

#2017 NOTICE OF MEETING

COMBINED GENERAL
SHAREHOLDERS' MEETING OF
SOLOCAL GROUP

13 June 2017
at 4:30 pm (Paris time)



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Informal translation from the French. For information purposes only.

SOLOCAL GROUP

A public limited company with share capital of €57,939,014.70
Registered office: 204 Rond-Point du Pont de Sèvres, 92649 Boulogne-Billancourt Cedex
Nanterre Trade and Companies Register No. 552 028 425

HOW TO PARTICIPATE IN THE GENERAL MEETING?

SoLocal Group's Combined General Shareholders' Meeting will be held on:

Tuesday 13 June 2017

At 4:30 pm (Paris time)

Palais Brongniart, 28 place de la Bourse, 75002 Paris

You can attend the Meeting personally or vote by post, by Internet (or electronically) or proxy.

Regardless of how you choose to participate, you must prove that you are a SoLocal Group shareholder.

How to prove you are a shareholder?

- **If you hold registered shares:** Your shares must be registered in your name (whether managed by SoLocal Group or your financial intermediary) no later than the second business day prior to the General Meeting i.e. 9 June 2017 at 00:00 (Paris time).
- **If you hold bearer shares:** Have a shareholder certificate drawn up as soon as possible certifying that your shares were registered in the securities account held by your financial intermediary (bank, stockbroker or online broker), no later than the second business day prior to the General Meeting i.e. 9 June 2017 at 00:00 (Paris time). To be taken into account, this certificate must reach BNP Paribas Securities Services, the bank acting as the centralising agent for the SoLocal Group General Meeting, no later than 12 June 2017 at 3 pm (Paris time).

How to obtain information?

- **By telephone:**
On 0800 81 84 54 (Freephone number) if calling from France or on +33 (1) 55 77 35 00 if calling from abroad, from 9 am to 7 pm, Monday to Friday.
- **Over the Internet:**
www.solocalgroup.com
- **By e-mail:**
actionnaires@solocalgroup.com
- **By post:**
SoLocal Group
Relations actionnaires (Shareholder Relations)
204 Rond-Point du Pont de Sèvres
92649 Boulogne-Billancourt Cedex

How to vote?

If you are a SoLocal Group shareholder on the date of the Meeting, there are three ways in which you may exercise your voting right:

- **personally attend the General Meeting;**
- **grant a proxy to the Chairman of the Meeting** (the Chairman of the Board of Directors) or to **a third party;**
- **vote by post or electronically.**



If you wish to attend the General Meeting personally

Shareholders wishing to attend the General Meeting in person may apply for an admission card as follows:

● Apply for an admission card by post

If you hold registered shares	If you hold bearer shares
<p>(whether your shares are managed by SoLocal Group or your financial intermediary)</p> <ol style="list-style-type: none"><li data-bbox="146 414 821 459">1 Tick box A on the paper form (see template on page 5).<li data-bbox="146 481 821 526">2 Date and sign at the bottom of the form.<li data-bbox="146 548 821 616">3 Return the form to BNP Paribas Securities Services using the postage-free envelope provided. <p>BNP Paribas Securities Services must receive your form no later than 12 June 2017 at 3 pm (Paris time).</p> <p>BNP Paribas Securities Services will send you your admission card</p>	<ol style="list-style-type: none"><li data-bbox="821 414 1514 459">1 Tick box A on the paper form (see template on page 5).<li data-bbox="821 481 1514 526">2 Date and sign at the bottom of the form.<li data-bbox="821 548 1514 616">3 Return the form as soon as possible to the financial intermediary that holds your account (bank, stockbroker or online broker). <p>Your financial intermediary will forward the form, together with a shareholder certificate certifying that the shares are registered to you, to:</p> <p style="text-align: center;">BNP Paribas Securities Services – CTS Assemblées Grands Moulins de Pantin 9, rue du Débarcadère 93761 Pantin Cedex</p> <p>In order to be taken into account, the form and certificate must reach BNP Paribas Securities Services no later than 12 June 2017 at 3 pm (Paris time).</p> <p>BNP Paribas Securities Services will send you your admission card</p>

How to participate in the General Meeting?



● Apply for an admission card via the Internet

Shareholders wishing to participate in the General Meeting in person may also apply for an admission card electronically as follows:

- For holders of (pure or managed) registered shares:
Holders of pure or managed registered shares may apply for an admission card via the Internet on the VOTACCESS secure platform via the Planetshares website accessible at <https://planetshares.bnpparibas.com>.

Access to the website is protected by username and password. Data exchanges are encrypted to ensure confidentiality. The Planetshares website will be available as of 29 May 2017. The option of applying for an admission card via the Internet will end on 12 June 2017 at 3 pm (Paris time).

Holders of pure registered shares must access the Planetshares website with their usual access codes. Holders of managed

registered shares must access the Planetshares website using their username which can be found in the top right-hand corner of their voting form. Shareholders who no longer have their username and/ or password may contact Freephone number 0 800 818 454 made available to them.

After logging on, holders of registered shares should follow the instructions given on screen to access the VOTACCESS platform and to apply for an admission card.

- For holders of bearer shares:
Holders of bearer shares should find out whether their account keeper is connected to the VOTACCESS platform or not.
If account keeper is connected to the VOTACCESS platform, you must identify yourself on your account keeper's Internet portal with your usual access codes. Then follow the instructions given on screen to access the VOTACCESS platform and apply for an admission card.

If you do not have your admission card on the date of the Meeting.

If your admission card application has reached BNP Paribas Securities Services after 12 June 2017 or if you have not applied for your admission card:

- if you are a registered shareholder, you can attend the General Meeting by presenting an identity document at the counter set up for such purpose at the entrance to the Meeting;
- if you are a bearer shareholder, you can attend the General Meeting by presenting a shareholder certificate drawn up by your financial intermediary certifying that your shares were registered no later than 9 June 2017 at 00:00 (Paris time), together with an identity document, at the counter set up for such purpose at the entrance to the Meeting.



If you wish to vote by post or be represented by a proxy at the General Meeting

With the paper form (see template on page 5)

To vote by post	To grant a proxy to the Chairman	To grant a proxy to another shareholder or to any other individual or legal entity of your choice
<p>1 Tick the "I vote by post" box 1 and specify how you vote.</p> <p>2 If you wish to vote "no" on a resolution or if you wish to "abstain" (abstentions are counted as "no" votes), mark the box below the number of the appropriate resolution.</p> <p>Do not mark any box if you wish to vote "yes" on all resolutions.</p> <p>3 Date and sign at the bottom of the form.</p>	<p>1 Tick the "I grant a proxy to the Chairman" box 2.</p> <p>2 Date and sign at the bottom of the form.</p> <p>3 Do not mark any box.</p> <p>4 Your votes will be "for" draft resolutions submitted or approved by the Board of Directors, and "against" all other draft resolutions.</p>	<p>1 Tick the "I grant a proxy" box 3.</p> <p>2 Provide the identity (first and last name, address) of the person who will represent you.</p> <p>3 Date and sign at the bottom of the form.</p>
You have voted	You have voted	You have voted

If you hold registered shares:

Return the form to BNP Paribas Securities Services using the postage-free envelope provided. BNP Paribas Securities Services must receive your form no later than 12 June 2017, 3pm (Paris time).

If you hold bearer shares:

Return the form as soon as possible to the financial intermediary that holds your account (bank, stockbroker or online broker). Your financial intermediary will send the form, together with a shareholder certificate certifying that the shares are registered to you, to:

BNP Paribas Securities Services – CTS Assemblées
Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex

The form and certificate must reach BNP Paribas Securities Services no later than 12 June 2017, 3 pm (Paris time).





● To vote or to appoint/revoke a proxy via the Internet

● For holders of (pure or managed) registered shares:

Holders of pure or managed registered shares may vote or appoint/revoke a proxy via the Internet on the VOTACCESS secure platform via the Planetshares website accessible at <https://planetshares.bnpparibas.com>.

This option is an additional means of participation offered to shareholders who may benefit from all the options available on the form. Access to the website is protected by username and password. Data exchanges are encrypted to ensure confidentiality. The Planetshares website will be available as from 29 May 2017. The option of voting or designating/ revoking a proxy on the Internet will end on 12 June 2017 at 3 pm (Paris time). However, in order to prevent potential congestion on the Internet site dedicated to voting prior to the General Shareholders' Meeting, shareholders are recommended not to wait until the day before the Meeting to vote.

Holders of pure registered shares must access the Planetshares website with their usual access codes. Holders of managed registered shares must access the Planetshares website using their username which can be found in the top right-hand corner of their voting form. Shareholders who no longer have their username and/or password may contact Freephone number 0 800 818 454 made available to them.

After logging on, holders of registered shares should follow the instructions given on screen to access the VOTACCESS platform and to vote or to appoint/revoke a proxy. They will also be able to access the official documents of the General Meeting on that same website.

● For bearer shareholders:

You must ascertain whether the institution that holds your securities account is connected to the VOTACCESS platform and, if it is, whether access thereto is subject to specific conditions of use.

Only bearer shareholders whose account keeper is connected to the VOTACCESS platform may vote or appoint/revoke a proxy via the Internet. Failing this, the bearer shareholder must take measures to vote by post.

If the institution that holds your securities account is connected to the VOTACCESS website, you must identify yourself with the account keeper institution, using your customary access codes. Then, click on the icon on the line for your SoLocal Group shares and follow the instructions displayed onscreen to access the VOTACCESS website and vote or designate/revoke a proxy. You will also have the option, via this same site, of accessing the official documents of the General Meeting.

If the institution that holds your securities account is not connected to the VOTACCESS website, in accordance with Article R. 225-79 of the French Commercial Code, notice of the appointment or revocation of a proxy may also be given electronically by following the procedures below:

- You should send an email to: paris.bp2s.france.cts.mandats@bnpparibas.com. This e-mail must contain the following information: the name of the relevant company, the date of the Meeting, the first and last name, address and bank details of the principal, as well as the first and last name and, if possible, the address of the proxy holder;
- You must request the financial intermediary that manages your securities account to send a written confirmation to Services Assemblées Générales de BNP Paribas Securities Services – CTS Assemblées Générales – Les Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex.

Only notices appointing or revoking proxies may be sent to the e-mail address above. Any other request or notice about other matters will not be taken into account and/or processed.

In order for electronic appointments or revocations of proxies to be validly taken into account, the confirmations must be received no later than the day before the Meeting at 3 pm (Paris time). Appointments or revocations of proxies made using a paper form must be received no later than the day before the Meeting i.e. 12 June 2017 at 3 pm (Paris time). The VOTACCESS dedicated secure website will be open as from 29 May 2017.

How to complete the form included with this document?

Do not send the form directly to SoLocal Group.

All operations in relation to the General Meeting are handled by BNP Paribas Securities Services, the bank acting as the centralizing bank for the SoLocal Group General Meeting.

BNP Paribas Securities Services – CTS Services des Assemblées
Grands Moulins de Pantin – 9, rue du Débarcadère – 93761 Pantin Cedex

If you wish to attend the Meeting and receive your admission card: tick box A.

If you hold bearer shares, send this form to the institution that holds your securities account, which will forward it, together with a shareholder certificate, to BNP PARIBAS SECURITIES SERVICES.

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 shareholders' 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.

SOLOCAL GROUP

S.A. au capital de 57 939 014,70 €
 Siège social : 204, Rond-Point du Pont de Sèvres
 92100 BOULOGNE-BILLAN COURT
 552 028 425 RCS Nanterre

L'Assemblée générale mixte des actionnaires de SoLocal Group se tiendra
 mardi 13 juin 2017, à 16 heures 30
 Palais Brongniart
 28 place de la Bourse
 75002 Paris

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

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

1 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST
 Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci la case correspondante et pour lesquels je vote NON ou je m'abstiens.
 I vote YES all the draft resolutions approved by the Board of Directors EXCEPT those indicated by a shaded box like this, for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci la case correspondant à mon choix.
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this.

1	2	3	4	5	6	A	F	L	Q	V
7	8	9	10	11	12	B	G	M	R	W
13	14	15	16	17	18	C	H	N	S	X
19	20	21	22	23	24	D	J	O	T	Y
25	26	27	E	K	P	U				

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 A : Cf. au verso (4)
I HEREBY APPOINT : See reverse (4)
 M., Mme ou Mlle, Raison Sociale / M; 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 (les modifications de ces informations doivent être adressées à l'établissement concerné et ne peuvent être effectuées à l'aide de ce formulaire). Cf au verso (1)
 Surname, first name, address of the shareholder (Change regarding this information have to be notified to relevant institution, no change can be made using this proxy form). See reverse (1)

Regardless of your choice, date and sign here.

Date & Signature

S'il y a des amendements ou des résolutions nouvelles présentés en assemblée / In case amendments or new resolutions are proposed during the meeting - Je donne pouvoir au Président de l'Assemblée générale de voter en mon nom. / I appoint the Chairman of the general meeting to vote on my behalf. _____
 - Je m'abstiens / I abstain (équivalent à un vote blanc) / I abstain from voting / is equivalent to vote NCJ _____
 - Je donne procuration (cf. au verso renvoi (4)) à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint / see reverse (4) M; Mrs or Miss, Corporate Name to vote on my behalf _____

Pour être prise en considération, toute formule doit parvenir au plus tard :
 In order to be considered, this completed form must be returned at the latest
 sur 1^{ère} convocation / on 1st notification lundi 12 juin 2017 sur 2^{ème} convocation / on 2nd notification

à / to BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin - 93761 PANTIN Cedex

To vote by post, tick box 1.

To be taken into account, your ballot must be received by BNP PARIBAS SECURITIES SERVICES no later than 12 June 2017 before 3 pm (CET).

