolution One** is to approve the corporate company financial statements of Groupe Fnac for FY 2014, which report a net income of €27,920,156.46.

The purpose of **Resolution Two** is to approve the consolidated financial statements of Groupe Fnac for FY 2014.

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

The purpose of **Resolution Four** is the appropriation of earnings for FY 2014.

The Management Report for 2014 is included in the Company's 2014 Registration Document available on the Company's website ([www.groupe-fnac.com](http://www.groupe-fnac.com) on the page "Shareholders"). 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 corporate financial statements for FY 2014**

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 corporate company financial statements for the financial year ended December 31, 2014, showing a profit of €27,920,156.46, as well as the transactions reflected in these statements and summarized in these reports.

#### **Resolution Two**

##### **Approval of consolidated financial statements for FY 2014**

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 financial year ended December 31, 2014, 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 €42,116 and which, in light of the tax loss, have reduced deferrable losses by the same amount.

#### **Resolution Four**

##### **Allocation of net income from the financial year ended December 31, 2014**

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors and having acknowledged a profit of €27,920,156.46, resolves, as proposed by the Board, after eliminating prior losses amounting to €582,865.06 in the "Carryforward" account, to allocate the balance of the FY 2014 profit in the amount of €27,337,291.40, as follows:

- \* €991,870.13 to the "Legal reserve" account which, given its previous balance of €667,690.87, will have a resulting new balance of €1,659,561 which is 10% of share capital; and
- \* €26,345,421.17 to the "Carryforward" account which will amount to €26,345,421.17.

## RESOLUTIONS SUBMITTED TO THE COMBINED ORDINARY AND EXTRAORDINARY GENERAL MEETING OF MAY 29, 2015, AND OBJECTIVES

In accordance with the law, the General Meeting notes that, for the three financial years prior to FY 2014, the dividends distributed and income eligible for the tax relief referred to in Article 158.3.2 of the French General Tax Code (CGI) were as follows:

FY ending on December 31	Number of dividend-bearing shares	Dividend per share (€)	Total (€)	Distributed earnings per share (€)	
				Eligible for 40% tax relief as per 3.2 of Art. 158 CGI	Not eligible for 40% tax relief as per 3.2 of Art. 158 CGI
2011	875,953	23.44	20,533,612.13	23.44	0
2012	0	0	0	0	0
2013	0	0	0	0	0

### Renewal of Directors

#### (Objectives of Resolutions 5 to 7)

In order to facilitate the staggered renewal of the terms of the Board of Directors, and in accordance with the internal regulations of the Board of Directors, in 2013 lots were drawn to split the Directors into three groups who are respectively obliged to resign from office before the General Meetings of 2014, 2015 and 2016.

The term of office of the three Directors in the first group was renewed by the General Meeting of 2014.

The present General Meeting is asked to approve the renewal of the terms of office of the Directors in the second group who are Stéphane Boujnah, Nonce Paolini and Arthur Sadoun.

All three are independent Directors and each is also a member and/or Chairman of one of the Company's specialized committees. Stéphane Boujnah is Chairman of the Audit Committee, Nonce Paolini is Chairman of the Appointments and Compensation Committee, and Arthur Sadoun is a member of the Company's Corporate, Environmental and Social Responsibility Committee.

With respect to their involvement in the life of 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 2014 Registration Document available on the Company's website ([www.groupe-fnac.com](http://www.groupe-fnac.com) on the page "Shareholders"), **the General Meeting is asked in Resolutions Five, Six and Seven, on the recommendation of the Appointments and Compensation Committee, to renew the terms of office of Stéphane Boujnah, Nonce Paolini and Arthur Sadoun** for a three year period expiring at the close of the General Meeting to be held in 2018 to approve the financial statements for the fiscal year ending December 31, 2017.

Accordingly, at the close of the General Meeting, the Board of Directors would be composed of ten members, six of them independent, and three of them women. The composition of the Board would therefore comply with the AFEP-MEDEF Code as regards the number of independent Directors and the required gender ratio of the Board.

#### Resolution Five

##### Renewal of the term of Stéphane Boujnah 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 Stéphane Boujnah as Director for a period of three years, up to the close of the General Meeting to be held in 2018 called to approve the financial statements for the financial year ending December 31, 2017.

#### Resolution Six

##### Renewal of the term of Nonce Paolini 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 Nonce Paolini as Director

for a period of three years, up to the close of the General Meeting to be held in 2018 called to approve the financial statements for the financial year ending December 31, 2017.

#### Resolution Seven

##### Renewal of the term of Arthur Sadoun 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 Arthur Sadoun as Director for a period of three years, up to the close of the General Meeting to be held in 2018 called to approve the financial statements for the financial year ending December 31, 2017.

## **Opinion regarding items of compensation due or allocated to Alexandre Bompard, Chairman and Chief Executive Officer, for FY 2014**

### **(Objectives of Resolution 8)**

In accordance with the recommendations of the AFEP-MEDEF Code as amended June 2013 (Article 24.3), which the Company uses as reference pursuant to Article L. 225-37 of the French Commercial Code, the following compensation items due or allocated to each executive corporate officer of the Company for the financial year in review are subject to shareholders' approval:

- fixed portion
- variable annual portion and, where applicable, multi-year variable portion with the targets used to determine the variable portion
- exceptional compensation
- stock options, performance shares and other long-term compensation items
- payments related to the assumption or termination of duties
- supplementary pension plan
- benefits of any type.

In Resolution Eight, you are asked to give a favorable opinion regarding the following compensation items due or allocated to Alexandre Bompard, Chairman and Chief Executive Officer and sole executive corporate officer, for FY 2014.

All these components are detailed in Section 3.3 of the Registration Document as well as the 2015 compensation policy including a long-term compensation arrangement.

### **2014 fixed compensation**

For FY 2014, the Chairman and Chief Executive Officer's gross annual fixed compensation for FY 2014 was set at €900,000, the same as for 2013. The gross amount due and paid for 2014 was €900,000.

### **2014 variable annual compensation (paid in 2015)**

For FY 2014, just as for 2013, the Chairman and Chief Executive Officer's annual variable compensation was a maximum of 105% of his annual fixed compensation.

In the same way as in 2013, 80% of it was based on financial targets and 20% on qualitative targets.

The 2014 financial targets set for the variable portion were as follows:

- Group current operating income (COI);
- Group free cash flow (FCF);
- Group revenues;
- Group increase in market share.

The level of attainment of the variable targets in 2014 was 100.23% of fixed annual compensation and the amount payable for FY 2014 totaled €902,056.

### **Variable multi-year compensation**

At its meeting on February 26, 2014, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to implement the value-units component of the 2014 multi-year variable compensation plan.

This consisted of awarding 58,051 value units to Alexandre Bompard. The value per unit corresponds to Fnac's average share price in the month of February 2016. If Fnac's average share price in February 2016 is lower than a predefined value, no payment will be made.

The vesting of these value units is also subject to presence conditions: two-thirds of the associated payment, in cash, will be made in April 2016 and one-third in February 2017, provided Mr Bompard is still present in the Group on those dates.

The gross value on the allocation date, as measured in accordance with IFRS 2, before apportionment of expenses over the vesting period, of the value units allocated in 2014, is €913,333 for the April 2016 payment and €456,667 for the February 2017 payment. This valuation corresponds to the number of value units multiplied by the reference share price on the allocation date, in this case €23.60 (the average share price over the 20 stock exchange trading days preceding February 26, 2014). These amounts have not yet been vested in the corporate officer, given the performance and presence conditions.

At its meeting on February 26, 2014, on the recommendation of the Appointments and Compensation Committee, the Board of Directors decided to implement the performance-option component of the 2014 multi-year variable compensation plan.

This consists of granting performance options to be vested progressively in stages at the end of each of two successive vesting periods (March 2014 – September 2016 and March 2014 – September 2017) subject to the beneficiary's presence in the Group at the end of each vesting period (or by decision of the Appointments and Compensation Committee if the presence condition is not met).

These will be subject to a Groupe Fnac share price performance condition defined for each of the two periods. These options will be paid in cash. If the Groupe Fnac share price on each due vesting date is below a predefined price, no payment will be made.

A total of 82,738 and 72,628 options may thus be vested at the due dates of September 30, 2016 and 2017, respectively.

The gross value on the allocation date, as measured in accordance with IFRS 2, before apportionment of expenses over the vesting period, of the performance options allocated in 2014 is €319,522 for the September 30, 2016 payment and €280,478 for the September 30, 2017 payment. These values have been calculated using the Black & Scholes method with the following parameters: a reference share price equal to the exercise price of €23.60 (the average share price over the 20 stock exchange trading days preceding February 26, 2014), 30% volatility, and the EURIBOR risk-free swap rate. The value of a performance option on the vesting date will correspond to the unrealized gain between the share price on the vesting date and the reference price. These amounts have not yet been vested in the corporate officer, given the performance and presence conditions.

These provisions specify no ceiling on multi-annual variable compensation.

The value of the 2014 multi-annual variable compensation on the allocation date, as measured in accordance with IFRS 2, before apportionment of expenses over the vesting period, was €1,970,000.

No multi-annual variable compensation based on value units or performance options allocated in 2014 and 2013 was due or paid to Alexandre Bompard in 2014.

**Exceptional compensation:**

No exceptional compensation was granted to Alexandre Bompard in 2014.

**Stock options, performance shares and other long-term compensation items**

No other stock options or performance shares were granted to Alexandre Bompard in 2014.