If you are granting a proxy to the Chairman of the Meeting: tick box 2. Date and sign at the bottom of the form, without completing anything else.

If you are granting a proxy to a specific person: tick box 3 and write the contact details of that person.

Written questions

Written questions should be sent by registered letter with acknowledgment of receipt to the Company's registered office, marked for the attention of the Chairman of the Board of Directors at the latest, on the fourth business day prior to the date of the General Meeting.

Letters whereby written questions are raised shall include a shareholder certificate certifying that your shares are registered with the Company in your name or are held in a bearer securities account held with a financial intermediary.

In accordance with the laws in force, a written question will be deemed to have been answered if answer thereto is included in the "Questions and Answers" section of the Company's website.

Securities lending and borrowing

In accordance with Article L. 225-126 I of the French Commercial Code, any person who holds, either alone or jointly, in respect of one or more temporary transfer transactions relating to the Company's shares or any transaction granting it the right or imposing on it the obligation to resell or return those shares to the transferor, a number of shares representing more than 0.5% of the voting rights, must inform the Company and the French Financial Markets Authority (AMF), by the second business day prior to the shareholders' meeting at the latest, i.e. by 9 June 2017, at 00:00 (Paris time), and when the contract organizing that transaction is still in force at that date, of the total number of shares it temporarily holds.

This declaration must include, besides the number of shares acquired in respect of one of the aforesaid transactions, the identity of the transferor, the date and the maturity of the contract relating to the transaction and, where appropriate, the voting agreement.

The persons concerned must e-mail the Autorité des Marchés Financiers the information stipulated to the following address: declarationpretsempRUNts@amf-france.org.

They must e-mail the same information to the Company to the following address: actionnaires@solocalgroup.com.

If the Company and the Autorité des Marchés Financiers are not provided with any information under the aforesaid conditions, the shares acquired in respect of the temporary transactions concerned will not carry voting rights at the General Shareholders' Meeting to be held on 13 June 2017 or at any shareholders' meeting to be held until the resale or return of the aforesaid shares.

Information and documents made available to shareholders

All documents and information required by Article R. 225-73-1 of the French Commercial Code may be viewed on the Company's website: <http://www.solocalgroup.com>.

AGENDA

Important note

The agenda and the draft resolutions set forth in the notice of meeting to the Combined General Shareholders' Meeting of the Company published in the *Bulletin des Annonces Légales Obligatoires* number 54 dated 5 May 2017 have been amended following certain amendments and modifications made by the Board of Directors of the Company and a request for inclusion on the agenda of draft resolutions submitted by certain shareholders:

a) The Board of Directors of the Company has decided to amend the text of certain draft resolutions, and in particular (i) to amend the text of the draft of sixteenth resolution relating to the authorisation that would be granted to the Board of Directors to allocate free shares of the Company, (ii) to delete the draft of nineteenth resolution, which becomes without purpose and will not be submitted to the vote of the shareholders during the general meeting, and (iii) to add four draft resolutions, numbered from twenty-one to twenty-four, relating to appointment of Directors;

b) Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy, as well as certain shareholders of the Company who have joined their request, among which the company BJ Invest (represented by Mr Benjamin Jayet), Mr Gilles Brenier, Mr Benjamin Jayet, the company Pentagram Media (represented by Mr Philippe Besnard), Mr Patrice Bouron, Mrs Christine Bouron, the companies Paki and BPC (represented by Mr Patrice Bouron), the company World Private Banking (represented by Mr Gérard Robeau), Mr Hervé Bonnat Milon, Mr Jean-Louis Escaich, Mr Gil Roux, Mr Olivier Assan, Mr Fabrice Giard, Mr Gérard Lelouche and Mr Yves Tomazo, have requested the inclusion on the agenda of the general meeting of the three following draft resolutions:

- removal of Mr Robert de Metz from his office as Director (draft resolution A);
- removal of Mrs Cécile Moulard from her office as Director (draft resolution B);
- authorisation granted to the Board of Directors to allocate free shares of the Company (draft resolution C).

The Board of Directors of the Company, during its meeting held on 22 May 2017, has not approved the draft resolutions A, B and C referred to above, and invites the shareholders to either not approve them or abstain from voting.

As a result of the foregoing, the Board of Directors of the Company has amended the agenda of the General Meeting, which now reads as follows:

Ordinary items

- Board of Directors' management report;
- Board of Directors' report to this meeting;
- Reports of the statutory auditors on the accounts for the year ended 31 December 2016;
- Special report of the statutory auditors on the agreements referred to in Article L.225-38 of the French Commercial Code;
- Approval of the annual financial statements for the financial year;
- Approval of the consolidated financial statements for the financial year;
- Allocation of the net income for the financial year ended 31 December 2016, as reported in the annual financial statements;
- Agreements within the scope of Article L.225-38 of the French Commercial Code;

- Approval of commitments within the scope of Article L.225-42-1 of the French Commercial Code for the benefit of Mr Christophe Pingard;
- Authorisation to be granted to the Board of Directors to purchase or transfer SoLocal Group's shares;
- Vote on the components of the remuneration owed or granted to Mr Robert de Metz, Chairman of the Board of Directors, for the financial year ended 31 December 2016;
- Vote on the components of the remuneration owed or granted to Mr Jean-Pierre Remy, Chief Executive Officer, for the financial year ended 31 December 2016;
- Vote on the components of the remuneration owed or granted to Mr Christophe Pingard, Deputy Chief Executive Officer, for the financial year ended 31 December 2016;
- Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to the Chairman of the Board of Directors;
- Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to the Chief Executive Officer;
- Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to the Deputy Chief Executive Officer(s);
- Ratification of the co-opting of Mr John Slater as Director.

Extraordinary items

- Reverse stock split of the Company's shares by granting one (1) new share with a par value of one (1) euro in exchange for ten (10) shares held with a par value of 0.10 euro;
- Delegation of authority to the Board of Directors to proceed with a share capital increase reserved to the members of the group savings plan of SoLocal Group;
- Authorisation granted to the Board of Directors to allocate free shares of the Company;
- Amendment to Article 12 of the by-laws relating to the Board of Directors;
- Removal of Article 20 of the by-laws relating to censors and subsequent renumbering of the by-laws;
- Power for formalities.

Ordinary items

- Appointment of Mrs Delphine Grison as Director;
- Appointment of Mrs Sophie Surssock as Director;
- Appointment of Mr David Amar as Director;
- Appointment of Mr Philippe de Verdalle as Director;

Following the request for inclusion on the agenda of the General Meeting of three draft resolutions submitted by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy and other Company's shareholders who have joined their request:

Ordinary items

- Removal of Mr Robert de Metz from his office as Director;
- Removal of Mrs Cécile Moulard from her office as Director;

Extraordinary items

- Authorisation granted to the Board of Directors to allocate free shares of the Company.



BRIEF OVERVIEW OF THE SOLOCAL GROUP'S SITUATION DURING THE PAST FINANCIAL YEAR

The summary of the situation of SoLocal Group during the financial year ended 31 December 2016 is included in Chapter 9 of the 2016 reference document, available at www.solocalgroup.com.



EXPLANATION OF THE RESOLUTIONS TO BE SUBMITTED TO THE COMBINED GENERAL SHAREHOLDERS' MEETING OF 13 JUNE 2017

A presentation of the resolutions features in the Board of Directors' report on pages 20 et seq. of this document and in the Board of Directors' complementary report on pages 26 et seq. of this document.

DRAFT RESOLUTIONS TO BE SUBMITTED TO THE COMBINED GENERAL SHAREHOLDERS' MEETING OF 13 JUNE 2017

Important note

As a result of the amendments and modifications made by the Company's Board of Directors to the agenda and to the text of the draft resolutions and of the request for inclusion on the agenda of draft resolutions submitted by certain shareholders, the Board of Directors has amended and supplemented the text of the draft resolutions submitted to the General Meeting which now reads as follows:

Ordinary matters

First resolution

(Approval of the annual financial statements for the financial year ended 31 December 2016)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' management report, the Board of Directors' report to this meeting and the statutory auditors' report, approves the annual financial statements of SoLocal Group for the financial year ended 31 December 2016, comprising the balance sheet, the income statement and the notes to the financial statements, as submitted to it, as well as the transactions reported in said financial statements and summarised in said reports. The general meeting confirms the profit for that financial year, as reported in said financial statements.

The general meeting approves the total amount of costs and expenses within the scope of Article 39-4 of the French General Tax Code for the financial year ended 31 December 2016, which amounted to 74,880 euros, and acknowledges that the tax thereon amounts to 25,781 euros.

Second resolution

(Approval of the consolidated financial statements for the financial year ended 31 December 2016)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having

reviewed the Board of Directors' management report, the Board of Directors' report to this meeting and the statutory auditors' report on the consolidated financial statements, approves the consolidated financial statements for the financial year ended 31 December 2016, comprising the consolidated balance sheet and income statement, as well as the notes to the consolidated financial statements, as submitted to it, as well as the transactions reported in said financial statements and summarised in said reports.

Third resolution

(Allocation of the net income for the financial year ended 31 December 2016, as reported in the annual financial statements)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' management report and the Board of Directors' report to this meeting,

- acknowledges that the profit for the financial year ended 31 December 2016 amounts to 8,639,914.34 euros;
- decides to allocate the entire profit of the financial year ended 31 December 2016 to the "retained earnings" account, resulting, after allocation, to a credit balance of 8,639,384.40 euros.

It is recalled that the dividends distributed for the past three financial years are as follows:

Year	Number of shares	Dividend per share	Portion of the dividend eligible for the tax credit ^(*)
2013	280,984,754 ^(†)	0	Not applicable
2014	1,161,727,170 ^(†)	0	Not applicable
2015	38,876,564	0	Not applicable

(†) Number of shares before the stock split of 26 October 2015.

(**) 40% tax credit provided for in Article 158, paragraph 3, sub-paragraph 2° of the French General Tax Code.

Fourth resolution

(Agreements within the scope of Article L.225-38 of the French Commercial Code)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the statutory auditors' special report on the agreements within the scope of Article L.225-38 of the French Commercial Code, acknowledges the conclusions of that report and approves the agreements entered into during the financial year ended 31 December 2016, as described in that report.

Fifth resolution

(Approval of commitments within the scope of Article L.225-42-1 of the French Commercial Code for the benefit of Mr Christophe Pingard)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' report and the statutory auditors' special report on regulated agreements and commitments within the scope of Articles L.225-38 and L.225-42-1 of the French Commercial Code, approves the commitment to pay a severance payment, under certain conditions, and the commitment to pay a compensation as consideration for a clause whereby the beneficiary may not carry out any competing professional activity after the termination of his duties within the Company, as decided by the Board of Directors at its meeting on 13 December 2016 and described in said special report, for the benefit of Mr Christophe Pingard with respect to his term of office as Deputy Chief Executive Officer of the Company.

Sixth resolution

(Authorisation to be granted to the Board of Directors to purchase or transfer SoLocal Group's shares)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the Board of Directors' report,

- terminates, with immediate effect, for the unused portion thereof, the authorisation granted by the Combined General Meeting of 19 October 2016 pursuant to its fifth resolution to purchase Company's shares;
- authorises the Board of Directors, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, to purchase Company's shares, under the conditions set out below, and within the limit of 10% of the amount of the share capital:
 - the maximum purchase price shall not exceed 2.5 euros per share, being specified that, in the event of transactions on the share capital, in particular by capitalization of reserves and allocation of free shares, and/or stock split or reverse stock split, this price shall be adjusted accordingly;
 - the maximum amount of funds allocated to the repurchase program shall be 144,054,568 euros;
 - this authorisation shall be valid for a period of 18 months;
 - the purchases made by the Company pursuant to this authorisation shall not, under any circumstances, cause the Company to directly or indirectly hold at any time more than 10% of the shares comprising the share capital on the relevant date;

- these shares may be purchased or transferred by any means, notably on the market or via multilateral trading facilities or over-the-counter, including by purchasing or transferring blocks of shares, or using derivative financial instruments traded on a regulated market, multilateral trading facilities or over-the-counter;
- shares may be purchased or transferred at any time, except during the period of a tender offer for the Company's shares, in compliance with legal and regulatory provisions.

Such share purchases may be made with a view to any allocation permitted by law. The purposes of this share repurchase programme shall be:

- to undertake and comply with obligations associated with stock option programs or other allocations of shares to employees of the Company or its affiliates, and, in particular, to allocate shares to employees of SoLocal Group in connection with (i) the Company's profit-sharing scheme and (ii) any share purchase plan, stock option plan or free allocation of shares (including any transfer of shares covered by Article L.3332-24 of the French Labor Code) for the benefit of all or some of the Company's employees and corporate officers, and to carry out any hedging operations relating to these transactions;
- to guarantee the liquidity of SoLocal Group's shares through a liquidity contract concluded with an investment service provider, in compliance with the code of ethics approved by the French Financial Markets Authority (AMF);
- to retain the shares and deliver them subsequently as an exchange or as payment in connection with potential external growth transactions;
- to undertake and comply with obligations relating to debt securities convertible into equity securities and, in particular, to deliver shares upon the exercise of rights attached to securities that confer an immediate or future right to shares by any means, and to carry out any transactions necessary to hedge the obligations of SoLocal Group with respect to such securities.

The general meeting grants full powers to the Board of Directors, with the right to sub-delegate, to decide the implementation and to implement this authorisation, if necessary to specify the terms and determine the procedures thereof, to place all stock market orders, to enter into all agreements, to draft all documents in particular information documents, to allocate and, if necessary, reallocate the shares purchased in accordance with the various purposes sought to be achieved, to carry out all formalities and file all declarations with all organizations and, in general, to take all necessary actions.

Seventh resolution

(Vote on the components of the remuneration owed or granted to Mr Robert de Metz, Chairman of the Board of Directors, for the financial year ended 31 December 2016)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, consulted pursuant to section 26 of the Afep-Medef Code of June 2013, as amended in November 2016, which is the Company's code of reference pursuant to Article L.225-37 of the French Commercial Code, votes favourably on the components of the remuneration owed or granted to Mr Robert de Metz in his capacity as Chairman of the Board of Directors for the financial year ended 31 December 2016, as presented in the Board of Directors' management report and in the 2016 reference document on page 106.

Eighth resolution

(Vote on the components of the remuneration owed or granted to Mr Jean-Pierre Remy, Chief Executive Officer, for the financial year ended 31 December 2016)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, consulted pursuant to section 26 of the Afep-Medef Code of June 2013, as amended in November 2016, which is the Company's code of reference pursuant to Article L.225-37 of the French Commercial Code, votes favourably on the components of the remuneration owed or granted to Mr Jean-Pierre Remy in his capacity as Chief Executive Officer for the financial year ended 31 December 2016, as presented in the Board of Directors' management report and in the 2016 reference document on page 107.

Ninth resolution

(Vote on the components of the remuneration owed or granted to Mr Christophe Pingard, Deputy Chief Executive Officer, for the financial year ended 31 December 2016)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, consulted pursuant to section 26 of the Afep-Medef Code of June 2013, as amended in November 2016, which is the Company's code of reference pursuant to Article L.225-37 of the French Commercial Code, votes favourably on the components of the remuneration owed or granted to Mr Christophe Pingard in his capacity as Deputy Chief Executive Officer for the financial year ended 31 December 2016, as presented in the Board of Directors' management report and in the 2016 reference document on page 108.

Tenth resolution

(Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to the Chairman of the Board of Directors)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the updated version of the report referred to in Article L.225-37-2 of the French Commercial Code, voting in accordance with said Article, approves the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind set out in such report and attributable for the financial year 2017 to the Chairman of the Board of Directors by reason of his office.

Extraordinary matters

Fourteenth resolution

(Reverse stock split of the Company's shares by granting one (1) new share with a par value of one (1) euro in exchange for ten (10) shares held with a par value of 0.10 euro)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed the Board of Directors' report:

- decides to proceed with a reverse stock split of the shares comprising the Company's share capital, such that ten (10) ordinary

Eleventh resolution

(Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to the Chief Executive Officer)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the updated version of the report referred to in Article L.225-37-2 of the French Commercial Code, voting in accordance with said Article, approves the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind set out in such report and attributable for the financial year 2017 to the Chief Executive Officer by reason of his office.

Twelfth resolution

(Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to the Deputy Chief Executive Officer(s))

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, after having reviewed the updated version of the report referred to in Article L.225-37-2 of the French Commercial Code, voting in accordance with said Article, approves the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind set out in such report and attributable for the financial year 2017 to the Deputy Chief Executive Officer(s) by reason of his (their) office.

Thirteenth resolution

(Ratification of the co-opting of Mr John Slater as Director)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, acknowledges the resignation, on 24 March 2017, of Mr John Slater as Director and ratifies, as may be required, the co-opting by the Board of Directors at its meeting on 5 January 2017 of Mr John Slater as Director, replacing Mr Rémy Sautter.

shares with a par value of 0.10 euro each shall be exchanged for one (1) new share with a par value of one (1) euro;

- acknowledges the fact that a shareholder of the Company has waived its right to the reverse stock split of a certain number of shares in order to enable the exchange ratio set out in the first indent of this resolution to be applied to a round number of shares;
- acknowledges that the shareholders shall have to proceed with the necessary share purchases or sales for the completion of the reverse stock split within a period of thirty (30) days after the beginning of the reverse stock split process;

- decides that the new shares shall immediately carry double voting rights, provided that they continue to be held as registered shares, if on the date of the reverse stock split of the former shares from which they are derived, each of such former shares carried double voting rights;
- decides that, in the event of a reverse stock split of former shares that were registered as registered shares on different dates, the time period for determining whether the new shares carry double voting rights shall be deemed to begin on the most recent date on which the former shares were registered as registered shares;
- grants full powers to the Board of Directors, with the right to sub-delegate under the legal conditions, to implement this resolution, and in particular to:
 - set the beginning date of the reverse stock split operations;
 - publish all notices and carry out all formalities required by law;
 - acknowledge and determine the exact number of shares to be consolidated and the exact number of shares resulting from the reverse stock split before the beginning of the reverse stock split operations;
 - determine and, if necessary, adjust (including by making cash adjustments) the rights of the beneficiaries of option for subscription or purchase of shares, allocation of free shares and of the holders of any securities giving access to the Company's capital;
 - carry out all required publication and filing formalities and amend the by-laws accordingly; and
 - more broadly, do all that may be of use and necessary to carry out the reverse stock split of the Company's shares in accordance with the above-mentioned conditions and in compliance with applicable laws and regulations.
- decides to withdraw in favour of these employees and former employees the shareholders' preferential subscription right to the shares to be issued pursuant to this delegation;
- decides to set the discount offered under the Company savings plan at 20% of the average opening prices of SoLocal Group's share quoted on the regulated market of Euronext Paris during the 20 trading days preceding the day of the decision setting the opening date of the subscriptions, it being specified that the Board of Directors may reduce this discount as it will deem fit;
- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law, to implement this authorisation, within the above limits, and in particular to:
 - decide that the issues may be carried out directly to the advantage of the beneficiaries or through collective securities investment funds;
 - establish, among the entities likely to be included in the scope of the Company savings plan, the list of companies or groups whose employees and former employees may subscribe to the issued shares;
 - determine the nature and the terms of the share capital increase;
 - set the seniority conditions which shall be met by the beneficiaries of the new shares issued under the share capital increase carried out pursuant to this resolution;
 - acknowledge the completion of the share capital increase;
 - determine, if applicable, the amounts to be incorporated in the share capital within the limit set above, the equity entry/entries from which they shall be drawn and the dividend entitlement date of these shares;
 - if necessary, charge the cost of the capital increase on the related premiums amount and deduct the sums necessary to fund the legal reserve; and
 - take all measures to complete the capital increases, carry out the formalities resulting therefrom, in particular those relating to the listing of the issued securities, and amend the by-laws accordingly to reflect those capital increases, and generally do all that may be necessary.

This delegation is granted for a period that shall expire on the date of the general meeting convened to vote on the financial statements for the financial year ending 31 December 2017.

Fifteenth resolution

(Delegation of authority to the Board of Directors to proceed with a share capital increase reserved to the members of the group savings plan of SoLocal Group)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed (i) the Board of Directors' report and (ii) the statutory auditors' special report, voting in accordance with Articles L.225-129-6, L.225-138 I and L.225-138-1 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code,

- terminates, with immediate effect, for the unused portion thereof, the authorisation granted by the extraordinary general meeting of 15 December 2016 pursuant to its eighth resolution;
- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 26 months as from the date of this meeting, to decide to increase the share capital, on its sole decisions, in one or more instalments, at the time it will deem fit, by issuing shares reserved to the employees and former employees who are members of the savings plan of SoLocal Group;
- decides that the ceiling of the nominal amount of the share capital increase, whether immediate or deferred, resulting from the issue carried out pursuant to this delegation (including by incorporation of reserves, profits or premiums under the conditions and limits set by the aforementioned Articles of the French Labour Code) shall be 1,150,000 euros;
- terminates, with immediate effect, for the unused portion thereof, the authorisation granted by the extraordinary general meeting of 29 April 2014 pursuant to its fifth resolution;
- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 12 months as from the date of this general meeting, to proceed, pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code, in one or more instalments and under the condition it will determine, within the limits of this authorisation, to allocations for free of Company's existing shares or shares to be issued, under the conditions set forth below;
- decides that the beneficiaries shall be employees or corporate officers of the Company or of French or foreign related companies or groups as defined by Article L.225-197-2 of the French Commercial Code or certain categories thereof, it being specified that no allocation of free shares shall occur for the duties of Chairman of the Company's Board of Directors;

Sixteenth resolution – amended resolution

(Authorisation granted to the Board of Directors to allocate free shares of the Company)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed the Board of Directors' report and the statutory auditors' special report:

- decides that the total number of shares that may be allocated for free pursuant to this resolution, including to the corporate officers of the Company, shall not represent more than 1.9% of the Company's share capital as of the date of this general meeting;
- decides that the shares freely allocated to corporate officers of the Company may not represent more than 0.7% of the Company's share capital as of the date of this general meeting;
- decides that any allocation of free shares pursuant to this resolution shall be subject to a performance condition and a presence condition;
- decides that the performance condition would be as follows: appreciation of the Company's stock market price such as the average Company's stock market price for the sixty (60) days prior to the 3rd anniversary of the vesting date, plus any distribution during the period, be higher or equal to 1.81 euro (being specified that, in the event of transactions on the share capital, in particular by capitalization of reserves and allocation of free shares, and/or stock split or reverse stock split, this price shall be adjusted accordingly). The performance condition shall be deemed satisfied in the event of a change of control of the Company within the meaning of Article L.233-3 of the French Commercial Code (provided that the vesting period and the holding period are complied with);
- decides that the vesting period shall be thirty-six (36) months and that there will be no compulsory holding period for the beneficiaries;
- decides that in case of disability of a beneficiary meeting the conditions set forth by law or in case of death of a beneficiary, the performance and presence conditions shall be deemed satisfied and the final allocation of the shares may occur prior to the end of the vesting period;
- decides that existing shares that may be allocated pursuant to this resolution shall be acquired by the Company, either under Article L.225-208 of the French Commercial Code or, as the case may be, under the share repurchase program authorised by the fifth resolution adopted by the Combined General Meeting on 19 October 2016 or, as the case may be, by the sixth resolution provided it is adopted by this general meeting, pursuant to Article L.225-209 of the French Commercial Code, or any share repurchase program applicable previously or subsequently;
- acknowledges and decides, if need be, that under this authorisation, the shareholders shall waive, for the benefit of the beneficiaries of allocations of existing shares or shares to be issued, (i) their preferential subscription rights to the shares that shall be issued upon definitive allocation thereof, (ii) any right on shares freely allocated pursuant to this authorisation and (iii) any right on the amount of the capital reserves and premiums to which the issuance of the new shares would be allocated, where applicable;
- grants full powers to the Board of Directors (which may be assisted by a committee comprising the members of its choice) with the right to sub-delegate under conditions set by law, to implement this authorisation, within the limit set above, and in particular to:
 - set the implementation modalities of the performance and presence conditions, in particular the cases where the Board of Directors may waive the presence condition;
 - set within the legal conditions and limits, the dates on which free allocation will take place;
 - decide the dividend entitlement date of the newly issued shares (which may be retroactive);

- determine the identity of the beneficiaries, the number of shares allocated to each of them and the terms and conditions of the allocation of shares;
- decide one or more share capital increases resulting from the allocations of free shares to be issued by the Company pursuant to this resolution;
- adjust, as the case may be, the number of shares allocated in the event of transactions on the Company's share capital or equity having for effect to change the value of the shares comprising the share capital in order to preserve the rights of the beneficiaries of shares allocated for free;
- carry out all publication and filing formalities in connection with the completion of share capital increase(s) of the Company resulting from the allocation of free shares to be issued by the Company pursuant to this resolution and amend the by-laws accordingly; and
- more generally, enter into any agreement, establish all documents, carry out all formalities and all declarations before any organization, and do all that is necessary.

The Board of Directors shall inform the general meeting each year of the allocations made under this resolution, in accordance with Article L.225-197-4 of the French Commercial Code.

Seventeenth resolution

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

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed the Board of Directors' report, decides, in order to further specify the procedure for the election of the Director representing the employees, to replace the three paragraphs immediately preceding the last paragraph of article 12 of the Company's by-laws by the following four paragraphs:

"The vote is expressed by electronic means and/or on paper.

In case of vote on paper, the vote takes place on one day, at the workplace and during business hours. However, the following persons can vote by correspondence:

- *employees who are expected to be absent on voting day;*
- *employees who, because of the nature or the conditions of their work, happen to be away from the polling station to which they have been assigned;*
- *employees working on sites which do not have a polling station.*

In case of voting by electronic means and/or on paper, the terms for the organization and the conduct of the election of the director representing the employees which are not provided for by applicable laws and regulations or by these by-laws are adopted by the Board of Directors or upon delegation by the Chief Executive Officer.

In the event of vacancy, for any reason whatsoever, of the director representing the employees' seat that cannot be replaced in accordance with Article L.225-34 of the French Commercial Code, the Board of Directors, regularly composed of the remaining members, shall be able to validly meet and deliberate before the election of the new director representing the employees".

Eighteenth resolution

(Removal of article 20 of the by-laws relating to censors and subsequent renumbering of the by-laws)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed the Board of Directors' report, decides to remove article 20 of the by-laws relating to censors and to renumber article 21 *et seq.* of the by-laws accordingly.

Nineteenth resolution

(Without purpose)

Twentieth resolution

(Power for formalities)

The general meeting grants full powers to the bearer of an original, copy or extract of the minutes of this meeting to carry out all legal and administrative formalities and comply with all filing and publication requirements in accordance with the laws in force.

Twenty-first resolution – New resolution

(Appointment of Mrs Delphine Grison as Director)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, decides to appoint Mrs Delphine Grison as Director, for a term of four (4) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2020.

Twenty-second resolution – New resolution

(Appointment of Mrs Sophie Sursock as Director)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, decides to appoint Mrs Sophie Sursock as Director, for a term of four (4) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2020.

Twenty-third resolution – New resolution

(Appointment of Mr David Amar as Director)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, decides to appoint Mr David Amar as Director, for a term of four (4) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2020.

Twenty-fourth resolution – New resolution

(Appointment of Mr Philippe de Verdalle as Director)

The general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, decides to appoint Mr Philippe de Verdalle as Director, for a term of four (4) years that will expire at the close of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2020.