**Non-compete commitment**

The Board of Directors has signed a limited non-compete commitment with Alexandre Bompard for a period of two years in the specialized retail sector for cultural and/or technological and entertainment products for the mass market in France, Belgium, Spain, Switzerland, Portugal and Brazil. This non-compete commitment is limited to two years starting at the end of his term of office. In return for this commitment, Alexandre Bompard will receive a gross severance package amounting to 80% of his fixed monthly compensation, 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 was payable by the Company for FY 2014.

This non-compete commitment, referred to in Article L. 225-42-1 of the French Commercial Code, was approved by the Ordinary General Meeting of May 15, 2014.

**Supplementary pension plan**

The Board of Directors authorized Alexandre Bompard's membership in the supplementary defined contribution pension plan that exists for all Groupe Fnac executives in France.

Contributions paid in respect of 2014 amounted to €10,337.04. This commitment, referred to in Article L. 225-42-1 of the French Commercial Code, was approved by the Ordinary General Meeting of May 15, 2014.

**Attendance fees**

The attendance fees due to Alexandre Bompard for his service on the Groupe Fnac Board of Directors in 2014 totaled €28,733.

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 other 40% is shared equally between the members of the Audit Committee, the members of the Appointments and Compensation Committee, and the members of the Corporate Social and Environmental Responsibility Committee. The allocation of that amount is 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 2014, Alexandre Bompard was covered by a supplementary unemployment plan and education annuity plan, the 2014 premiums for which were paid and amounted to €13,827 (including €4,093 for 2013) and €2,844, respectively. These premiums are subject to social security and employer contributions and are therefore considered benefits in kind.

He is also provided with a company car, which represents a benefit in kind of €6,555 for 2014.

### Resolution Eight

#### Approval of items of compensation due or awarded to Alexandre Bompard, Chairman and Chief Executive Officer, for FY 2014

The General Meeting, acting with the quorum and majority required for Ordinary General Meetings, having reviewed the Report of the Board of Directors, consulted in accordance

with the recommendation in section 24.3 of the AFEP-MEDEF Corporate Governance Code, gives a favorable opinion to items of compensation paid or awarded for the year ended December 31, 2014 to Alexandre Bompard, Chairman and Chief Executive Officer, as disclosed in the 2014 Registration Document, section 3.3.1 of the Management Report "Compensation and benefits paid to the Chairman and Chief Executive Officer".

### Authorization for the Board of Directors to trade in Company shares

#### (Objectives of Resolution 9)

The authorization granted by the General Meeting to the Board of Directors on May 15, 2014 to trade in the shares of the Company will be expiring on November 15, 2015. In Resolution Nine, 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 (exclusive of acquisition fees), subject to a ceiling of €165.96 million.

Acquisitions may be made for the following purposes:

- a) to stimulate the secondary market for, or liquidity of, Groupe Fnac shares through an investment services provider under a liquidity contract in accordance with the Amaf Ethics Charter recognized by the AMF;
- b) to hold the purchased shares for subsequent delivery (in exchange, or as payment, or otherwise) in acquisitions, mergers, demergers or capital contributions, on the understanding that the shares acquired for this purpose may not exceed the limit provided in Article L. 225-209, paragraph 6 of the Commercial Code for acquisitions, mergers, demergers or capital contributions;
- 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 (or similar) plan, profit-sharing plan and/or any other form of share allocations to Group employees and/or corporate officers;
- d) to cover transferable securities that give the right to Company shares, as required by applicable regulations;
- e) to cancel any shares that are acquired, subject to this General Meeting granting authorization to do so in Resolution Nineteen of this 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 French securities regulator Autorité des Marchés Financiers (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 takeover bid 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, demerger, or capital contribution, may not exceed 5% of the share capital.

At December 31, 2014, the Company held none of its own shares.

### **Resolution Nine**

#### **Authorization for 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 European Regulation 2273/2003 of December 22, 2003, Articles L. 225-209 et seq. of the French Commercial Code, and Articles L. 241-1 et seq. of the General Regulations of the French securities regulator Autorité des Marchés Financiers (AMF), to buy, sell or transfer on one or more 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 period of the authorization.

This authorization terminates the authorization granted to the Board of Directors in Resolution Thirteen of the Ordinary part of the General Meeting of May 15, 2014.

Acquisitions may be made for the following purposes:

- a) to stimulate the secondary market for, or liquidity of, Groupe Fnac shares through an investment services provider under a liquidity contract in accordance with the Amafi Ethics Charter recognized by the AMF;
- b) to hold the purchased shares for subsequent delivery (in exchange, or as payment, or otherwise) in acquisitions, mergers, demergers or capital contributions, on the understanding that the shares acquired for this purpose may not exceed the limit provided in Article L. 225-209, paragraph 6 of the Commercial Code for acquisitions, mergers, demergers or capital contributions;
- 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 (or similar) plan, profit-sharing plan and/or any other form of share allocations to Group employees and/or corporate officers;

- d) to cover transferable securities that give the right to Company shares, as required by applicable regulations;
- e) to cancel any shares that have been acquired, subject to this General Meeting granting authorization to do so in Resolution Nineteen of the Extraordinary part of this 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 takeover bid 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 comprising share capital before the operation]/[number of shares comprising share capital after the operation]).

The maximum nominal value of the operation is thus set at €165,956,100.

The General Meetings 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 formalities.



## MATTERS TABLED IN EXTRAORDINARY SESSION

### **Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's share capital and/or granting rights to the allotment of debt instruments with preferential subscription rights**

#### **(Objectives of Resolution 10)**

We ask you to grant the Board of Directors, as the General Meeting of April 17, 2013 did, the option of increasing share capital, **while maintaining the preferential subscription rights** (here below "PSR"), to finance its development, by the Company issuing:

- ordinary shares;
- and/or ordinary shares granting rights to the allotment of other ordinary shares or debt instruments;
- and/or transferable securities giving access to ordinary shares.

Any capital increase in cash gives shareholders a PSR, which is detachable and can be traded during the subscription period: each shareholder has the right, for a period of at least five stock market trading days counting from the opening of the subscription period, to subscribe to a number of new shares in proportion to his or her existing shareholding.

The maximum nominal value of capital increases that might be made under this Resolution (on one or more occasions, immediately or in the future, in this case an issue of transferable securities giving access to capital), is **€8 million** (approximately 50% of the Company's share capital on the date of the General Meeting).

The overall maximum nominal value of the capital increases under (i) this General Meeting's Resolutions Ten (general delegation with PSR), Eleven (general delegation without PSR and with a mandatory priority period), Twelve (general delegation without PSR and with an optional priority period), Thirteen (private placement), Fourteen (greenshoe), Fifteen (contribution in kind), Seventeen (incorporation of premiums, reserves and profits) and Eighteen (company savings plan) and (ii) the Resolutions Thirty (stock options) and Thirty-one (bonus shares) approved by the Company's General Meeting of April 17<sup>th</sup>, 2013, is €8 million (approximately 50% of the Company's capital on the date of the General Meeting).

These ceilings will be raised 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 transferable securities holders or other rights giving access to capital.

With respect to this overall ceiling:

- the nominal value of capital increases without PSR and with a mandatory priority period under this Resolution Eleven of this General Meeting may not exceed €3.3 million (approximately 20% of the share capital on the date of the General Meeting);
- the nominal value of capital increases without PSR and without a mandatory priority period under Resolutions Twelve (general delegation without PSR and with an optional priority period) and Fifteen (contribution in kind) of this General Meeting may not exceed €1.6 million (approximately 10% of the share capital on the date of the General Meeting).

Furthermore, any capital increase made as a private placement under Resolution Thirteen (see below) will reduce the maximum nominal value of the capital increases fixed at €1.6 million (approximately 10% of the share capital) that might be made under Resolution Twelve (general delegation without PSR and with an optional priority period). Furthermore, any capital increase under Resolution Twelve (general delegation with the removal of PSR and with an optional priority period) will reduce the maximum nominal value of capital increases fixed at €2.5 million (approximately 15% of the share capital) that might be made under Resolution Thirteen (private placement).

Resolutions Eleven (general delegation without PSR and with a mandatory priority period), Twelve (general delegation without PSR and with an optional priority period), and Thirteen (private placement) permit the use of any financial instruments giving access to the capital, to preserve flexibility in growth or financing arrangements or to optimize the structure of the Company's balance sheet.

This delegation of authority would be granted for a period of 26 months. For the record, the authorization granted by the Annual General Meeting of April 17, 2013, has not been used.

Recent events, outlook and information on trends for the current fiscal year are outlined in section 4.3 of the Company's Registration Document 2014 available on the Company's website ([www.groupe-fnac.com](http://www.groupe-fnac.com), page "shareholders"). The previous year's business market is described in the Brief overview of Group activities contained in this Notification & information brochure and on the Management Report in the Company's Registration Document 2014.

### **Resolution Ten**

#### **Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to Company capital and/or granting rights to the allotment of debt securities with 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, and in accordance with the provisions of the French Commercial Code, in particular its Articles L. 228-91, L. 228-92, L. 225-129-2, L. 225-132 et seq.:

- 1) delegates to the Board of Directors, including the option to subdelegate this authorization, the authority to issue, on one or more occasions, in the proportions and at such times as it considers appropriate, in euros or in a foreign currency or in any other unit of account defined by reference to a basket of currencies;

- ordinary shares,
- and/or ordinary shares granting rights to the allotment of other ordinary shares or debt securities,
- and/or transferable securities giving access to ordinary shares,

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

- 2) sets the validity period of this delegation as 26 months, counting from the date of this General Meeting;
- 3) resolves to set the following ceilings on the value of authorized issues in the event that the Board of Directors uses this delegation of authority.