Draft resolutions submitted by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy and other shareholders of the Company who have joined their request

Resolution A – Not approved by the Board of Directors

(Removal of Mr Robert de Metz from his office as Director)

The shareholders' general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, on proposal of several shareholders, after consideration of the reasons set out and after providing the interested party the capacity to present his comments, terminates at the end of this shareholders' general meeting the mandate and duties as Director of Mr Robert de Metz in accordance with Articles L.225-18 paragraph 2, L.225-105 paragraphs 2 and 3 and R.225-71 of the French Commercial Code.

Resolution B – Not approved by the Board of Directors

(Removal of Mrs Cécile Moulard from her office as Director)

The shareholders' general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, on proposal of several shareholders, after consideration of the reasons set out and after providing the interested party the capacity to present her comments, terminates with immediate effect the mandate and duties as a Director of Mrs Cécile Moulard in accordance with Articles L.225-18 paragraph 2, L.225-105 paragraphs 2 and 3 and R.225-71 of the French Commercial Code.

Resolution C – Not approved by the Board of Directors

(Authorisation granted to the Board of Directors to allocate free shares of the Company)

The general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, after having reviewed the Board of Directors' report and the statutory auditors' special report:

- terminates, with immediate effect, for the unused portion thereof, the authorisation granted by the extraordinary general meeting of 29 April 2014 pursuant to its fifth resolution;
- grants full powers to the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 38 months as from the date of this general meeting, to proceed, pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code, in one or more instalments and under the condition it will determine, within the limits of this authorisation, to allocations for free of Company's existing shares or shares to be issued, under the conditions set forth below;
- decides that the beneficiaries shall be employees or corporate officers of the Company or of French or foreign related companies or groups as defined by Article L.225-197-2 of the French Commercial Code or certain categories thereof, it being specified that no allocation of free shares shall occur for the duties of Chairman of the Company's Board of Directors;

- decides that the total number of shares that may be allocated for free pursuant to this resolution, including to the corporate officers of the Company, shall not represent more than 1% of the Company's share capital as of the date of this general meeting for each period of 12 months, and more than 3% of the Company's share capital in total, it being specified that this ceiling may be increased considering shares to be issued under potential adjustment pursuant to applicable law and regulatory provisions and, if any, to specific contractual stipulations providing for other cases of adjustment, in order to preserve the rights of the holders of securities or other rights giving access to the Company's share capital;
- decides that any allocation of free shares pursuant to this resolution, in particular for the benefit of the corporate officers of the Company, shall be subject to a performance condition. Performance criteria are as follows: (i) growth of Search Local and Marketing Digital activities exceeding the growth of the Internet market in France and (ii) improvement of the total shareholder return rate as from a stock market price higher than 2 euros. The proposed duration of the reference period will be of four years and the proposed weighting between criteria may not be amended during or at the end of the reference period. The performance conditions shall not be deemed satisfied in the event of a change of control of the Company within the meaning of Article L.233-3 of the French Commercial Code (provided that the vesting period and the holding period are complied with);
- decides that the shares freely allocated to corporate officers of the Company may not represent in total more than 0.1% of the Company's share capital as of the date of this general meeting for each period of 12 months, and more than 0.3% of the Company's share capital in total;
- decides that the vesting period shall be thirty-six (36) months and the holding period shall be twelve (12) months;
- decides that in case of disability of a beneficiary meeting the conditions set forth by law, the final allocation of the shares may occur prior to the end of the vesting period;
- decides that existing shares that may be allocated pursuant to this resolution shall be acquired by the Company, either under Article L.225-208 of the French Commercial Code or, as the case may be, under the share repurchase program authorised by the fifth resolution adopted by the Combined General Meeting on 19 October 2016 or, as the case may be, by the sixth resolution provided it is adopted by this general meeting, pursuant to Article L.225-209 of the French Commercial Code, or any share repurchase program applicable previously or subsequently;
- acknowledges and decides, if need be, that under this authorisation, the shareholders shall waive, for the benefit of the beneficiaries of allocations of existing shares or shares to be issued, (i) their preferential subscription rights to the shares that shall be issued upon definitive allocation thereof, (ii) any right on shares freely allocated pursuant to this authorisation and (iii) any right on the amount of the capital reserves and premiums to which the issuance of the new shares would be allocated, where applicable;
- grants full powers to the Board of Directors (which may be assisted by a committee comprising the members of its choice) with the right to sub-delegate under conditions set by law, to implement this authorisation, within the limit set above, and in particular to:
 - set the conditions for the allocation of the shares;
 - set within the legal conditions and limits, the dates on which free allocation will take place;
 - decide the dividend entitlement date of the newly issued shares (which may be retroactive);
 - determine the identity of the beneficiaries, the number of shares allocated to each of them and the terms and conditions of the allocation of shares;
 - decide one or more share capital increases resulting from the allocations of free shares to be issued by the Company pursuant to this resolution;
 - adjust, as the case may be, the number of shares allocated in the event of transactions on the Company's share capital or equity having for effect to change the value of the shares comprising the share capital in order to preserve the rights of the beneficiaries of shares allocated for free;
 - carry out all publication and filing formalities in connection with the completion of share capital increase(s) of the Company resulting from the allocation of free shares to be issued by the Company pursuant to this resolution and amend the by-laws accordingly; and
 - more generally, enter into any agreement, establish all documents, carry out all formalities and all declarations before any organization, and do all that is necessary.

The Board of Directors shall inform the general meeting each year of the allocations made under this resolution, in accordance with Article L.225-197-4 of the French Commercial Code.

DIRECTORS WHOSE APPOINTMENT IS PROPOSED TO THE COMBINED GENERAL SHAREHOLDERS' MEETING OF 13 JUNE 2017

A biography of each Director whose appointment is proposed to the Combined Shareholders' Meeting of 13 June 2017 is set out on pages 29 and 30 of this document.

Name	Position or office within the Company	Number of shares of which the candidate is the registered holder or bearer	Expiry date of the office	Other duties and main offices in other companies during the past five years
Delphine Grison	N/A	Acquisition in progress	Annual general meeting to be held in 2021	<p>Chief marketing & business intelligence Officer of CBRE France</p> <p>Positions held:</p> <ul style="list-style-type: none"> ● President of DGTL Conseil, ● Director of Asmodée Holding ● Member of the Advisory Boards set by Bpifrance in connection with its ETI acceleration program (until end 2017) <p>Positions no longer held:</p> <p>Several positions within the Lagardère group (member of the Management Board of Lagardère Active, president of Lagardère Active Digital, Director of LeGuide.com...)</p>
Sophie Sursock	N/A	Acquisition in progress	Annual general meeting to be held in 2021	<p>Co-founder and Director of Accelero Capital</p> <p>Positions held:</p> <ul style="list-style-type: none"> ● Director of Dada S.p.A (Italy) ● Director and member of the remunerations committee of Inty Holdings Limited (UK) ● Director and member of the remunerations committee of Subfero Limited (UK) ● Director of Italiaonline S.p.A (ex-Seat Pagine Gialle S.p.A et Italia Online S.p.A) (Italy) <p>Positions no longer held:</p> <p>N/A</p>
David Amar	N/A	Number of shares held by Family Office Amar: 15,000,000	Annual general meeting to be held in 2021	<p>Positions held:</p> <ul style="list-style-type: none"> ● Managing Director of Holgespar Luxembourg SA ● Director of Maignon Investissement et Gestion ● Chairman of SA EHPBG ● Manager of Château Le Mayne <p>Positions no longer held:</p> <p>N/A</p>
Philippe de Verdalle	N/A	Number of shares held by Nobel: 11,551,751	Annual general meeting to be held in 2021	<p>Chief Executive Officer of Nobel, specialized professional investment company managed by WCP (Weinberg Capital Partners)</p> <p>Positions held:</p> <p>Director of Le Noble Age Groupe (listed company – France, representative of the Fonds Nobel)</p> <p>Positions no longer held:</p> <p>Director of Mersen (listed company – France, representative of the Fonds Nobel), until 10 April 2017</p>

FIVE-YEAR SUMMARY OF FINANCIAL RESULTS (ARTICLES R. 225-81 3° AND R. 225-83 6° OF THE FRENCH COMMERCIAL CODE)

Units for figures (other than share capital, all amounts are in thousands of euros)	2011	2012	2013	2014	2015	2016
1. Share capital and outstanding shares at year-end						
a) Share capital	56,196,951	56,196,951	56,196,951	232,345,434	233,259,384	233,259,384
b) Number of outstanding ordinary shares	280,984,754	280,984,754	280,984,754	1,161,727,170	38,876,565	38,876,565
2. Key financial figures						
a) Annual revenues, net of tax ⁽¹⁾	10,563	10,233	10,345	9,071	13,047	24,080
b) Profit before tax, profit-sharing, depreciation, amortisation and provisions	125,881	125,723	77,276	(142,015)	(152,278)	(98,531)
c) Corporate income tax	(63,300)	(55,410)	(57,839)	(56,153)	14,089	(51,474)
d) Legal employee profit sharing	-	-	-	-	-	-
e) Earnings after tax, depreciation, amortisation and provisions	187,724	166,731	(51,438)	(132,193)	(1,785,325)	8,640
f) Earnings distributed in n+1*	-	-	-	-	-	-
3. Key financial figures per share (in euros)						
a) Earnings after tax & profit-sharing but before depreciation, amortisation and provisions	0,67	0,64	0,48	-0,07	-4,28	-1,21
b) Earnings after tax, profit-sharing, depreciation, amortisation and provisions	0,67	0,59	-0,18	-0,11	-45,92	0,22
c) Dividend per share paid in n+1*	0,00	0,00	0,00	0,00	0,00	0,00
4. Personnel						
a) Average number of salaried employees during the year	38	38	45	43	43	38
b) Total payroll	8,645	7,342	8,721	7,536	8,107	7,986
c) Benefit payment	3,465	4,163	4,216	5,791	3,997	3,833

*or submitted to the General Meeting for the last fiscal year (before deduction of treasury shares).

(1) the amounts recorded as revenues net of tax include all operating income.

BOARD OF DIRECTORS' REPORT TO THE SOLOCAL GROUP'S COMBINED GENERAL SHAREHOLDERS' MEETING OF 13 JUNE 2017

The management report on the annual financial statements for the financial year ended 31 December 2016 features in Chapter 20.3 of the 2016 reference document, available at www.solocalgroup.com.

Resolutions submitted to the shareholders' vote

Important note

This Board of Directors' report has been drawn up based on the agenda and draft resolutions published in the notice of meeting to the Company's Combined General Meeting published in the *Bulletin des Annonces Légales Obligatoires* number 54 dated 5 May 2017.

The Company's shareholders' attention is drawn on the fact that amendments have been made to this agenda and to these draft resolutions following amendments and modifications made by the Company's Board of Directors and a request for inclusion on the agenda of draft resolutions submitted by certain shareholders in accordance with the law. A supplement to this Board of Directors' report has therefore been prepared and is provided on pages 26 *et seq.* of this document.

Ladies and Gentlemen,

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

- approval of the annual financial statements and consolidated financial statements for the financial year ended 31 December 2016;
- allocation of the net income for the financial year ended 31 December 2016;
- approval of agreements within the scope of Article L.225-38 of the French Commercial Code;
- approval of commitments within the scope of Article L.225-42-1 of the French Commercial Code for the benefit of Mr Christophe Pingard;
- authorisation to be granted to the Board of Directors to purchase or transfer SoLocal Group's shares;
- approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard;
- ratification of the co-opting of Mr John Slater as Director;

- reverse stock split of the Company's shares by granting one new share in exchange for 10 shares held;
- delegation of authority to the Board of Directors to proceed with a share capital increase reserved to the members of the group savings plan of SoLocal Group;
- authorization granted to the Board of Directors to allocate free shares of the Company;
- amendment to Article 12 of the by-laws relating to the Board of Directors;
- removal of Article 20 of the by-laws relating to censors and subsequent renumbering of the by-laws;
- delegation of authority to the Board of Directors to make the necessary changes to the by-laws in order to bring them into compliance with legal and regulatory provisions.

You will also be asked to cast your vote on the components of the remuneration owed or granted to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard, for the financial year ended 31 December 2016.

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

Resolutions falling within the competence of the ordinary general meeting (1st to 16th resolutions)

Approval of the annual financial statements and consolidated financial statements for the financial year ended 31 December 2016

(1ST AND 2ND RESOLUTIONS)

Pursuant to the 1st and 2nd resolutions, we propose that you approve the corporate financial statements (1st resolution) and the consolidated accounts (2nd resolution) of the Company for the financial year ended 31 December 2016.

The comments on the Company's annual financial statements and consolidated financial statements are set out in detail in the Board of Directors' management report.

It is recalled that the dividends distributed for the past three financial years are as follows:

Year	Number of shares	Dividend per share	Portion of the dividend eligible for the tax credit ^(*)
2013	280,984,754 ^(†)	0	Not applicable
2014	1,161,727,170 ^(†)	0	Not applicable
2015	38,876,564	0	Not applicable

(*) Number of shares before the stock split of 26 October 2015.

(†) 40% tax credit provided for in Article 158, paragraph 3, sub-paragraph 2° of the French General Tax Code.

The table showing our Company's income for the last five financial years is attached to the Board of Directors' management report, pursuant to the provisions of Article R.225-102 of the French Commercial Code.

Approval of agreements within the scope of Article L.225-38 of the French Commercial Code

(4TH RESOLUTION)

Pursuant to the 4th resolution, we propose that you approve the regulated agreements, pursuant to Articles L.225-38 *et seq.* of the French Commercial Code, entered into during the financial year ended 31 December 2016.

The list of these agreements, and of the agreements entered into during previous financial years that remained effective during the course of the financial year ended 31 December 2016, is presented in the statutory auditors' special report. It is also presented in section IV of the Board of Directors' management report; the terms and conditions of these agreements are detailed in chapter 19 of SoLocal Group's 2016 reference document.

Approval of commitments within the scope of Article L.225-42-1 of the French Commercial Code for the benefit of Mr Christophe Pingard

(5TH RESOLUTION)

Pursuant to the 5th resolution, we propose that you approve, pursuant to Article L.22542-1 of the French Commercial Code, the commitments made by the Company for the benefit of Mr Christophe Pingard, with respect to his term of office as Deputy Chief Executive Officer, and authorised by the Board of Directors at its meeting on 13 December 2016, relating to, on the one hand, the payment of a severance package, under certain conditions, and, on the other hand, the payment of a compensation as consideration for a clause whereby he cannot carry out any competing professional activity after the termination of his duties within the Company.

Allocation of the net income for the financial year ended 31 December 2016

(3RD RESOLUTION)

Pursuant to the 3rd resolution, we propose that you:

- acknowledge that the profit for the financial year ended 31 December 2016 amounts to 8,639,914.34 euros; and
- decide to allocate the entire profit of the financial year to the "retained earnings" account, resulting, after allocation, to a credit balance of 8,639,384.40 euros.

The Board of Directors has decided to align Christophe Pingard's departure conditions with those in force for the benefit of Jean-Pierre Remy. As Christophe Pingard has no employment contract, the Board of Directors has therefore approved a severance package in the event he is forced to leave the Company because of a change of control or strategy or its implementation (regardless of the form of the departure: dismissal, non-renewal or resignation), subject to the condition that Christophe Pingard meets at least 80% of his annual targets in the past three years.

The severance package will be paid only after the Board of Directors acknowledges the achievement of the performance condition.

This package will be equal to 12 months of remuneration calculated on the basis of the monthly average of his total gross remuneration paid over the last 12 months of activity preceding the termination date.

A non-competition obligation will be implemented in the event that Christophe Pingard's appointment as Deputy Chief Executive Officer is terminated for any reason and in any form whatsoever. This non-compete undertaking will be limited to a period of 24 months beginning on the effective termination date, and will cover the exercise of a professional activity competing with the Company's within all or a part of the French territory. The corresponding compensation will be equal, on the basis of a 24-month non-competition period, to 12 months of remuneration calculated on the basis of the monthly average of his total gross remuneration over the last 12 months of activity preceding the termination date. It will be paid to Christophe Pingard at the end of each six-month period up to one fourth of the total compensation amount.

The Company may waive the benefit of the non-competition commitment at the time of termination (in which case it will not be required to pay the corresponding severance compensation).

The aggregate of both the severance package and the non-competition compensation may not exceed two years of fixed and variable remuneration.

Authorisation to be granted to the Board of Directors to purchase or transfer SoLocal Group's shares

(6TH RESOLUTION)

We propose that you authorise the Board of Directors, for a new period of 18 months, to implement a program for the repurchase of Company's shares and thus authorise the Company, pursuant to Articles L.225-209 *et seq.* of the French Commercial Code, to buy its treasury shares, up to a limit of 10% of the amount of the share capital.

The maximum purchase price shall not exceed 2.5 euros per share, being specified that, in the event of transactions on the share capital, in particular by capitalization of reserves and allocation of free shares, and/or stock split or reverse stock split, this price shall be adjusted accordingly. The maximum amount of funds allocated to the repurchase program would be 144,054,568 euros.

The purposes of this share repurchase programme would be:

- to undertake and comply with obligations associated with stock option programs or other allocations of shares to employees of the Company or its affiliates, and, in particular, to allocate shares to employees of SoLocal Group in connection with (i) the Company's profit-sharing scheme and (ii) any share purchase plan, stock option plan or free allocation of shares (including any transfer of shares covered by Article L.3332-24 of the French Labor Code) for the benefit of all or some of the Company's employees and corporate officers, and to carry out any hedging operations relating to these transactions;
- to guarantee the liquidity of SoLocal Group's shares through a liquidity contract concluded with an investment service provider, in compliance with the code of ethics approved by the French Financial Markets Authority (AMF);
- to retain the shares and deliver them subsequently as an exchange or as payment in connection with potential external growth transactions;
- to undertake and comply with obligations relating to debt securities convertible into equity securities and, in particular, to deliver shares upon the exercise of rights attached to securities that confer an immediate or future right to shares by any means, and to carry out any transactions necessary to hedge the obligations of SoLocal Group with respect to such securities.

Renewal of this authorisation will allow the Company in particular to maintain the liquidity contract which has been in force for several years.

Vote on the components of the remuneration owed or granted to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard for the financial year ended 31 December 2016

(7TH, 8TH AND 9TH RESOLUTIONS)

Pursuant to the 7th, 8th and 9th resolutions and pursuant to section 26 of the Afep-Medef Code of June 2013, as amended in November 2016, which is the Company's code of reference pursuant to Article L.225-37 of the French Commercial Code, we ask you to give your opinion on the components of the remuneration owed or granted to Mr Robert de Metz, Chairman of the Board of Directors, Mr Jean-Pierre Remy, Chief Executive Officer, and Mr Christophe Pingard, Deputy Chief Executive Officer, for the financial year ended 31 December 2016.

These components of the remuneration owed or granted to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard

for the financial year 2016 are set out in detail in section VI of the Board of Directors' management report and in pages 106 to 108 of the Company's 2016 reference document.

It is specified that Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard are not granted any long term variable remuneration for the financial year 2016. Indeed, the Company had implemented a performance share allocation plan in 2014, relating to the fiscal years 2015, 2016 and 2017.

It is also recalled that the Company had undertaken, in 2014, not to implement any other long term variable remuneration plan until the end of a 3-year period. Furthermore, in recent years, the Company was in a difficult financial situation given the burden of its financial debt, which was subject to a restructuring finalised in early 2017, that allowed a reduction by two-thirds of this financial debt.

Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard

(10TH, 11TH AND 12TH RESOLUTIONS)

Pursuant to the 10th, 11th and 12th resolutions, we propose that you approve the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to Mr Robert de Metz, Chairman of the Board of Directors, Mr Jean-Pierre Remy, Chief Executive Officer, and Mr Christophe Pingard, Deputy Chief Executive Officer, pursuant to Article L.225-37-2 of the French Commercial Code, introduced by the Law no. 2016-1691 of 9 December 2016 called Sapin 2 Law.

The description of the fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable for the financial year 2017 to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard is set out in chapter 15 of the Company's 2016 reference document. For further information on the long term variable remuneration that these persons may benefit from, please refer to the development hereafter regarding the authorisation that you will be proposed to grant to the Board of Directors in order to allocate free shares of the Company (16th resolution).

Pursuant to Article L.225-37-2 of the French Commercial Code, it is specified that the payment to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard of the aforementioned variable and exceptional components of remuneration is subject, for each of these persons, to the approval, by a future ordinary General Shareholders' Meeting, of the components of remuneration relating to this person under the conditions provided in Article L.225-100 of the French Commercial Code (i.e., for each relevant person, approval by the annual general meeting convened to vote in 2018 of the variable and exceptional components of the total remuneration paid or to be paid to this person for the year ended 31 December 2017).

Ratification of the co-opting of Mr John Slater as Director

(13TH RESOLUTION)

Pursuant to the 13th resolution, it is proposed that the general meeting acknowledges the resignation, on 24 March 2017, of Mr John Slater as Director and ratifies, as may be required, the co-opting by the Board of Directors at its meeting on 5 January 2017 of Mr John Slater as Director, replacing Mr Rémy Sautter.

Resolutions falling within the competence of the extraordinary general meeting (14th to 20th resolutions)

Reverse stock split of the Company's shares by granting one new share in exchange for 10 shares held

(14TH RESOLUTION)

Pursuant to the 14th resolution, it is proposed that the general meeting decides to proceed with a reverse stock split of the shares comprising the Company's share capital, such that 10 ordinary shares with a par value of 0.10 euro each shall be exchanged for one (1) new share with a par value of 1 euro.

This reverse stock split of the shares will enable to significantly raise the rating level of SoLocal Group's share. Its purpose is thus a technical adjustment aiming at reducing the volatility of the share price, which is stressed for rating levels below 1 euro.

To facilitate reverse stock split operations and enable the exchange ratio set out in the previous paragraph to be applied to a round number:

- a shareholder of the Company would waive its right to the reverse stock split of a certain number of shares; and
- shareholders would have to proceed with the necessary share purchases or sales for the completion of the reverse stock split within a period of thirty (30) days after the beginning of the reverse stock split process.

The new shares would immediately carry double voting rights, provided that they continue to be held as registered shares, if on the date of the reverse stock split of the former shares from which they are derived, each of such former shares carried double voting rights. In the event of a reverse stock split of former shares that were registered as registered shares on different dates, the time period for determining whether the new shares carry double voting rights would be deemed to begin on the most recent date on which the former shares were registered as registered shares.

You will be asked to grant full powers to the Board of Directors, with the right to sub-delegate under the legal conditions, to implement this resolution, and in particular to:

- set the beginning date of the reverse stock split operations;
- publish all notices and carry out all formalities required by law;
- acknowledge and determine the exact number of shares to be consolidated and the exact number of shares resulting from the reverse stock split before the beginning of the reverse stock split operations;
- determine and, if necessary, adjust (including by making cash adjustments) the rights of the beneficiaries of option for subscription or purchase of shares, allocation of free shares and of the holders of any securities giving access to the Company's capital;
- carry out all required publication and filing formalities and amend the by-laws accordingly; and
- more broadly, do all that may be of use and necessary to carry out the reverse stock split of the Company's shares in accordance with the above-mentioned conditions and in compliance with applicable laws and regulations.

This delegation would be granted for a period that would expire on the date of the general meeting convened to vote on the financial statements for the financial year ending 31 December 2017.

Delegation of authority to the Board of Directors to proceed with a share capital increase reserved to the members of the group savings plan of SoLocal Group

(15TH RESOLUTION)

Pursuant to the 15th resolution, it is proposed that the general meeting terminates, with immediate effect, for the unused portion thereof, the authorisation granted by the extraordinary general meeting of 15 December 2016 pursuant to its eighth resolution and delegates to the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 26 months, your authority to decide to increase the share capital, in one or more instalments, at the time it will deem fit, by issuing shares reserved to the employees and former employees who are members of SoLocal Group's group savings plan.

The ceiling of the nominal amount of the share capital increase, whether immediate or deferred, resulting from the issue carried out pursuant to this delegation (including by incorporation of reserves, profits or premiums under the conditions and limits set by Articles L.3332-18 *et seq.* of the French Labour Code) would be set at 1,150,000 euros, corresponding to approximately 2% of the Company's share capital.

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

We propose that the discount offered under the company savings plan be set at 20% of the average opening prices of SoLocal Group's share quoted on the regulated market of Euronext Paris during the 20 trading days preceding the day of the decision setting the opening date of the subscriptions, it being specified that the Board of Directors may reduce this discount as it will deem fit.

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

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

Authorisation granted to the Board of Directors to allocate free shares of the Company

(16TH RESOLUTION)

The Company finalised with success its digital transformation in 2016 and its financial restructuring plan in March 2017 with a strengthening of its equity and a reduction by two-thirds of its gross debt.

The group, thanks to an improved financial structure and the launch of its strategic conquer plan, is now able to reveal its full growth and innovation potential. For this purpose, it needs a strong commitment from its corporate officers and its employees to the long term objectives of the firm.

This is why the Board of Directors wishes to adapt the long term variable remuneration policy of the group, with two main objectives:

- to align the beneficiaries' interests with value creation realised by the firm for the benefit of its various stakeholders, in particular its shareholders; and
- to contribute effectively to the policy of attractiveness and talent retention.

The Board of directors, after taking into account:

- the recommendations of the AFEP/MEDEF corporate governance code of June 2013, as amended in November 2016;
- a comparative study of practices with respect to long-term incentive (LTI) in companies comparable to the Company, drawn up by the consulting company Willis Tower Watson, which had been mandated for this purpose following the negative advisory vote on the remuneration of the Company's managers expressed by the Combined General Meeting dated 19 October 2016.

This study, based on the review of two comparisons panels, *i.e.* (i) panel no. 1: SBF120 (for practices) or French groups comparable to the Company in terms of turnover, market capitalisation, workforce (for LTI levels allocated); and panel no. 2: international comparison panel used for the benchmark of the remuneration of corporate officers and members of the executive committee of the Company (for practices) or American groups comparable to the Company in terms of turnover, market capitalisation, workforce (for LTI levels allocated), was provided to the Board of Directors in March 2017;

- the specificity of the Company's business, the fact that a new operational phase is beginning and the necessity to define an extended beneficiaries perimeter (compared to the previous plan in 2014) in order to preserve the capacity of the Company to retain and motivate its associates, in the context of growth and acquisition of market shares which is that of the Company; and

• the proposal of the remuneration and appointments Committee, has thus set the conditions of a new free shares allocation plan, that you are proposed to approve.

Therefore pursuant to the 16th resolution, it is proposed that the general meeting terminates, with immediate effect, for the unused portion thereof, the authorisation granted by the extraordinary general meeting of 29 April 2014 pursuant to its fifth resolution, and, pursuant to Articles L.225-197-1 *et seq.* of the French Commercial Code, authorises the Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 38 months, to proceed in one or more instalments and under the condition it will determine, within the limits of this new authorisation, to allocations for free of Company's existing shares or new shares to be issued, under the conditions set forth below.

The beneficiaries would be employees or corporate officers of the Company or of French or foreign related companies or groups as defined by Article L.225-197-2 of the French Commercial Code or certain categories thereof, it being specified that no allocation of free shares shall occur for the duties of Chairman of the Company's Board of Directors.