The total nominal value of immediate and future capital increases under this delegation of authority must not exceed €8 million, it being understood that the maximum combined total nominal value of the capital increases under this Resolution and (i) Resolutions Eleven, Twelve, Thirteen, Fourteen, Fifteen, Seventeen and Eighteen of this General Meeting and (ii) Resolutions Thirty and Thirty-One approved by the Company's General Meeting of April 17<sup>th</sup>, 2013, is set at €8 million.

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 transferable securities giving access to the Company's capital;

- 4) resolves that the Board of Directors, unless authorized in advance by the General Meeting, may not use this delegation of authority for the remainder of the offer period once a third-party takeover bid has been filed for the Company's shares;
- 5) resolves that, in the event that the Board of Directors uses the delegation of authority for the issues specified in 1) above:
  - a) the issue/s of ordinary shares or transferable securities giving access to capital will be reserved preferentially for existing shareholders, who may subscribe on an irreducible basis,
  - b) if irreducible plus reducible subscriptions do not absorb the entire issue specified in 1), the Board of Directors shall have the following options:
    - limit the issue to the actual amount subscribed, it being understood that in issuing ordinary shares or transferable securities whose primary instrument is a share, the amount actually subscribed must be at least three-quarters of the intended issue, for this limitation to be possible,
    - allot some or all of the unsubscribed securities on a free basis,
    - offer some or all of the unsubscribed securities to the public;
- 6) resolves that the Board of Directors, subject to the limits specified above, shall have the necessary powers to set the terms and conditions of the issues, set the issue price, declare the completion of the resulting capital increases, amend the bylaws accordingly, charge at its sole discretion any related expenses against the amount of premiums and deduct draw from such amount the necessary amounts to ensure that the legal reserve is 10% of the new capital after each capital increase, and generally to do everything necessary of a similar nature;
- 7) acknowledges that this delegation of authority terminates all previous authorizations that have the same purpose.



**Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's share capital and/or granting rights to the allotment of debt instruments, with the removal of preferential subscription rights and with a mandatory priority period, in the form of a public offering and/or as share-based payment in a public exchange offer**

**(Objectives of Resolution 11)**

This delegation would allow the Board of Directors to **undertake growth or financing operations** by issuing the following, with the removal of preferential subscription rights (here below "PSR"), on French and/or foreign markets, in the form of a public offering:

- ordinary shares;
- and/or ordinary shares granting rights to the allotment of other ordinary shares or debt instruments;
- and/or transferable securities giving access to ordinary shares;

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

In this Resolution, you are asked to remove preferential subscription rights (PSR). This is because market conditions, the type of investor interested in the issue and the type of security issued may make it preferable, or even necessary, to remove the PSR in order to accomplish the placement under the best conditions, particularly if speed is of the essence or if the security is issued on a foreign market. Removing preferential subscription rights may result in a larger amount of capital being obtained due to more favorable issuance terms.

The Board of Directors, however, **must allow existing shareholders a priority subscription period**. This priority period cannot be represented as a tradable right. It is a minimum period of three stock market trading days. It must be used by an existing shareholder in proportion to the number of shares he or she holds and may be supplemented by a reducible subscription right.

The maximum nominal value of the capital increases that might be made (immediately or in the future) under Resolution Eleven is **€3.3 million** (20% of the Company's share capital on the date of the General Meeting). These issues count towards the €8 million overall ceiling stated under Resolution Ten of this General Meeting.

These ceilings will be raised 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 transferable securities holders or other rights giving access to capital.

The issue price of the shares issued directly will be at least equal to the minimum specified in the regulations in force on the issue date (for indicative purposes, the weighted average price of the three trading days immediately preceding the date on which the capital increase subscription price is set, minus 5%) and after adjusting for any difference between entitlement dates.

In accordance with law, the delegations granted by the General Meeting to issue transferable securities giving access to capital will include a waiver, by shareholders, of their PSR to the equity instruments to which those transferable securities grant rights. If you adopt these Resolutions, you will legally waive your PSR to any shares that the Company may issue to settle any share-redeemable bond.

The issue price of transferable securities giving access to share capital would be set to ensure that, for every share issued by virtue of a transferable security giving access to capital, the total received by the Company for those transferable securities giving access to capital would be at least equal to the minimum regulatory per-share price (as it was on the date that the transferable securities giving access to capital were issued).

Lastly, this Resolution will permit the issuance by the Company of shares or transferable securities giving access to its share capital as payment for securities of a company satisfying the criteria stated in Article L. 225-148 of the French Commercial Code, in connection with a public exchange offer by the Company in France, or abroad in accordance with local regulations. In such case 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 delegation for the remainder of the offer period once a third-party takeover bid has been filed for the Company's shares.

This delegation would be granted for a period of 26 months.

### **Resolution Eleven**

**Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's share capital and/or granting rights to the allotment of debt securities, with the removal of preferential subscription rights and with a mandatory priority period, in the form of a public offering and/or as share-based payment in a public exchange offer**

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 the provisions of the French Commercial Code, in particular its Articles L. 225-129-2, L. 225-135, L. 225-136, L. 225-148, L. 228-91 and L. 228-92:

1) delegates to the Board of Directors, including the option to subdelegate this authorization, the authority to issue, on one or more occasions, in such proportions and at such times as it considers appropriate, on French and/or international markets, via a public offering, in euros or in a foreign currency or in any other unit of account defined by reference to a basket of currencies,

- ordinary shares,
- and/or ordinary shares granting rights to the allotment of other ordinary shares or debt securities,
- and/or transferable 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 in payment for securities contributed to the Company as part of a public exchange offer of securities satisfying the conditions in Article L. 225-148 of the French Commercial Code;

- 2) sets the validity period of this delegation as 26 months, counting from the date of this General Meeting;
- 3) resolves that the total nominal value of immediate and future capital increases under this delegation of authority may not exceed €3.3 million (approximately 20% of the share capital on the date of this General Meeting) it being understood that this amount will count towards the total nominal-value ceiling for capital increases specified in 3) of Resolution Ten of this General Meeting and, where applicable, towards the total nominal-value ceiling for capital increases under any other subsequent similar delegations of authority during the validity period of this delegation.

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 transferable securities giving access to the Company's capital;

- 4) resolves to remove shareholders' preferential subscription rights to the ordinary shares and transferable securities giving access to capital and/or debt securities that are the subject of this Resolution. The Board of Directors, however, must grant priority to existing shareholders for a period of time and on the terms and conditions that the Board shall set in accordance with applicable laws and regulations, it being understood that the shareholder's right to a priority period is not a tradable right and is proportional to the number of shares held by the shareholder although the subscription during this period may be supplemented by a reducible subscription;
- 5) resolves that the amount that the Company receives or is owed for each ordinary share issued under this delegation of authority, (after taking into account, if detachable share subscription warrants are issued, the issue price of such warrants), must be at least equal to the minimum required by the laws and regulations applicable at the time that the Board of Directors uses the delegation of authority;
- 6) resolves 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 takeover bid has been filed for the Company's shares;
- 7) resolves that the Board of Directors, in the case of securities issued as payment for securities contributed as part of a public exchange offer, shall have, subject to Article L. 225-148 of the French Commercial Code and the limits specified above, the necessary powers to decide the list of securities available for exchange, set the issue terms and conditions, the exchange parity, any residual cash balance to be paid, and the issue method;
- 8) resolves that, in the event that the subscriptions do not absorb the entire issue specified in 1), the Board of Directors shall have the following options:
- limit the issue to the actual amount subscribed, it being understood that in issuing ordinary shares or transferable securities whose primary instrument is a share, the amount subscribed must be at least three-quarters of the intended issue, for this limitation to be possible,
  - allot some or all of the unsubscribed securities on a free basis;
- 9) resolves that the Board of Directors, subject to the limits specified above, shall have the necessary powers to set the terms and conditions of the issues, declare the completion of the resulting capital increases, appropriately amend any bylaws, charge at its sole discretion any related expenses against the amount of premiums and deduct from such amount the necessary amount to ensure the legal reserve is 10% of the new capital after each capital increase, and generally to do everything necessary of a similar nature;
- 10) acknowledges that this delegation of authority terminates all previous delegations that have the same purpose.

**Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's share capital and/or granting rights to the allotment of debt instruments, with the removal of preferential subscription rights and with an optional priority period, in the form of a public offering and/or as share-based payment in a public exchange offer**

**(Objectives of Resolution 12)**

This delegation would allow the Board of Directors **to carry out growth or financing transactions** by issuing the following, with the removal of PSR, on French and/or foreign markets, in the form of a public offering:

- ordinary shares;
- and/or ordinary shares granting rights to the allotment of other ordinary shares or debt instruments;
- and/or transferable securities giving access to ordinary shares;

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

In this Resolution, you are asked to remove the preferential subscription rights (here below "PSR") for the same reasons as in Resolution Eleven.

The Board of Directors will have the option of granting shareholders a priority subscription period. The Board of Directors would use this delegation if they perceive high market volatility.

This priority period cannot be represented as a tradable right. It must be used by an existing shareholder in proportion to the number of shares he or she holds and may be supplemented by a reducible subscription right.

The maximum nominal value of the capital increases (immediately or in the future) under this Resolution Twelve is **€1.6 million (10% of the Company's share capital on the date of the General Meeting)**. This amount is also the ceiling for capital increases under Resolution Fifteen (contribution in kind).

Furthermore, any capital increase as a private placement under Resolution Thirteen (see below) will reduce the maximum nominal value of the capital increases under Resolution Twelve (fixed at €1.6 million, approximately 10% of the share capital).

Furthermore, any capital increase under Resolution Twelve (general delegation with the removal of PSR and with an optional priority period) will reduce the maximum nominal value of capital increases under Resolution Thirteen (private placement) (fixed at €2.5 million, approximately 15% of the share capital).

These issues also count towards the €8 million overall ceiling specified in Resolution Ten of this General Meeting.