The total number of shares that may be allocated for free pursuant to this new authorisation, including to the corporate officers of the Company, would not represent more than 2% of the Company's share capital for each period of 12 months, and more than 6% of the Company's share capital in total (subject to any potential adjustments to be made in order to preserve the rights of the holders of securities or other rights giving access to the Company's share capital).

Any allocation of free shares pursuant to this authorisation, in particular for the benefit of the corporate officers of the Company, would be subject to a performance condition. Performance criteria would be as follows: (i) growth of Search Local and Marketing Digital activities exceeding the growth of the Internet market in France and (ii) improvement of the total shareholder return rate. The Board of Directors would set the method for assessing these criteria, notably

the reference period and the weighting between criteria for each allocation.

The performance condition would be deemed satisfied in the event of a change of control of the Company within the meaning of Article L.233-3 of the French Commercial Code (provided that the vesting period and the holding period are complied with).

The shares freely allocated to corporate officers of the Company could not represent more than 0.7% of the Company's share capital for each period of 12 months, and more than 2.1% of the Company's share capital in total.

The vesting period would be thirty (30) months and the holding period would be six (6) months.

In case of disability of a beneficiary meeting the conditions set forth by law, the final allocation of the shares may occur prior to the end of the vesting period.

The existing shares that may be allocated pursuant to this new authorisation would be acquired by the Company, either under Article L.225-208 of the French Commercial Code or, as the case may be, under the share repurchase program authorised by the fifth resolution adopted by the Combined General Meeting on 19 October 2016 or, as the case may be, by the sixth resolution provided it is adopted by your general meeting, pursuant to Article L.225-209 of the French Commercial Code, or any share repurchase program applicable previously or subsequently.

Under this new authorisation, shareholders would waive, for the benefit of the beneficiaries of allocations of existing shares or new shares to be issued, (i) their preferential subscription rights to the shares that would be issued upon the definitive allocation thereof, (ii) any right on shares freely allocated pursuant to this authorisation and (iii) any right on the amount of the capital reserves and premiums to which the issuance of the new shares would be allocated, where applicable.

You will be asked to grant full powers to the Board of Directors (which may be assisted by a committee comprising the members of its choice), with the right to sub-delegate under conditions set by law, to implement this authorisation, within the limit set above, and in particular to:

- set the conditions for the allocation of the shares;
- set, within the legal conditions and limits, the dates on which free allocation would take place;
- decide the dividend entitlement date of the newly issued shares (which may be retroactive);
- determine the identity of the beneficiaries, the number of shares allocated to each of them and the terms and conditions of the allocation of shares;
- decide one or more share capital increases resulting from the allocations of free shares to be issued by the Company pursuant to this resolution;
- adjust, as the case may be, the number of shares allocated in the event of transactions on the share capital or the equity of the Company having for effect to change the value of the shares comprising the share capital in order to preserve the rights of the beneficiaries of shares allocated for free;
- carry out all publication and filing formalities in connection with the completion of share capital increase(s) of the Company resulting from the allocation of free shares to be issued by the Company pursuant to this resolution and amend the by-laws accordingly; and
- more generally, enter into any agreement, establish all documents, carry out all formalities and all declarations before any organization, and do all that would be necessary.

The Board of Directors would have to inform the general meeting each year of the allocations made under this new authorisation, in accordance with Article L.225-197-4 of the French Commercial Code.

Subject to the approval of this resolution by your general meeting, it is already contemplated that the Board of Directors, using the aforementioned delegation, decides to proceed with an allocation of free shares for the benefit of employees and corporate officers in 2017.

The size of this plan is justified by the enlargement of the number of beneficiaries of this allocation (200 persons), substantially higher than that of the transaction of 2014 (110 persons) and by the difficulty in achieving the performance criteria.

As part of this first allocation of free shares to occur in 2017, the method for assessing each of the two components of the performance condition would be as follows:

- a performance criterion linked to the operational success of the Search Local and Marketing Digital activities: the growth of Search Local and Marketing Digital activities would have to exceed the growth of the Internet market in France over a period of one (1) calendar year (i.e. over calendar years 2018 and 2019); and
- a performance criterion linked to the creation of value for shareholders: the total shareholder return rate would have to be greater than or equal to the theoretical minimum stock price of 1.53 euro that has been determined at the end of 2016 by an independent expert, the Didier Kling & Associés firm, in its report dated 30 November 2016 drawn up in the context of the Company's financial restructuring. This threshold of 1.53 euro corresponds to a creation of value of 53% compared to the subscription price set for the capital increase with shareholders' preferential subscription rights preserved completed in March 2017 as part of the Company's financial restructuring.

For the free shares allocation plans that would be implemented in 2018 et 2019, the Board of Directors would set the Company's total shareholder return rate, ensuring that this target constitutes a compromise between the objective of creation of value for the shareholder and the objective of growth for the firm, as well as a balance point between the ambition and the realism of the long term variable remuneration policy, for its current beneficiaries as for the talents that would join the group.

This performance criterion, directly linked to the creation of value for the shareholders, is thus based on a TSR increase close to 60% over 3 years, representing about two times the SBF 120 return assessed on average over 3-years periods between 2009 and 2016 (which was of 31%).

At the time of this allocation to occur in 2017, shares would be split into 3 tranches as follows:

- a) for employees (excluding members of the Executive Committee):
- (i) 37.5% with as performance condition the growth of Search Local and Marketing Digital activities with respect to the year 2018,
 - (ii) 37.5% with as performance condition the growth of Search Local and Marketing Digital activities with respect to the year 2019,
 - (iii) 25% with as performance condition the improvement of the total shareholder return rate,
- b) for corporate directors and members of the Executive Committee:
- (i) 25% with as performance condition the growth of Search Local and Marketing Digital Activities with respect to the year 2018,
 - (ii) 25% with as performance condition the growth of Search Local and Marketing Digital Activities with respect to the year 2019,
 - (iii) 50% with as performance condition the improvement of the total shareholder return rate.

Subject to the completion of the performance condition, the shares will be vested by the beneficiaries subject to their presence in the group at the expiry of the vesting period. The Board of Directors may decide, on a case-by-case basis and exclusively in the interest of the Group, whether the allocation will be upheld notwithstanding the non-compliance with this condition of presence.

The other conditions would be defined by the Board of Directors.

Amendment to Article 12 of the by-laws relating to the Board of Directors

(17TH RESOLUTION)

Pursuant to the 17th resolution, we propose that you amend article 12 of the by-laws in order to further specify the procedure for the election of the Director representing the employees (including the option which voters have to vote *inter alia* by electronic means).

Removal of Article 20 of the by-laws relating to the appointment of a censor

(18TH RESOLUTION)

The extraordinary general meeting of 15 December 2016 has decided to amend article 12 of the by-laws in order to provide the possibility for the Board of Director to appoint one or more censors.

Pursuant to the 18th resolution, we thus propose to remove article 20 of the by-laws which gives to the ordinary general meeting the possibility to appoint censors, and to renumber articles 21 *et seq.* of the by-laws accordingly.

Delegation of authority to the Board of Directors to make the necessary changes to the by-laws in order to bring them into compliance with legal and regulatory provisions

(19TH RESOLUTION)

Article L.225-36 of the French Commercial Code, amended by Law no. 2016-1691 of 9 December 2016 called Sapin 2 Law, allows the Board of Directors, acting upon delegation of the extraordinary general meeting, to make the necessary changes to the Company's by-laws in order to bring them into compliance with legal and regulatory provisions, provided that these changes are ratified by the next extraordinary general meeting.

Pursuant to the 19th resolution, we propose that you grant full powers to the Board of Directors to make the necessary changes to the by-laws, in order to bring them into compliance with legal and regulatory provisions, provided that these changes are ratified by the next extraordinary general meeting.

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

Done at Boulogne-Billancourt, on 24 April 2017

The Board of Directors

BOARD OF DIRECTORS' COMPLEMENTARY REPORT TO THE SOLOCAL GROUP'S COMBINED GENERAL SHAREHOLDERS' MEETING OF 13 JUNE 2017

The management report on the annual financial statements for the financial year ended 31 December 2016 features in Chapter 20.3 of the 2016 reference document, available at www.solocalgroup.com.

Resolutions submitted to the shareholders' vote

Important note

This report supplements the report dated 24 April 2017 drawn up by the Board of Directors in the context of the Company's Combined General Meeting convened for 13 June 2017. Indeed, given the amendments and modifications made to the agenda of such Meeting and to the draft resolutions in connection therewith, and in order to allow shareholders to be informed before deciding on the draft resolutions submitted to their vote, the Board of Directors has prepared this complementary report, which has been drawn up on the basis of the agenda and of the draft resolutions as set out in the convening notice of the Combined General Meeting to be published in the *Bulletin des Annonces Légales Obligatoires*.

Ladies and Gentlemen,

This complementary report has been drawn up in the context of the Combined General Meeting of the Company to be held on 13 June 2017, for which you have been convened in accordance with the law and the provisions of the Company's by-laws.

The Board of Directors has amended the agenda and the text of the draft resolutions set out in the notice of meeting of the Combined General Meeting of the Company, published in the *Bulletin des Annonces Légales Obligatoires* number 54 dated 5 May 2017.

These amendments mainly concern:

- an amendment to the text of the draft of 16th resolution relating to the authorisation granted to the Board of Directors to allocate free shares of the Company;
- proposals for the appointment of new Directors in order to reflect the evolution of the shareholding of the Company;
- the deletion of the draft of 19th resolution, which becomes without purpose and will not be submitted to the vote of the shareholders during the general meeting; and

- a request for inclusion on the agenda of draft resolutions that have been sent to the Company by shareholders, pursuant to Articles L. 225-105 and R. 225-71 et seq. of the French Commercial Code.

The Board of Directors has also provided further details regarding the text of the draft of 10th, 11th and 12th resolutions relating to the approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable to the Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officer(s), by reason of their office.

Considering such amendments, the report drawn up by the Board of Directors on 24 April 2017 is supplemented by this report, in order to allow shareholders to be informed before deciding on the draft resolutions submitted to their vote.

The Board of Directors' initial report dated 24 April 2017 shall thus be read in light of the complementary elements set out in this report.

Agenda

The agenda on which the shareholders of the Company shall decide during the Combined General Meeting of the Company convened on 13 June 2017 is now as follows:

Resolutions falling within the scope of competence of the ordinary general meeting

- Approval of the annual financial statements and consolidated financial statements for the financial year ended 31 December 2016;
- Allocation of the net income for the financial year ended 31 December 2016;
- Approval of agreements within the scope of Article L225-38 of the French Commercial Code;
- Approval of commitments within the scope of Article L225-42-1 of the French Commercial Code for the benefit of Mr Christophe Pingard;
- Authorisation to be granted to the Board of Directors to purchase or transfer SoLocal Group's shares;
- Vote on the components of the remuneration owed or granted to Mr Robert de Metz, Mr Jean-Pierre Remy and Mr Christophe Pingard for the financial year ended 31 December 2016;
- Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer(s);
- Ratification of the co-opting of Mr John Slater as Director;
- Appointment of Mrs Delphine Grison as Director;
- Appointment of Mrs Sophie Sursock as Director;
- Appointment of Mr David Amar as Director;
- Appointment of Mr Philippe de Verdalle as Director;

Resolutions falling within the scope of competence of the extraordinary general meeting

- Reverse stock split of the Company's shares by granting one new share in exchange for 10 shares held;
- Delegation of authority to the Board of Directors to proceed with a share capital increase reserved to the members of the group savings plan of SoLocal Group;
- Authorisation granted to the Board of Directors to allocate free shares of the Company;
- Amendment to Article 12 of the by-laws relating to the Board of Directors;
- Removal of Article 20 of the by-laws relating to censors and subsequent renumbering of the by-laws.

Following the request for inclusion on the agenda of the general meeting of draft resolutions submitted by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy, in association with other shareholders:

- Removal of Mr Robert de Metz from his office as Director;
- Removal of Mrs Cécile Moulard from her office as Director;
- Authorisation granted to the Board of Directors to allocate free shares of the Company.

Presentation of the draft resolutions

To the exception of the drafts of 10th, 11th and 12th resolutions that are amended and 19th resolution that is deleted, the text of the other draft resolutions, published in the *Bulletin des Annonces Légales Obligatoires* number 54 on 5 May 2017 and set out in the Board of Directors' report dated 24 April 2017, has not been amended. Please refer to the Board of Directors' report dated 24 April 2017 for further information on these draft resolutions.

The amendments made to the agenda as well as to the drafts of 10th, 11th, 12th and 16th resolutions, the new draft resolutions proposed by the Board of Directors (21st to 24th resolutions) and the draft resolutions submitted by Company's shareholders (resolutions A, B and C) are detailed hereinafter.

I. Amendment to the terms of the authorisation that would be granted to the Board of Directors to allocate free shares of the Company (16th resolution)

The text of the draft of 16th resolution has been amended by the Board of Directors, on a proposal from the remuneration and appointments Committee, in order in particular to take into consideration comments made on the terms of the authorisation that would be granted to the Board of Directors to allocate free shares of the Company as drafted in the notice of meeting of the Combined General Meeting of the Company, published in the *Bulletin des Annonces Légales Obligatoires* number 54 dated 5 May 2017.

To that effect, the draft resolution has been amended as follows:

- the duration of the authorisation that would be granted to the Board of Directors has been reduced to 12 months (instead of 36 months);
- the ceiling of the total number of shares that may be allocated for free pursuant to this new authorisation, including to the corporate officers of the Company, would be of 1.9% of the Company's share capital (instead of 6%);
- the sub-ceiling of the shares that may be allocated for free to the corporate officers of the Company would be of 0.7% of the Company's share capital (instead of 2.1%);
- the allocations would be subject to a performance condition and to a presence condition;
- the performance condition would only be assessed in relation to the criterion of the improvement of Company's total shareholder return rate and would be as follows: appreciation of the Company's stock market price such as the average Company's stock market price for the 60 days prior to the 3rd anniversary of the vesting date, plus any distribution during the period, be higher or equal to 1.81 euro; it is specified that, as previously provided, the performance condition would be deemed satisfied in the event of a change of control of the Company within the meaning of Article L.233-3 of the French Commercial Code (provided that the vesting period is complied with).