These ceilings will be raised 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 transferable securities holders or other rights giving access to capital.

In the same way as for Resolution Eleven:

- the issue price of the shares issued directly will be at least equal to the minimum specified in the regulations in force on the issue date (for indicative purposes, the weighted average price of the three trading days immediately preceding the date on which the capital increase subscription price is set, minus 5% and after adjusting for any difference between entitlement dates);
- in accordance with law, the delegations granted by the General Meeting to issue transferable securities giving access to capital will include a waiver, by shareholders, of their PSR to the equity instruments to which those transferable securities grant rights. If you adopt these Resolutions, you will legally waive your PSR to any shares that the Company may issue to settle any share-redeemable bond;
- the issue price of transferable securities giving access to share capital would be set to ensure that, for every share issued by virtue of a transferable security giving access to capital, the total received by the Company for those transferable securities giving access to capital would be at least equal to the minimum regulatory per-share price (as it was on the date on which the transferable securities giving access to capital were issued);
- lastly, this Resolution will permit shares or transferable securities giving access to capital to be issued by a company satisfying the criteria in Article L. 225-148 of the French Commercial Code, as payment for securities in connection with a public exchange offer by the Company in France, or abroad 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 the delegations granted under Resolutions Eleven and Twelve for the remainder of the offer period once a third-party takeover bid has been filed for the Company's shares.

This delegation would be granted for a period of 26 months. For the record, the delegation of authority to increase share capital without preferential subscription rights, granted by the General Meeting of April 17, 2013, in Resolution Twenty-Three, has not been used.

### Resolution Twelve

**Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's share capital and/or granting rights to the allotment of debt securities, with the removal of preferential subscription rights and with an optional priority period, in the form of a public offering and/or as share-based payment in a public exchange offer**

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 the provisions of the French Commercial Code, in particular its Articles L. 225-129-2, L. 225-135, L. 225-136, L. 225-148, L. 228-91 and L. 228-92:

- 1) delegates to the Board of Directors, including the option to subdelegate this authorization, the authority to issue, on one or more occasions, in the proportions and at such times as it considers appropriate, on French and/or international markets, via a public offering, in euros or in a foreign currency or in any other unit of account defined by reference to a basket of currencies:

- ordinary shares,
- and/or ordinary shares granting rights to the allotment of other ordinary shares or debt securities,
- and/or transferable 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 in payment for securities contributed to the Company as part of a public exchange offer of securities satisfying the conditions in Article L. 225-148 of the French Commercial Code;

- 2) sets the validity period of this delegation as 26 months, counting from the date of this General Meeting;
- 3) resolves that the total nominal value of immediate and future capital increases under this delegation of authority may not exceed €1.6 million (approximately 10% of the share capital on the date of this General Meeting) it being understood (i) that this ceiling is a overall combined ceiling that includes the ceiling specified in Resolution Fifteen of this General Meeting, and (ii) that this amount will count towards the total nominal-value ceiling for capital increases specified in 3) of Resolution Ten of this General Meeting and towards the total nominal-value ceiling for capital increases under any other subsequent similar delegation of authority during the validity period of this delegation. It is further understood that the nominal value of any capital increases under Resolution Thirteen will reduce the total nominal-value for capital increases that might be made under this delegation of authority.

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 transferable securities giving access to the Company's capital;

- 4) resolves to remove shareholders' preferential subscription rights to the ordinary shares and transferable securities giving access to capital and/or debt securities that are the subject of this Resolution, while leaving the Board of Directors the option to grant to existing shareholders a priority period, in accordance with law;
- 5) resolves that the amount that the Company receives or is owed for each ordinary share issued under this delegation of authority, (after taking into account, if detachable share subscription warrants are issued the issue price of such warrants) must be at least equal to the minimum required by the applicable laws and regulations at the time that the Board of Directors uses the delegation of authority;
- 6) resolves 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 takeover bid has been filed for the Company's shares;
- 7) resolves that, in the case of securities issued as payment for securities contributed as part of a public exchange offer, shall have, subject to Article L. 225-148 of the French Commercial Code and the limits specified above, the necessary powers to decide the list of securities available for exchange, set the issue terms and conditions, the exchange parity, any residual cash balance to be paid, and the issue method;
- 8) resolves that, in the event that the subscriptions do not absorb the entire issue specified in 1), the Board of Directors shall have the following options:
- limit the issue to the actual amount subscribed, it being understood that in issuing ordinary shares or transferable securities whose primary instrument is a share, the amount subscribed must be at least three-quarters of the intended issue, for this limitation to be possible,
  - allot some or all of the unsubscribed securities on a free basis;
- 9) resolves that the Board of Directors, subject to the limits specified above, shall have the necessary powers to set the terms and conditions of the issues, declare the completion of the resulting capital increases, amend any bylaws accordingly, charge at its sole discretion any related expenses against the amount of premiums and deduct from such amount the necessary amounts to ensure the legal reserve is 10% of the new capital after each capital increase, and generally to do everything necessary of a similar nature;
- 10) acknowledges that this delegation of authority terminates all previous delegations that have the same purpose.

**Delegation of authority to the Board of Directors to issue ordinary shares and/  
or transferable securities giving access to Company capital and/or granting rights  
to the allotment of debt instruments with the removal of preferential subscription  
rights in the form of an offer specified in Article L. 411-2-II of the French Monetary  
and Financial Code**

**(Objectives of Resolution 13)**

In this Resolution, you are asked to renew the authorization granted to the Board of Directors by the General Meeting of April 17, 2013 to allow the Company to undertake private placements for capital increases or offers of transferable securities without preferential subscription rights (PSR) addressed exclusively to (i) persons providing asset management services for third parties, or (ii) qualified investors or a restricted group of investors, provided those investors are acting on their own account.

This delegation would allow the Company to optimize access to capital and to benefit from the best market conditions, as this type of financing is faster and simpler than raising capital via a public offering. You are asked to remove the PSR in order to allow the Board of Directors to undertake financing more simply through private placement, by issuing shares and/or transferable securities giving access to the Company's capital, on French and/or foreign markets.

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 takeover bid has been filed for the Company's shares.

The nominal value of immediate or future capital increases without PSR under this delegation, excluding any additional amount that may be issued to safeguard the rights of holders of transferable securities giving access to capital, **will not exceed €2.5 million (approximately 15% of the Company's share capital on the date of the General Meeting).**

These capital increases also count towards the €8 million overall ceiling specified in Resolution Ten of this General Meeting.

Furthermore, any capital increase under Resolution Twelve will reduce the maximum nominal value of the capital increases as private placements under Resolution Thirteen fixed at €1.6 million (approximately 10% of the share capital).

Like the three preceding Resolutions, this delegation is to permit the issue of new shares or transferable securities giving access to capital or granting rights to the allotment of debt instruments.

The issue price of shares issued directly and of transferable securities will be determined in the same way as for Resolution Eleven.

This delegation would be granted for a period of 26 months. For the record, the delegation of authority for this same purpose granted by the Annual General Meeting of April 17, 2013, has not been used.

**Resolution Thirteen**

**Delegation of authority to the Board of Directors to issue ordinary shares and/or transferable securities giving access to the Company's share capital and/or granting rights to the allotment of debt securities with the removal of preferential subscription rights 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, and in accordance with the provisions of the French Commercial Code, in particular its Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-92:

1) delegates to the Board of Directors, including the option to subdelegate this authorization, the authority to issue, on one or more occasions, in the proportions and at such times as it considers appropriate, on French and/or international markets, via an offering under Article L. 411-2-II of the French Monetary and Financial Code, in euros or in a foreign currency or in any other unit of account defined by reference to a basket of currencies:

- ordinary shares,
- and/or ordinary shares granting rights to the allotment of other ordinary shares or debt securities,
- and/or transferable 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 delegation as 26 months, counting from the date of this General Meeting;
- 3) resolves that the total nominal value of immediate and future capital increases under this delegation of authority may not exceed €2.5 million (approximately 15% of the share capital). This amount will count towards the total nominal-value ceiling for capital increases specified in 3) of Resolution Ten of this General Meeting and/or towards the nominal-value ceilings for any capital increases under any subsequent similar delegations of authority during the validity period of this delegation. It is further understood that the nominal value of any capital increases under Resolution Twelve will reduce the total nominal-value for immediate or future capital increases that might be made under this delegation.  
  
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 transferable securities giving access to the Company's capital;
- 4) resolves to remove shareholders' preferential subscription rights to the ordinary shares and transferable securities giving access to capital and/or debt securities that are the subject of this Resolution;
- 5) resolves that the amount that the Company receives or is owed for each ordinary share issued under this delegation of authority, (after taking into account, if detachable share subscription warrants are issued, the issue price of such warrants) must be at least equal to the minimum required by the applicable laws and regulations at the time that the Board of Directors uses the delegation of authority;
- 6) resolves that the Board of Directors may not, unless authorized in advance by the General Meeting, use this delegation of authority for the remainder of the offer period once a third-party takeover bid has been filed for the Company's shares;
- 7) resolves that, in the event that the subscriptions do not absorb the entire issue specified in 1), the Board of Directors shall have the following options:
  - limit the issue to the actual amount subscribed, it being understood that in issuing ordinary shares or transferable securities whose primary instrument is a share, the amount subscribed must be at least three-quarters of the intended issue, for this limitation to be possible,
  - allot some or all of the unsubscribed securities on a free basis;
- 8) resolves that the Board of Directors, subject to the limits specified above, shall have the necessary powers to set the terms and conditions of the issues, declare the completion of the resulting capital increases, appropriately amend any bylaws, charge at its sole discretion any related expenses against the amount of premiums account and deduct from such amount the necessary amount to ensure the legal reserve is 10% of the new capital after each capital increase, and generally to do everything necessary of a similar nature;
- 9) acknowledges that this delegation of authority terminates all previous delegations that have the same purpose.



**Delegation of authority to the Board of Directors to increase the number of shares to be issued in any capital increase with or without preferential subscription rights**

**(Objectives of Resolution 14)**

We ask you to renew the option granted to the Board of Directors at the General Meeting of April 17, 2013 allowing the Board, should there be excess demand for subscription in any capital increase with or without preferential subscription rights that may be resolved under a delegation of authority granted by the General Meeting, to increase the number of shares to be issued at the same price as the initial issue price, subject to applicable regulations (which currently restrict this to within 30 days of the close of subscriptions and to an overallotment ceiling of 15% of the initial capital increase).

The nominal value of the capital increases under this Resolution will count towards the ceiling specified in the Resolution under which the initial issue was resolved, and towards the overall ceiling specified in Resolution Ten of this General Meeting.

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 Annual General Meeting of April 17, 2013, has not been used.

**Resolution Fourteen**

**Delegation of authority to the Board of Directors to increase the number of securities to be issued in any capital increase with or without 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, and in accordance with Article L. 225-135-1 of the French Commercial Code:

- \* delegates authority to the Board of Directors, including the option to subdelegate this authorization, to decide to increase the number of securities to be issued in the case of issues of ordinary shares and transferable securities giving access to share capital under Resolutions Ten to Thirteen, in the event

that the Board of Directors identifies excess demand, at the same price as the initial issue price and subject to the regulatory deadlines and ceilings applicable on the issue date (which is currently within 30 days after the closing of the subscription period and up to 15% of the initial issue) with a view to enabling an Overallotment Option in accordance with market practices;

- \* resolves that the nominal value of the capital increases under this Resolution shall count (i) towards the ceiling specified in the Resolution governing the initial issue, and (ii) towards the overall ceiling in the third paragraph of Resolution Ten of this General Meeting and/or any ceilings in any subsequent similar delegations of authority during the validity period of this delegation;
- \* sets the validity period of this delegation as 26 months, counting from the date of this General Meeting.

**Delegation of authority to the Board of Directors to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving access to capital by up to 10% of the existing share capital as remuneration of in kind contributions**

**(Objectives of Resolution 15)**

You are asked to renew the option granted to the Board of Directors at the General Meeting of April 17, 2013 to (in the case of a private exchange offer) undertake external acquisitions financed by ordinary shares or by transferable securities giving access to ordinary shares issued by the Company as payments in kind to the Company for equity instruments or transferable securities giving access to capital in cases where the provisions of Article L. 225-148 of the French Commercial Code do not apply. These issues are made without PSR.

The nominal value of issues under this Resolution **must not exceed 10% of the share capital**, plus or minus any adjustments made based on transactions affecting it after this General Meeting, up to a nominal value of €1.6 million.

These capital increases will count towards the **€1.6 million** (approximately 10% of the Company's share capital) overall ceiling specified in Resolution Twelve for capital increases without PSR via a public offering. They will also count towards the €8 million overall ceiling specified in Resolution Ten of this General Meeting.

This delegation would permit the Board to set the issue terms, the exchange parity, and, where applicable, the amount of any balance to be paid in cash. The Board of Directors will decide the capital increase upon the review of the Statutory Auditors' Report on the value of the contributions.

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 takeover bid has been filed for the Company's shares.

This delegation would be granted for a period of 26 months. For the record, the delegation of authority for this same purpose granted by the Annual General Meeting of April 17, 2013, has not been used.

**Resolution Fifteen**

**Delegation of authority to the Board of Directors to increase the Company's share capital by issuing ordinary shares and/or transferable securities giving access to capital by up to 10% of existing share capital as remuneration of 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 Article 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 Statutory Auditors' Report on capital contributions, ordinary shares or securities giving access to ordinary shares in order to pay for contributions in kind made to the Company consisting of equity instruments or transferable securities giving access to capital in circumstances not covered by Article L. 225-148 of the French Commercial Code;
- 2) sets the validity period of this delegation as 26 months, counting from the date of this General Meeting;
- 3) resolves that the total nominal value of immediate or future capital increases under this delegation of authority must not exceed 10% of the share capital on the date of this General Meeting, not taking into account the nominal value of the ordinary shares that may be issued to safeguard, in accordance with law and any contractual provisions specifying other

adjustments, the rights of holders of transferable securities giving access to the Company's share capital.

This amount will count (i) towards the nominal-value ceiling for the capital increase set in 3) of Resolution Twelve, and (ii) towards the overall nominal-value ceiling for capital increases set in 3) of Resolution Ten of this General Meeting and/or any similar ceilings under any subsequent similar delegations of authority during the validity period of this delegation;

- 4) resolves 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 takeover bid has been filed for the Company's shares;
- 5) delegates all powers to the Board of Directors to approve the valuation of contributions, to decide on the resulting capital increase and declare its completion, to charge against the contribution premium all expenses and duties connected with the capital increase, to deduct from the contribution premium the necessary amounts to be allocated to the legal reserve to ensure the latter is 10% of the new capital after each increase, to amend the bylaws accordingly, and to do everything necessary of a similar nature;
- 6) acknowledges that this delegation of authority terminates all previous delegations that have the same purpose.



**Authorization, in the case of an issue with removal of preferential subscription rights, to set the issue price, subject to an annual ceiling of 10% of share capital**

**(Objectives of Resolution 16)**

In this Resolution, you are asked to renew the authorization granted to the Board of Directors at the General Meeting of April 17, 2013 for the Company – when issuing ordinary shares and/or transferable securities giving access to the Company's capital without preferential subscription rights, under the conditions (particularly the amount) specified in Resolutions Eleven (general delegation without PSR and with a mandatory priority period), Twelve (general delegation without PSR and with an optional priority period), and Thirteen (private placement) – to deviate from the pricing conditions specified in the above-mentioned Resolutions and to set the issue price as follows:

- the issue price of ordinary shares shall be at least equal to the weighted average of the share price on Euronext Paris over the five stock market trading days immediately preceding the date of the resolution setting the price, potentially minus a discount of up to 10%;
- the issue price of transferable securities other than ordinary shares shall be the amount immediately received by the Company plus any amount that the Company may receive subsequently, which, for each ordinary share issued as a result of the issue of those transferable securities, would be at least equal to the amount specified in the preceding paragraph.

The nominal value of capital increases under this authorization may not exceed **10% of the share capital** in any 12-month period.

This delegation would be granted for a period of 26 months. For the record, the delegation of authority for this same purpose granted by the Annual General Meeting of April 17, 2013, has not been used.

**Resolution Sixteen**

**Authorization, in the case of an issue with removal of preferential subscription rights, to set the issue price, subject to an annual ceiling of 10% of share capital**

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 Article L. 225-136-1.2 of the French Commercial Code, authorizes the Board of Directors, including the option to subdelegate this authorization, when issuing ordinary shares or transferable securities giving access to capital under Resolutions Eleven, Twelve and Thirteen (subject to an annual ceiling of 10% of share capital) to deviate from the pricing conditions in those Resolutions and setting the issue price of similar equity instruments to be issued, as follows:

- \* the issue price of ordinary shares shall be at least equal to the weighted average of its share price on Euronext Paris over the five stock market trading days immediately preceding the date of the decision setting the price, potentially minus a discount of up to 10%;
- \* the issue price of transferable securities other than ordinary shares shall be the amount immediately received by the Company plus any amount that the Company may receive subsequently, which, for each ordinary share issued as a result of the issue of those transferable securities, would be at least equal to the amount specified in the preceding paragraph.

### **Delegation of authority to the Board of Directors to increase share capital by incorporating reserves, profits and/or premiums**

#### **(Objectives of Resolution 17)**

We ask you to renew the option given to the Board of Directors at the General Meeting of April 17, 2013, to incorporate reserves, premiums, profits and other sources into the Company's share capital, **up to a nominal value ceiling of €8 million**, and to undertake capital increases for this purpose by raising the nominal value of the shares and/or by allotting new free shares to the Company's shareholder's.

These issues would count towards the €8 million overall ceiling specified in Resolution Ten.

These ceilings will be raised 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 transferable securities holders or other rights giving access to capital.

This authorization would be granted for a period of 26 months. For the record, the delegation of authority for this same purpose granted by the Annual General Meeting of April 17, 2013, has not been used.

#### **Resolution Seventeen**

##### **Delegation of authority to the Board of Directors to increase the Company's share 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 Article L. 225-129-2 and L. 225-130 of the French Commercial Code:

- 1) delegates authority to the Board of Directors, including the option to subdelegate, to decide to increase the share capital, on one or more occasions, on such terms and at such times as it considers appropriate, by incorporating reserves, profits, premiums or other capitalizable sources, by issuing and allotting new free shares or by raising the nominal value of existing ordinary shares, or by a combination of both of these methods;
- 2) resolves that, if the Board of Directors uses this delegation of authority, in accordance with the provisions of Article L. 225-130 of the French Commercial Code, in the case of a capital increase by allotting new free shares, any fractional rights shall not be tradable or transferable and the corresponding equity instruments shall be sold, the proceeds from such sale to be allocated to the existing holders of rights within the regulatory deadline;
- 3) sets the validity period of this delegation as 26 months, counting from the date of this General Meeting;
- 4) resolves that the total nominal value of the resulting capital increase under this Resolution must not exceed €8 million, not including the amount necessary to safeguard, in accordance with law, the rights of holders of transferable securities giving access to shares. This amount will count towards the total nominal-value ceiling for capital increases specified in 3) of Resolution Ten of this General Meeting and/or towards the total nominal-value ceiling of any capital increases under any subsequent similar delegation of authority during the validity period of this delegation;
- 5) grants to the Board of Directors all powers to implement this Resolution and, in general, do everything necessary and perform all required formalities for the successful completion of each capital increase, to declare its completion, and to amend the bylaws accordingly;
- 6) acknowledges that this delegation of authority terminates all previous delegations that have the same purpose.