The above-mentioned amount of 1.81 euro corresponds to the upper limit of the range of the theoretical minimum stock price that has been determined as being between 1.53 euro and 1.81 euro by the independent expert, the Didier Kling & Associés firm, in its report dated 30 November 2016 drawn up in the context of the Company's financial restructuring. This threshold of 1.81 euro corresponds to a creation of value of 81% compared to the subscription price set for the capital increase with shareholders' preferential subscription rights preserved completed in March 2017 as part of the Company's financial restructuring.

This performance criterion, directly linked to the creation of value for the shareholders, is thus based on a TSR increase of more than 80% over 3 years, representing about three times the SBF 120 return assessed on average over 3years periods between 2009 and 2016 (which was of 31%);

- finally, the vesting period has been extended to 36 months (instead of 30 months) and no compulsory holding period would be imposed on the beneficiaries (instead of an holding period of 6 months).

As indicated in the Board of Directors' report dated 24 April 2017, subject to the approval of this resolution by your general meeting, it is already contemplated that the Board of Directors, using the aforementioned delegation, decides to proceed with an allocation of free shares for the benefit of employees and corporate officers in 2017.

Regarding the presence condition, the Board of Directors may decide, on a case-by-case basis and exclusively in the interest of the Group, whether the allocation will be upheld notwithstanding the non-compliance with this condition.

II. Approval of the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable for the financial year 2017 to the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer(s) (10th, 11th and 12th resolutions)

The attention of the shareholders is drawn on the fact that the report, drawn up pursuant to the provisions of Article L.225-37-2 of the French Commercial Code, introduced by the Law no. 2016-1691 of 9 December 2016 (called "Sapin 2 Law"), that sets forth the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total remuneration and the benefits of any kind attributable to the corporate officers of SoLocal Group for the financial year 2017 has been amended as compared with the version set out in chapter 15.4 of the Company's 2016 reference document. The

updated version of this report (which supersedes and replaces the previous one) reflects in particular the amendments made by the Board of Directors to the terms of the authorisation that would be granted to the Board of Directors to allocate free shares of the Company (see in this respect section I above).

The Board of Directors has revised the text of the draft of 10th, 11th and 12th resolutions and corrected the reference therein to the report referred to in Article L.225-37-2 of the French Commercial Code.

III. Proposal of appointment of four new Directors (21st to 24th resolutions)

The Board of Directors has decided to propose to the Combined General Meeting of 13 June 2017 to approve the appointment of four new Directors in order to reflect the Company's shareholding evolution following the financial restructuring finalised in March 2017.

It is specified as may be required that the Company complies with the provisions of the first paragraph of Article L.225-18-1 of the French Commercial Code regarding gender diversity within boards of directors of companies whose shares are admitted for trading on a regulated market. The Board of Directors draws the attention of the shareholders on the fact that any appointment of Director which would make the composition of the Company's Board of Directors unlawful with respect to the aforementioned rules would be void.

Appointment of Mrs Delphine Grison as Director

(21ST RESOLUTION)

This draft resolution has been added by the Board of Directors as the 21st resolution.

Pursuant to this resolution, it is proposed that the general meeting appoints Mrs Delphine Grison as Director for a term of four (4) years. Her term of office would thus expire at the end of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2020.

Mrs Delphine Grison, 48 years old, has been Marketing and Business Intelligence officer at CBRE France since December 2015, President of DGTL Conseil since 2014, a company through which she has provided consultancy services, and a Director of Asmodée Holding since June 2014.

She also serves until the end of 2017 within the Advisory Boards set by Bpifrance in connection with its ETI acceleration program.

Until 2013, she held several positions within the Lagardère group, consistent with her operational duties (member of the Management Board of Lagardère Active, President of Lagardère Active Digital, Director of LeGuide.com...).

Mrs Delphine Grison graduated from the École Normale Supérieure (1987), has a PhD in quantum physics (1992) and is graduated in engineering from the Ponts et Chaussées (1994).

She does not hold any position within SoLocal Group.

The acquisition of Company's shares by Mrs Delphine Grison is in progress at the date of this report.

Appointment of Mrs Sophie Sursock as Director

(22ND RESOLUTION)

This draft resolution has been added by the Board of Directors as the 22nd resolution.

Pursuant to this resolution, it is proposed that the general meeting appoints Mrs Sophie Sursock as Director for a term of four (4) years. Her term of office would thus expire at the end of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2020.

Mrs Sophie Sursock, 37 years old, is Co-founder, Director and Equity Partner at Accelero Capital, an investment and management group focused on TMT (Telecommunications Media Technology). She manages the Paris office. She has executed various transactions in the tech and media sector. In particular, she has been involved in the restructuring of Seat Pagine Gialle S.p.A and serves on the Board of Directors of Italiaonline (ex Seat Pagine Gialle S.p.A and Italia Online), Dada S.p.A. and inTY Limited.

Before, she was a Corporate Finance Manager at Orascom Telecom Holding S.A.E/Weather Investments from 2007 to 2011. She also worked at the M&A Transaction Service at Deloitte's corporate finance division in Paris, France from 2005 to 2007, was Junior Project Manager at PrimeCorp Finance S.A. and Junior Investment Manager at Axa Investment.

Mrs Sophie Sursock received a Bachelor in Business Administration and an MSc in International Business from Paris Graduate School of Management (ESCP-EAP) and a Certificate in the Management of Technology.

She does not hold any position within SoLocal Group.

The acquisition of Company's shares by Mrs Sophie Sursock is in progress at the date of this report.

Appointment of Mr David Amar as Director

(23RD RESOLUTION)

This draft resolution has been added by the Board of Directors as the 23rd resolution.

Pursuant to this resolution, it is proposed that the general meeting appoints Mr David Amar as Director for a term of four (4) years. His term of office would thus expire at the end of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2020.

Mr David Amar, 36 years old, has joined the Family Office Amar in 2009 and has taken over its management in 2013. He is specialised in long term investment in listed companies, in wine properties and wine-trading companies, in hotel property management and property development.

He is also a Director of the investment fund Matignon Investissement et Gestion (Private Equity).

From 2006 to 2009, he was in charge of wealth management in various major Swiss banking institutions.

He received an MBA in Geneva in 2006.

Mr David Amar does not hold any position within SoLocal Group.

The Family Office Amar managed by Mr David Amar holds approximately 15,000,000 Company's shares.

Appointment of Mr Philippe de Verdalle as Director

(24TH RESOLUTION)

This draft resolution has been added by the Board of Directors as the 24th resolution.

Pursuant to this resolution, it is proposed that the general meeting appoints Mr Philippe de Verdalle as Director for a term of four (4) years. His term of office would thus expire at the end of the ordinary general meeting convened to vote on the financial statements for the financial year ending 31 December 2020.

Mr Philippe de Verdalle, 55 years old, has joined Weinberg Capital Partners in 2015 to launch Nobel, which is the third core business of WCP alongside Private Equity and Real Estate activities.

The Nobel fund is intended to acquire minority and friendly stakes in listed companies. It is a long term investor alongside families and management teams in order to support the development of French firms. It brings together an investment pool of institutional investors and important families, it invests exclusively in equity with no debt leverage.

Within the scope of his duties as General Manager of Nobel, Mr Philippe de Verdalle is Director of:

- Mersen (listed on Euronext – Market capitalisation of c.500 Million euros - Turnover 2016 of 764 Million euros - Headcount of 6,375 persons) - his term terminated on 10 April 2017;
- Groupe Le Noble Age (listed on Euronext - Market capitalisation of c.450 Million euros - Turnover 2016 of 394 Million euros - Headcount of 6,000 persons).

Before, Mr Philippe de Verdalle was a member of the executive committee of UBS France, responsible for the development and the key private clientele.

He was a Managing Director of HSBC group in charge of own-account investment activities. In this context, he was, from 2000 to 2011, Chief Executive Officer of Nobel, an holding entity acquiring stakes for HSBC group. During this same period, he was also a Director of private equity funds and of acquired business.

Furthermore, Mr Philippe de Verdalle was lecturer in Corporate Finance at the Institute of Political Studies of Paris (Institut d'Études Politiques de Paris) between 1997 and 2011.

Mr Philippe de Verdalle does not hold any position within SoLocal Group.

The Nobel fund managed by Mr Philippe de Verdalle holds 11,551,751 Company's shares.

IV. Draft resolutions submitted by the shareholders of the Company (resolutions A, B and C)

Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy have sent to the Company by email dated 12 May 2017 and by letter received on 15 May 2017 a request for inclusion on the agenda of the general meeting of three draft resolutions, which other shareholders have joined by emails sent to the Company between 14 and 19 May 2017. Among these shareholders, those having justified holding more than 100 000 Company's shares are the company BJ Invest (represented by Mr Benjamin Jayet), Mr Gilles Brenier, Mr Benjamin Jayet, the company Pentagram Media (represented by Mr Philippe Besnard), Mr Patrice Bouron, Mrs Christine Bouron, the companies Paki and BPC (represented by Mr Patrice Bouron), the company World Private Banking (represented by Mr Gérard Robeau), Mr Hervé Bonnat Milon, Mr Jean-Louis Escaich, Mr Gil Roux, Mr Olivier Assan, Mr Fabrice Giard, Mr Gérard Lelouche and Mr Yves Tomazo.

These shareholders have justified holding together 10,916,481 shares, i.e. 1.88 % of the capital of the Company.

These three draft resolutions (numbered A, B and C) aim at:

- removing two Directors, Mr Robert de Metz and Mrs Cécile Moulard; and
- amending the terms of the authorisation that would be granted to the Board of Directors to allocate free shares of the Company.

The grounds put forward to support these requests as well as the text of these three draft resolutions are reproduced hereinafter in this report.

These three draft resolutions are not supported by the Board of Directors:

● Draft resolutions aiming at removing Mr Robert de Metz and Mrs Cécile Moulard as Directors (draft resolutions A and B)

Regarding the draft resolutions relating to the removal of Directors, the Board of Directors considers that their approval would disrupt the governance of the Company.

The Board of Directors recalls that the Company's shareholders have already had the opportunity to vote on two occasions, at the Combined General Meeting of 19 October 2016 and at the extraordinary general meeting of 15 December 2016, on draft resolutions for the removal of Mr Robert de Metz and Mrs Cécile Moulard as Directors, and that the shareholders have systematically rejected these resolutions, by a majority of 65.94% for Mr Robert de Metz (resolution J) and 64.39% for Mrs Cecile Moulard (resolution P) at the last of the two general meetings.

Mr Robert de Metz has actively participated in the success of the financial restructuring finalised in March 2017, that now allows the Company, with the launch of its strategic conquer plan, to be able

to reveal its full growth and innovation potential. Mr Robert de Metz as well as Mrs Cécile Moulard are actively participating in the work of the Board of Directors and the remunerations and appointments Committee of which they are both members.

Please refer to the report of the Chairman of the Board of Directors, drawn up pursuant to Article L.225-37 of the French Commercial Code, for more details on the Board's composition and how the Board prepares and organises its work, and to the Board of Director's report dated 24 April 2017 for more details regarding the components of the remuneration of the Company's corporate officers.

The Board of Directors thus renews its support to Mr Robert de Metz and Mrs Cécile Moulard.

It is recalled as may be required that the Company complies with the provisions of the first paragraph of Article L.225-18-1 of the French Commercial Code regarding gender diversity within boards of directors of companies whose shares are admitted for trading on a regulated market. The Board of Directors draws the attention of the shareholders on the fact that, when its composition no longer complies with these provisions, the Board of Directors shall make provisional appointments in order to remedy it within six months as from the day on which the vacancy occurs and shall submit these appointments to the ratification of the next ordinary general meeting, in accordance with Article L.225-24 of the French Commercial Code.

● Draft resolution aiming at amending the terms of the authorisation that would be granted to the Board of Directors to allocate free shares of the Company (draft resolution C)

This draft resolution aims at amending the terms of the authorisation that would be granted to the Board of Directors to allocate free shares of the Company as proposed by the Board of Directors version of the 16th resolution published in the meeting notice, which has been amended since then (see section I of this report).

This draft resolution proposes to (i) set the ceiling of the number of shares that may be allocated for free at 1% per 12-month period and at 3% in total, (ii) set the sub-ceiling of the number of shares that may be allocated for free to the corporate officers to 0.1% per 12-month period and to 0.3% in total, (iii) define the performance criterion related to the improvement of the total shareholder return rate of the Company compared to a stock exchange price higher than 2 euros, (iv) define of a 4-year reference period, with no possible amendment to the weighting criteria, (v) neutralise the case of change of control and finally (vi) set the vesting period at 36 months and the holding period at 12 months.

The attention of the shareholders is drawn on the fact that, since the submission of drafts resolutions by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy, the characteristics of the free shares allocation plan proposed by the Board of Directors have been amended and that the alternative proposal of Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy shall therefore be compared to the amended proposal of the Board of Directors (as published in the convening notice)

Please refer to section I of this report as well as to the Board of Directors' report dated 24 April 2017 for further information on the elements taken into account by the Board of Directors in order to set the conditions of a new free shares allocation plan (in particular the comparative study of practices with respect to long-term incentive (LTI) in companies comparable to the Company, drawn up by the consulting company Willis Tower Watson) and on the terms of the authorisation that would be granted to the Board of Directors to allocate free shares of the Company, that you are proposed to approve pursuant to the 16th resolution submitted to your vote.