**Delegation of authority to the Board of Directors to resolve to issue shares or transferable securities giving access to capital, reserved for members of company savings plans, with the removal of preferential subscription rights**

**(Objectives of Resolution 18)**

In connection with Resolution Eighteen, your Board of Directors asks you, in accordance with Article L. 225-138-1 of the French Commercial Code, to delegate to the Board of Directors, including the option to subdelegate this authorization under the terms specified by law, authority to resolve 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 PSR.

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

This amount would count towards the €8 million overall ceiling specified in Resolution Ten. These ceilings will be raised 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 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 greater than or equal to ten years. The Benchmark Price is defined as the weighted average of the Company's share prices 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 of subscriptions for the beneficiaries indicated above. Your Board of Directors may reduce or remove this discount if it considers this 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 Annual General Meeting of April 17, 2013, has not been used.

**Resolution Eighteen**

**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, for 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 et seq. of the French Labor Code:

- 1) delegates authority to the Board of Directors, including the option to subdelegate this authority, at its sole discretion if it considers it appropriate, to increase share capital on one or more occasions by issuing ordinary shares or transferable 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) removes, for the benefit of those persons, existing shareholders' preferential rights to subscribe to the shares that may be issued under this delegation of authority;
- 3) set the validity period of this authorization as 26 months counting from the date of this General 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 General 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 this General Meeting or towards the overall nominal-value ceiling for capital increases under any subsequent similar delegation of authority during the validity period of this delegation. This ceiling will be raised, where 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 holders of transferable securities giving access to the Company's capital;
- 5) resolves 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 stock market 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 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) resolves, 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 which can be paid in accordance with the rules of the company or group savings plans, and/or (ii) where applicable, as a discount;
- 7) acknowledges that this delegation of authority terminates all previous delegations that have 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.

### **Delegation to the Board of Directors to reduce capital by cancelling treasury shares**

#### **(Objectives of Resolution 19)**

You are asked to authorize the Board of Directors to reduce the share capital, on one or more occasions, by cancelling any treasury shares at its discretion subject to legal limits.

On the date of any cancellation, the maximum number of shares cancelled by the Company during the 24-month period immediately preceding that cancellation, including the shares to be cancelled, may not exceed 10% of the shares comprising the Company's share capital on that date, it being understood that the amount of the Company's share capital to which this limit applies may be adjusted to take into account transactions affecting share capital subsequent to 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 same purpose granted by the Annual General Meeting of April 17, 2013, has not been used.

#### **Resolution Nineteen**

##### **Authorization to the Board of Directors to cancel the 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, authorizes the Board of Directors to reduce the share capital, on one or more occasions, in such proportions and at such times as it considers appropriate, by cancelling any quantity of treasury shares at its discretion subject to the limits authorized by applicable laws and Articles L. 225-213 and L. 225-209 et seq. of the French Commercial Code.

Under this authorization, up to 10% of the Company's share capital may be cancelled by the Company over any rolling 24-month period, it being understood that this limit applies to an amount of the Company's share capital, which may be adjusted to take into account transactions affecting the share capital subsequent to this General Meeting.

This authorization is granted for a period of 26 months counting from the date of this General Meeting.

The General Meeting grants all powers to the Board of Directors, including the option to subdelegate, to carry out the cancellations and capital reductions under this authorization, set their terms and conditions, declare their completion, charge any difference between the book value and nominal value of the cancelled shares against the reserves and premiums accounts, amend the bylaws accordingly, and perform all formalities.

## Amendment of bylaws

### (Objectives of Resolutions 20 and 21)

In Resolution Twenty and in accordance with Article L. 225-123 of the French Commercial Code as amended by Law 2014-384 of March 29, 2014 (Florange Law), we ask you to introduce into the Company's bylaws a new provision to maintain single voting rights according to the principle of 1 share = 1 vote.

In the Resolution Twenty-One we ask you to harmonize Article 22 of the bylaws with Article R. 225-85 of the French Commercial Code as amended by the Decree of December 8, 2014 which shortened the "date d'enregistrement" (cut-off time between the record date and the General Meeting) from three to two days and adopted the new criterion of "inscription en compte définitif" (vesting registration) as marking the completion of the share transfer transaction in the name of the shareholder (or of the intermediary registered on the shareholder's behalf) to replace the criterion of "enregistrement comptable" (shareholding registration).

The modifications made to the bylaws are shown (in the draft resolutions and the draft bylaws) in bold and underlined.

### Resolution Twenty

#### Amendment to Article 10 of the Company bylaws to maintaining single voting rights to the shareholders' benefit

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, in recognition of the arrangement in Article 7 of Law 2014-384 of March 29, 2014 named "visant à reconquérir l'économie réelle", considering that the Company's shares have been admitted for trading on a regulated market, resolves not to introduce the double voting rights for shareholders referred to in Article L. 225-123 paragraph 3 of the French Commercial Code, and therefore reaffirms the rule whereby each Company share confers the right to one vote at the General Meeting. Consequently, the Extraordinary General Meeting resolves to amend Article 10 entitled "Rights attached to each share" as follows:

*"The shares are freely negotiable in accordance with applicable law.*

*Each share gives the right to a part of the Company's assets and profits and to a portion of the surplus remaining in the event of liquidation, in proportion to the number and nominal value of existing shares.*

**Under the terms of the Resolution Twenty of the Combined General Meeting of May 29, 2015, it was decided not to grant double voting rights as introduced by Law 2014-384 of March 29, 2014.**

**Consequently**, each shareholder has a number of votes equal to the number of shares owned.

*Each time that the ownership of several securities is required in order to exercise a given right, especially in the case of exchange, conversion, consolidation or allocation of securities, capital decrease, merger, spin-off, or any other transaction, a number of securities fewer than the amount required does not entitle their owners to any right against the Company. In this case, their holders shall be personally responsible for obtaining the requisite number of securities or a multiple of this number. The provisions of Article L. 228-6 of the French Commercial Code will apply to fractional shares."*

### Resolution Twenty-One

#### Amendment to Article 22 of the Company bylaws to take into account the tightening of the share record date for General Meetings

The General Meeting, acting with the quorum and majority required for Extraordinary General Meetings, having reviewed the Report of the Board of Directors, resolves to amend Article 22 of the bylaws as follows:

1. The third paragraph of Article 22 of the bylaws is amended to read as follows:

*"Any shareholders is entitled to attend Shareholders' Meetings in person or by proxy, under the conditions set by applicable laws and regulations, by providing proof of their identity and title to their shares by the **registration of said securities in accounts** in their name (or as long as the Company's shares are admitted to trading on a regulated market, in the name of the intermediary registered on the shareholder's behalf pursuant to the applicable regulation) no later than **two business days** preceding the meeting at midnight Paris time, or in the registered shares accounts kept by the Company, or, provided that the Company's shares are admitted to trading on a regulated market, in the accounts for bearer shares of an authorized intermediary. Proof of the capacity of a shareholder can be provided electronically, under the conditions set by the applicable laws and regulations."*

2. The sixth paragraph of Article 22 of the bylaws is amended to read as follows:

*"By prior decision of the Company's Board of Directors, the recording and signing of electronic forms may be achieved by a reliable identification process that meets the conditions stated in the first sentence of the second subparagraph of Article 1316-4 of the French Civil Code, which may consist of a username and password, or any other means consistent with applicable laws and regulations. Proxies or votes expressed electronically in this way before the meeting, and the confirmation of receipt given in reply, shall be regarded as irrevocable written instructions enforceable on all parties, it being stipulated that if **ownership of the shares is transferred** before midnight Paris time before the **second business day** preceding the meeting, the Company shall invalidate or amend, as the case may be, proxies or votes expressed before such date and time."*

3. The rest of Article 22 of the bylaws remains unchanged.

### **Powers to accomplish formalities**

#### **(Objectives of Resolution 22)**

Resolution Twenty-Two 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 Twenty-Two**

#### **Powers for 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.

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## ■ Statutory Auditors' Report on the Annual Financial Statements

### Financial year closed on December 31, 2014

To the Shareholders,

In execution of the mission entrusted to us by your General Meetings, we are presenting our report for the financial year ended on December 31, 2014, regarding:

- \* our audit of the financial statements of Groupe Fnac SA, as appended to this report;
- \* the justification for our assessments;
- \* the specific verifications and information provided for by law.

The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

#### 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 that the 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 our 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 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.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and thus contributed to the expression of our opinion in the first part of this report.

#### III. Specific verifications and information

We have also conducted the specific verifications provided for by law, in accordance with the 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 compensation and considerations paid to corporate executives and the undertakings granted to them, we have checked their concordance with the accounts or with the data serving to establish these, and, where called for, with the items obtained by your Company from companies controlling it or controlled by it. Based on this work, we certify 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 relating to the identity of shareholders and voters.

Paris La Défense and Neuilly-sur-Seine, March 10, 2015

The 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

### Financial year closed on December 31, 2014

To the Shareholders,

In execution of the mission entrusted to us by your General Meetings, we are presenting our report for the financial year ended on December 31, 2014, regarding:

- \* our audit of the consolidated financial statements of Groupe Fnac SA, as appended to this report;
- \* the justification for our assessments;
- \* the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### 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 that 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 entity formed by the consolidated entities, in accordance with IFRS guidelines, as adopted by the European Union.

### II. Justification of our 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:

- \* 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 forecast cash flows used, and have verified that note 18 to the consolidated financial statements provides appropriate disclosures;
- \* where applicable, your Company assesses the impairment of inventory in accordance with the procedures set out in note 2.9 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 to the consolidated financial statements specify the methods of evaluating share-based payments and considerations for personnel subsequent to employment and other long-term employee benefits. These commitments have been measured by external actuaries. Our work consisted in reviewing the data used, assessing the assumptions made, and verifying that notes 7 and 25 to the consolidated financial statements provide appropriate disclosures.

These assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

### III. Specific verification

In accordance with the professional standards applicable in France, we have also specifically verified the information provided in the Management Report relating to the Group pursuant to French law.

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

Paris La Défense and Neuilly-sur-Seine, March 10, 2015

The Statutory Auditors

**KPMG Audit**

A department of KPMG S.A.

Hervé CHOPIN

*Partner*

**Deloitte & Associés**

Stéphane RIMBEUF

*Partner*

## ■ Special Statutory Auditors' Report on the Regulated Agreements and Commitments

### General Meeting to approve the financial statements for the fiscal year ended on December 31, 2014

To the Shareholders,

As 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 principal features and forms of the agreements and commitments we were told about, or that we may have discovered in the course 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. According to Article R. 225-31 of the French Commercial Code, it is your responsibility to assess the appropriateness of entering into these agreements and commitments, with a view to approving them.

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

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 consisted of checking the consistency of the data we were given against the basic documents from which they were drawn.

#### I. Agreements and commitments submitted for approval to the General Meeting

##### Agreements and commitments authorized during the last fiscal year

We have not been given notice of any agreement or commitment authorized during the last fiscal year to be submitted for approval to the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

#### II. Agreements and commitments already approved by the General Meeting

##### Agreements and commitments approved in past fiscal years, which continued to be executed during the last fiscal year

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

##### **Inclusion of Alexandre Bompard, Chairman and Chief Executive Officer, in a supplementary pension plan**

- Person concerned  
Alexandre Bompard, Chairman and CEO of Groupe Fnac SA.
- Nature and subject  
In a decision dated July 30, 2013, the Board of Directors of your Company gave prior authorization for the membership of Alexandre Bompard in the supplementary defined-contribution pension plan for all Groupe Fnac executives in France.
- Forms  
Alexandre Bompard has a supplementary defined-contribution pension identical to the one given to all Groupe Fnac executives in France.

Payments made for this membership came to a total of €10,337.04 in fiscal year 2014.

**Agreements and commitments approved in past years, which were not exercised during the last fiscal 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 have not given rise to execution during the last fiscal year.

**Agreement on removal from the tax consolidation group between Kering SA, Groupe Fnac SA and its French subsidiaries**

■ Persons concerned

Kering SA, holding over 10% of the voting rights in Groupe Fnac SA until June 18, 2013, and Jean-François Palus, Director of Groupe Fnac SA until June 20, 2013 and a Director of Kering SA; subsequently Patricia Barbizet, Director of Kering SA, was appointed Director of Groupe Fnac SA.

■ Nature and subject

On January 1, 2013, Kering SA turned over slightly more than 5% of the capital of Groupe Fnac SA to the Dutch company KERNIC MET BV. This disposal brought about the removal of Groupe Fnac SA and its French subsidiaries held by at least 95%, from the Kering SA sphere of tax consolidation, effective as of January 1, 2013.

In a decision dated April 17, 2013, the Board of Directors of your Company gave prior authorization to the agreement for the removal of Groupe Fnac SA and its French subsidiaries from the tax consolidation sphere of Kering SA, to which it had been subject. This agreement was signed on April 23, 2013.

■ Forms

The removal of these companies from the tax consolidation sphere of Kering SA has given rise to the signature of an agreement of removal from tax consolidation concluded between Kering SA and Groupe Fnac SA and its French subsidiaries. The agreement primarily provides that the tax deficits, net long-term capital losses and tax credits accrued during the period of belonging to the consolidated Kering Group will remain posted to the consolidated Kering Group.

**Non-compete commitment for Alexandre Bompard, Chairman and Chief Executive Officer**

■ Person concerned

Alexandre Bompard, Chairman and CEO of Groupe Fnac SA.

■ Nature and subject

In a decision dated July 30, 2013, the Board of Directors of your Company gave prior authorization to a non-compete commitment concluded between your Company and its Chairman and Chief Executive Officer, Alexandre Bompard.

■ Forms

This commitment, limited to a term of two years starting from the end of Alexandre Bompard's term of office, covers the retail sector specializing in cultural and/or technological and leisure products for the mass market in France, Belgium, Spain, Switzerland, Portugal and Brazil.

In return for this commitment, Alexandre Bompard will receive a gross compensation payment amounting to 80% of his fixed monthly compensation for a period of two years to be counted from the effective end of his term of office, although it is specified that the Board of Directors may waive implementation of this clause.

Paris La Défense and Neuilly-sur-Seine, March 10, 2015

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

**Fiscal year ended December 31, 2014**

To the Shareholders,

As Statutory Auditors of Groupe Fnac and in accordance with Article L. 225-235 of the French Commercial Code, we hereby report to you 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, 2014.

It is the Chairman's responsibility 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 and containing the other disclosures required by Article L. 225-37 of the French Commercial Code, particularly as regards corporate governance.

Our task is to:

- \* report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating 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 in internal control concerning the preparation and treatment of the financial and accounting information that we may have noticed in the context of our assignment are reported appropriately in the Chairman's Report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control and risk management procedures relating to the preparation and treatment of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

**Other Information**

We hereby attest that the Chairman's Report includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine, March 10, 2015

Statutory Auditors

**KPMG Audit**

A department of KPMG S.A.

Hervé CHOPIN

*Partner*

**Deloitte & Associés**

Stéphane RIMBEUF

*Partner*

■ Statutory Auditors' Report on the issuance of shares and other transferable securities with retention and/or removal of preferential subscription rights

**Combined Ordinary and Extraordinary General Meeting of May 29, 2015 – Resolutions 10, 11, 12, 13, 14, 15 and 16**

Dear Shareholder,

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 proposals to delegate to the Board of Directors the authority to issue shares and/or transferable securities on one or more occasions, transactions which you are asked to approve.

Your Board of Directors asks you, based on its report:

- \* to delegate to it, for a period of 26 months counting from the date of this General Meeting, the authority to decide the following transactions and to set the final terms and conditions for those issues, including potentially removing your preferential subscription rights:
  - to issue, with the retention of preferential subscription rights (Resolution Ten), ordinary shares and/or ordinary shares granting rights to the allocation of other ordinary shares or debt securities and/or transferable securities giving access to ordinary shares to be issued by the Company,
  - to issue, with the removal of preferential subscription rights, but with a mandatory priority period, in the form of a public offering (Resolution Eleven), ordinary shares and/or ordinary shares granting rights to the allocation of other ordinary shares or debt securities and/or transferable securities giving access to ordinary shares to be issued by the Company, it being understood that those securities may be issued in payment for securities satisfying the conditions specified in Article L. 225-148 of the French Commercial Code contributed as part of a public exchange offer,
  - to issue, with the removal of preferential subscription rights, but with an optional priority period, in the form of a public offering (Resolution Twelve), ordinary shares and/or ordinary shares granting rights to the allocation of other ordinary shares or debt securities and/or transferable securities giving access to ordinary shares to be issued by the Company, it being understood that those securities may be issued in payment for securities satisfying the conditions specified in Article L. 225-148 of the French Commercial Code contributed as part of a public exchange offer,

- to issue, with the removal of preferential subscription rights, in the form of offers within the meaning of Article L. 411-2-II of the French Monetary and Financial Code (Resolution Thirteen), ordinary shares and/or ordinary shares granting rights to the allocation of other ordinary shares or debt securities and/or transferable securities giving access to ordinary shares to be issued by the Company;
- \* to delegate to it, for a period of 26 months counting from the date of this General Meeting, the necessary powers to issue ordinary shares and/or transferable securities giving access to ordinary shares to be used in payment for contributions in kind made to the Company consisting of equity instruments or transferable securities giving access to capital (Resolution Fifteen), up to a maximum 10% of the capital as at the date of this General Meeting;
- \* to authorize it, under Resolution Sixteen and under the delegations in Resolutions Eleven, Twelve and Thirteen, to set the issue price within the annual legal limit of 10% of the share capital.

The overall nominal value of the capital increases that may be transacted immediately or in the future, may not, in accordance with Resolution Ten, exceed €8 million under (i) Resolutions Ten, Eleven, Twelve, Thirteen, Fourteen, Fifteen, Seventeen and Eighteen of this General Meeting and (ii) Resolutions Thirty and Thirty-One approved by the Company's General Meeting of April 17<sup>th</sup>, 2013, it being understood that:

- \* the total nominal value of the capital increases that may be transacted immediately or in the future under Resolutions Eleven, Twelve and Thirteen may not exceed €3.3 million, €1.6 million and €2.5 million, respectively;
- \* the nominal value of the capital increases transacted under Resolution Thirteen will reduce the global nominal value of the capital increases that may be transacted immediately or in the future under Resolution Twelve;
- \* the nominal value of the capital increases transacted under Resolution Twelve will reduce the global nominal value of the capital increases that may be transacted immediately or in the future under Resolution Thirteen;

- \* the nominal value of the capital increases that may be transacted immediately or in the future under Resolution Fifteen will count towards the nominal-value ceiling on capital increases specified in paragraph 3 of Resolution Twelve and towards the overall nominal-value ceiling on capital increases specified in paragraph 3 of Resolution Ten of this General Meeting and/or any similar ceiling that may be set under any other subsequent delegations in the above-mentioned Resolutions during the validity period of this delegation.

These ceilings take into account any additional securities to be created under the delegations in Resolutions Ten, Eleven, Twelve and Thirteen in accordance with Article L. 225-135-1 of the French Commercial Code, if you adopt Resolution Fourteen.

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 concerning these transactions, 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 these transactions and the terms and conditions for setting the issue price of the 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 method of setting the issue price of the capital securities to be issued, as specified in the Board of Directors' Report, under Resolutions Eleven, Twelve, Thirteen and Sixteen.

Furthermore, as that report does not specify the method for setting the issue price of the securities to be issued under Resolutions Ten and Fifteen, we cannot give our opinion regarding the basis for calculating that issue price.

As the final terms and conditions of the issues 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 Resolutions Eleven, Twelve, Thirteen and Sixteen.

In accordance with Article R. 225-16 of the French Commercial Code, we will prepare an additional report in the event that your Board of Directors uses these delegations to issue transferable securities that are capital securities giving access to other capital securities or granting rights to the allocation of debt securities, or to issue transferable securities giving access to capital securities to be issued, or issue ordinary shares with the removal of preferential subscription rights.

Paris La Défense and Neuilly-sur-Seine, March 10, 2015

Statutory Auditors

**KPMG Audit**

A department of KPMG S.A.

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 29, 2015 – Resolution 18

Dear Shareholder,

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, 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 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, up to a maximum value of €500,000, 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 specified in paragraph 3 of Resolution Ten.

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 General Meeting, the authority to decide to increase capital and remove your preferential subscription rights to the securities to be issued. 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 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.

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.

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 prepare an additional report in the event that your Board of Directors uses this delegation.

Paris La Défense and Neuilly-sur-Seine, March 10, 2015

Statutory Auditors

**KPMG Audit**

A department of KPMG S.A.

Hervé CHOPIN

*Partner*

**Deloitte & Associés**

Stéphane RIMBEUF

*Partner*



■ Statutory Auditors' Report on the capital reduction

**Combined Ordinary and Extraordinary General Meeting of May 29, 2015 – Resolution 19**

Dear Shareholder,

As your Company's Statutory Auditors and in accordance with our duties under Article L. 225-209 of the French Commercial Code in the case of a capital reduction by cancellation of the purchased shares, we have prepared this report to give you our assessment of the reasons and terms of the envisaged capital reduction.

Your Board of Directors asks you to delegate to it, including the option to subdelegate, for a period of 26 months counting from the date of this General Meeting, all powers to cancel, on one or more occasions, and with a ceiling of 10% of its capital in any 24-month period, the shares purchased under the authorization to your Company to buy its own shares under the terms of the aforementioned Article.

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 require us to examine whether the reasons and terms of the envisaged capital reduction, which does not undermine the equality of the shareholders, are fair and compliant.

We have no observations to make on the reasons and terms of the envisaged capital reduction.

Paris La Défense and Neuilly-sur-Seine, March 10, 2015

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

**Fiscal year ending December 31, 2014**

To the Shareholders,

In our capacity as licensed accountants appointed as the independent third party for Groupe Fnac, authorized by COFRAC (the French Accreditation Committee) under number 3-1080<sup>(1)</sup>, we hereby present our report on the consolidated social, environmental and societal information for the year ending December 31, 2014, presented in the Management Report (hereinafter the "CSR Information"), established 277for the fiscal year ending December 31, 2013, pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

**The Company's responsibility**

The Board of Directors is tasked with preparing a Management Report containing the CSR Information specified in Article R. 225-105-1 of the French Commercial Code in accordance with the corporate, social and environmental protocols used by the Company (hereinafter, the "Benchmark"), the summary of which is reflected in the Management Report in section 2.2 "Methodology note" and available on request at its registered office.

**Independence and quality control**

Our independence is defined by the regulations and code of ethics governing the profession, enshrined in the decree dated March 30, 2012, with regard to exercising the activity of accounting expert. In addition, we have set up a system of quality control in compliance with the professional standards of quality control governing our profession.

**Responsibility of the independent third party**

It falls upon us, based on our work, to:

- \* certify that the CSR Information legally required is contained in the Management Report or, in the event of omission, is the subject of an explanation pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Certification of the existence of CSR Information);

- \* express a conclusion of moderate assurance that the CSR Information, taken in its entirety, provides a true and fair view in all material aspects, in accordance with the Benchmark (reasoned opinion on the truth of the CSR Information).

Our work was conducted by a team of four between November 2014 and February 2015, over a period of approximately four weeks. To aid us in the conduct of our tasks, we called upon our CSR experts.

**1. Certification of inclusion of CSR Information**

In accordance with the professional standards applicable to specific certifications, and the Order of May 13, 2013 determining the methods used by independent third parties to conduct their mission, we performed the following tasks:

- \* based on interviews with the managers of the departments concerned, we took due note of the sustainable development strategies presented, on the basis of the social and environmental consequences linked to the Company's activity and its societal commitments and, where applicable, the initiatives or programs arising from these;
- \* we compared the CSR Information set out in the Management Report with the list provided in Article R. 225-105-1 of the French Commercial Code;
- \* where some consolidated information was missing, we checked that explanations were provided in accordance with the provisions of paragraph 3 of Article R. 225-105 of the French Commercial Code;
- \* we ascertained that the CSR Information presented consolidated coverage, i.e. the Company along with its subsidiaries as defined by Article L. 233-1 and the companies that it controls as defined by Article L. 233-3 of the French Commercial Code within the limits specified in the methodology note in section 2.2 "Methodology note" of the Management Report.

Based on this work and within the limits described above, we certify that the CSR Information legally required is included in the Management Report.

(1) Information available on the website [www.cofrac.fr](http://www.cofrac.fr).

## 2. Reasoned opinion on the fairness of the CSR Information

### Nature and extent of the work

In accordance with the professional standards applicable to specific certifications, the Order of May 13, 2013 determining the methods used by independent third parties to conduct their mission, and the "International Standard on Assurance Engagements" (ISAE 3000), we performed the following tasks:

We conducted six interviews with the persons responsible for the preparation of the CSR Information in the departments charged with the data collection process and, where applicable, the persons responsible for internal control and risk management, in order to:

- \* assess the adequacy of the Benchmark with regard to its relevance, thoroughness, reliability, neutrality and comprehensibility, taking into consideration, where applicable, the best practices of the sector;
- \* verify that a data collection, compilation, processing and control procedure has been established with the aim of ensuring that the CSR Information is thorough and consistent, having reviewed the internal control and risk management procedures relating to the preparation of CSR Information.

We determined the nature and extent of our tests and controls in accordance with the nature and significance of the CSR Information as it related to the characteristics of the Company, the social and environmental issues involved in its activities, its strategies with regard to sustainable development and the best practices of the sector.

As regards the CSR Information we considered most significant <sup>(1)</sup>:

- \* at the level of the consolidating entity, we consulted documentary sources and conducted interviews to corroborate qualitative data (organization, policies, initiatives); conducted

analyses on the quantitative data and, using random sampling, checked the calculations as well as the consolidated data; and ascertained their coherence and consistency with the other data reflected in the Management Report;

- \* at the level of a representative sampling of establishments and sites that we selected <sup>(2)</sup> based on their activity, their contribution to the consolidated indicators, where they are located, and a risk analysis, we conducted interviews to verify the proper application of procedures and identify any omissions, and carried out detailed tests on a sample basis, which entailed verifying the calculations made and reconciling the data with supporting vouchers. The sample selected in this manner represents an average of 80% of the study population, and between 66% and 100% of the quantitative environmental data.

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

Lastly, we assessed the pertinence of the explanations regarding the total or partial lack of certain data, where applicable.

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

Based on our work, we have not detected any significant anomaly of such a nature as to raise doubts about whether the CSR Information as a whole provides a true and fair view, in accordance with the Benchmark.

Paris, February 24, 2015

Independent Third Party

**Grant Thornton**

French member of Grant Thornton International

Vincent Papazian

Partner

(1) Quantitative employment indicators: personnel on permanent and temporary contracts by gender; turnover of staff on permanent contracts; departures; absenteeism; number of personnel/staff with a disability; workplace accident frequency rate; total hours of training.

Quantitative environmental indicators: WEEE waste, batteries and toner cartridges; electricity consumption; gas consumption; CO<sub>2</sub> emissions related to energy consumption; CO<sub>2</sub> emissions related to the transport of merchandise (B2B and B2C); tonnage of cardboard purchased by logistics.

Qualitative information regarding sections on "Equal treatment"; "Anti-discrimination policy"; "Repurposing of consumer electronics"; "Territorial, economic and social impact of Fnac activity"; "Environmental labeling system"; "Suppliers' CSR Charter".

(2) For environmental information: Massy logistics platform.

For environmental and social information (excluding logistics activities): Fnac France, Fnac Spain.

For environmental information (excluding logistics activities): Fnac Ternes.

**Registered office:**

9, rue des Bateaux-Lavois

ZAC Port d'Ivry

94868 Ivry-sur-Seine

055 800 296 R.C.S. CRETEIL

## ■ Request for documents and information

### (Art. R. 225-88 of the French Commercial Code)

I, the undersigned:

LAST NAME .....

First name(s) .....

Address .....

E-mail address .....

Owner of ..... SHARE(S) of GROUPE FNAC

requests the documents and information regarding the General Meeting of May 29, 2015, as stipulated in Article R. 225-83 of the French Commercial Code on commercial companies in the following format:

paper

electronic files to the e-mail address above

Done in....., on.....2015

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.



■ Notes

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Design & production : **RR DONNELLEY**



## **FNAC**

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