The Board of Directors considers that the draft resolution submitted by shareholders, if adopted, would not enable the

Company to achieve the objectives it has set as part of its group's long term variable remuneration policy and would be detrimental to its attractiveness and talent retention policy and to the implementation of its strategic plan "Conquer 2020", which needs a strong commitment and an adequate incentive from the corporate officers and employees linked to the long term objectives of the firm, and as a result this draft resolution would be detrimental to the capacity of the Company to reveal its full growth and innovation potential and to create the value that different stakeholders, and in particular the shareholders, expect.

Based on the foregoing, the Board of Directors has decided not to approve the draft resolutions filed by the aforementioned shareholders and therefore invites the shareholders either not to approve them or to abstain from voting.

The Board of Directors invites you to adopt the resolutions numbered 1 to 24 submitted to your vote, and not to adopt or to abstain from voting the resolutions numbered A, B and C, as the Board of Directors has not approved them.

Done at Boulogne-Billancourt, on 22 May 2017

The Board of Directors

Text of the draft resolutions submitted by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy, in association with other shareholders

I. REMOVALS

Explanatory statement of the resolution of removal of Mr Robert de Metz as Director

Mr Robert de Metz SoLocal Group's Director since 5 November 2014, chairs the Board of Directors as well as the Remunerations and Appointments Committee. He holds 637,546 SoLocal Group shares.

Considering the detrimental evolution of the SoLocal Group's share price, that lost 83% of its value since his appointment and the share capital increase reserved to the employees in May 2015, and the insufficient consideration of the shareholders' interests from the Board of Directors since then, in particular

- the questions and appeals of individual shareholders regarding the information and the 2015 company's accounts,
- the disputed postponement until October 2016 of the ordinary general meeting convened to deliberate on the financial statements for 2015,
- the disputed chairmanship of the extraordinary general meetings of 19 October 2016 and 15 December 2016,
- the approval of very complex and largely dilutive financial restructuring operations, proposed and realised in 2016, that have brought the share of the individual shareholders on 16 March 2017 to 25% of the capital,
- the proposal in 2016 of the Remunerations and Appointments Committee that he chairs and the validation by the Board of the payment to the management team of 90% of its variable remuneration for 2015 that has received a negative vote from the shareholders' general meeting of 19 October 2016.
- the proposal in this year 2017, despite the negative vote expressed in 2016 on the remunerations, of the payment to the management team *i.e.* to Mr Jean-Pierre Remy, Chief Executive Officer, and

Christophe Pingard, Deputy Executive Officer, of 93% of their target objective of variable remuneration, *i.e.* respectively 483,600 euros and 206,460 euros for 2016 for a total of remunerations of respectively 1,075,008 euros and 505,704 euros each,

- the proposal of the adoption in this year 2017 of a "long-term incentive plan" not lasting for three years, potentially very dilutive because it allocates for free up to 6% of the share capital, and offering to two managers up to 250% and 200% of their fix and variable remunerations when the objective is achieved (*i.e.* an additional 2,687,520 euros for Mr Remy), this plan being subject to two performance criteria over only two and a half years: one criterion of "Digital Growth" particularly artificial since one only has to buy Internet traffic which is very easy within the digital world in order to increase its revenues without increasing SoLocal's margin, and a criterion of evolution of the value or "total shareholder return" satisfied with a stock market price of 1.53 euros per share, *i.e.* the stock market price on 3 October 2016 at the heart of the crisis,

so it is proposed to the General Meeting to remove Mr Robert de Metz from his office at the end of this meeting.

Text of the resolution of removal of Mr Robert de Metz as Director

"The shareholders' general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, on proposal of several shareholders, after consideration of the reasons set out and after providing the interested party the capacity to present his comments, terminates at the end of this shareholders' general meeting the mandate and duties as Director of Mr Robert de Metz in accordance with Articles L.225-18 paragraph 2, L.225-105 paragraphs 2 and 3 and R.225-71 of the French Commercial Code."

Explanatory statement of the resolution of removal of Mrs Cécile Moulard as Director

Mrs Cécile Moulard, former representative on the Board of Mediannuaire (KKR and Goldman Sachs), historic responsible for the debt and evolution of the company, has been Director on her own behalf of SoLocal Group since 6 June 2012, and member of the Remunerations and Appointments Committee. She holds 475 SoLocal Group shares.

Considering the detrimental evolution of the SoLocal Group's share price, that lost 83% of its value since the share capital increase reserved to the employees in May 2015, and the insufficient consideration of the shareholders' interests from the Board of Directors towards

- her participation in person to the Board inevitably reduced by her presence in the United States with respect to questions and appeals of individual shareholders regarding the information and the company's 2015 accounts,
- her qualification that seems abusive to us as independent Director with respect to her prior participation to the Board as representative of Mediannuaire before 2013,
- the proposal of the Remunerations and Appointments Committee, and the approval by the Board of the payment to the management team of 90% of its variable part for 2015 in contradiction with the financial communication of the Company,
- the proposal in this year 2017, despite the negative vote expressed in 2016 on the remunerations, of the payment to the management team *i.e.* to Mr Jean-Pierre Remy, Chief Executive Officer, and Christophe Pingard, Deputy Executive Officer, of 93%

2. REMUNERATIONS

Explanatory statement of the alternative resolution to the Authorisation granted to the Board of Directors to allocate free shares of the Company (Sixteenth resolution)

The allocation of free shares to employees or corporate officers of the Company or group companies has to be encouraged because it constitutes a loyalty tool and ensures a certain alignment between the interests of the associates and the managers and those of the shareholders. However this alignment shall not be distorted by conditions of allocation or of dilution of shareholders too lax and too detrimental for the latter.

It appears that the allocation conditions proposed by the Board to the employees and corporate officers broadly exceed the practices of French companies in this matter and are not fair, both by its extent of 2% of share capital per year and more than 6% of the share capital *i.e.* 40 million euros over the period, and by its performance conditions proposed today by the Board of Directors. It appears that it is undesirable thereupon to leave to the Board of Directors, which is competent to set the remuneration, the full delegation to set the performance conditions of free shares allocation. It also appears that the proposed duration of the reference period of the allocation criteria is too short and less than three years: it is therefore appropriate to extend the vesting period from 30 to 36 months and the holding period from 6 to 12 months.

It appears unhealthy that the weighting between the proposed criteria adopted on equal terms by the Board can be amended during or at the end of the reference period.

It also appears unfair that the performance conditions be deemed satisfied in the event of a change of control of the Company within the meaning of Article L.233-3 of the French Commercial Code.

of their target objective of variable remuneration, *i.e.* respectively 483,600 euros and 206,460 euros for 2016 for a total of remunerations of respectively 1,075,008 euros and 505,704 euros each.

- the proposal of the adoption in this year 2017 of a "long-term incentive plan" not lasting for three years, potentially very dilutive because it allocates for free up to 6% of the share capital, and offering to two managers up to 250% and 200% of their fix and variable remunerations when the objective is achieved (*i.e.* an additional 2,687,520 euros for Mr Remy), this plan being subject to two performance criteria over only two and a half years: one criterion of "Digital Growth" particularly artificial since one only has to buy Internet traffic which is very easy within the digital world in order to increase its revenues without increasing SoLocal's margin, and a criterion of evolution of the value or "total shareholder return" satisfied with a stock market price of 1.53 euros per share, *i.e.* the stock market price on 3 October 2016 at the heart of the crisis.

so it is proposed to the General Meeting to remove Mrs Cécile Moulard, in order to replace her as member of the Board.

Text of the resolution of removal of Mrs Cécile Moulard as Director

"The shareholders' general meeting, voting in accordance with the quorum and majority requirements for ordinary general meetings, on proposal of several shareholders, after consideration of the reasons set out and after providing the interested party the capacity to present her comments, terminates with immediate effect the mandate and duties as a Director of Mrs Cécile Moulard in accordance with Articles L.225-18 paragraph 2, L.225-105 paragraphs 2 and 3 and R.225-71 of the French Commercial Code."

It also appears that the alignment with the interests of the shareholders and the real economic success of the firm implies that the criterion of value creation requires the exceedance by the share price of a level demonstrating an improvement and not an almost unchanged share price.

Restructuring operations of 2016 were intended to give back to the company a value of 1,500 million euros, corporate value confirmed by three experts and it has been explained to the shareholders that the subscription at the price of 1 euro would enable them to recoup a part of their investment of 2014. The theoretical value per share that was to result at the end of the operation amounted to 1.85 euro. Given the subscription in cash by the shareholders up to 272 million euros, the outcome was a total number of shares amounting to 577 million of shares. On the basis of the company value of 1,500 million of euros and given the residual net debt of 335 million euros, the market value of 577 million shares would be of 1,165 million euros, *i.e.* 2.01 euros per share. It seems thus normal that both the successive triggering thresholds of free shares allocation called "performance shares" be significantly higher to a market price of 2 euros.

It finally appears much more lax, in particular with respect to the remunerations approved by the Board in favour of SoLocal's corporate officers, to authorise to concede to corporate officers free shares of the Company in a proportion of 0.7% of share capital of the Company per year *i.e.* a total of 2.1% of share capital of the Company (**14 million euros**), in addition in such a free shares allocation plan non-exclusive of another plan in 2018. We will thus bring down the capping of total allocation to corporate officers to 0.1% of the Company's share capital per year and 0.3% of the Company's share capital in total for the duration of the plan.

Text of the alternative resolution to the Authorisation granted to the Board of Directors to allocate free shares of the Company (sixteenth resolution of the initial notice of meeting of the general meeting convened for 13 June)

In case of prior adoption or prior rejection of the Delegation of authority to the Board of Directors to proceed with allocations for free of Company's existing shares or shares to be issued (sixteenth resolution) the general meeting, voting in accordance with the quorum and majority requirements for extraordinary general meetings, delegates to the Board of Directors its authority in the same terms with the exception of the following paragraphs amended as follows:

- fourth paragraph: — decides that the total number of shares that may be allocated for free pursuant to this resolution, including to the corporate officers of the Company, shall not represent more than **1%** of the Company's share capital as of the date of this general meeting for each period of 12 months, and more than **3%** of the Company's share capital in total, it being specified that this ceiling may be increased considering shares to be issued under potential adjustment pursuant to applicable law and regulatory provisions and, if any, to specific contractual stipulations providing for other cases of adjustment, in order to preserve the rights of the holders of securities or other rights giving access to the Company's share capital;
- fifth paragraph: — decides that any allocation of free shares pursuant to this resolution, in particular for the benefit of the corporate officers of the Company, shall be subject to a performance condition. Performance criteria are as follows: (i) growth of Search Local and Marketing Digital activities exceeding the growth of the Internet market in France and (ii) improvement of the total shareholder return rate) **from a market share price higher than 2 euros**. The proposed duration of the reference period shall be **four years** and the **weighting adopted for the criteria shall not be amended** during or at the end of the reference period. The performance condition **shall not be deemed satisfied** in the event of a change of control of the Company within the meaning of Article L.233-3 of the French Commercial Code;
- sixth paragraph: —decides that the shares freely allocated to corporate officers of the Company may not represent **in total more than 0.1%** of the Company's share capital of the Company as of the date of this general meeting for each period of 12 months, and more than **0.3%** of the Company's share capital in total;
- seventh paragraph: —decides that the vesting period shall be **thirty six (36)** months and the holding period shall be **twelve (12) months**;

BOARD OF DIRECTORS' COMPLEMENTARY REPORTS ON THE USE OF THE DELEGATIONS GRANTED BY THE SOLOCAL GROUP'S EXTRAORDINARY GENERAL MEETING OF 15 DECEMBER 2016

In the context of the Company's financial restructuring plan finalised in March 2017, the Board of Directors implemented the delegations of authority granted by the 2nd, 6th and 7th resolutions adopted by the Extraordinary General Meeting held of 15 December 2016. These complementary reports have been drawn up by the Board of Directors, in accordance with Articles L.225-129-5 and R.225-116 of the French Commercial Code. The complementary reports drawn up by the statutory auditors feature on page 61 et seq. of this document.

Board of directors' complementary report on the share capital increase with shareholders' preferential subscription rights preserved

Ladies and Gentlemen,

The Board of Directors implemented the delegation of authority granted by the second resolution of the shareholders' General Meeting of SoLocal Group ("**SoLocal**" or the "**Company**") held on 15 December 2016 to proceed with a share capital increase of the Company in cash with shareholders' preferential subscription rights preserved.

This transaction was subject to a prospectus on which the French *Autorité des marchés financiers* granted on 8 February 2017 the visa number n°17-056 (the "**Prospectus**"); the main terms and conditions of the transaction, as described in the Prospectus, are set out in annex to this report.

The share capital increase with preferential subscription rights preserved forms part of the implementation by the Company of its financial restructuring plan as provided for by the modification of its accelerated financial safeguard plan, ratified by the *Tribunal de Commerce* of Nanterre on 22 December 2016.

272,650,250 euros were raised in cash through the capital increase with preferential subscription rights preserved, and were used to repay the Company's creditors under the credit agreement dated 24 October 2006, as amended (the "**2006 Credit Agreement**"), with the exception of an amount of 20 million euros retained by the Company and allocated in particular to the payment of the restructuring costs. In addition, the portion of this capital increase not subscribed in cash (i.e., 125.83 million euros) was subscribed by the Company's financial creditors by way of set-off with the corresponding portion of their receivables under the 2006 Credit Agreement.

This capital increase has allowed the Company to partially reduce its indebtedness.

In accordance with the provisions of Articles L.225-129-5 and R.225-116 of the French Commercial Code, we have prepared a complementary report to the Board of Directors' report which will be presented at the next General Meeting.

1 Overview of the decisions of the Company's corporate bodies and key features of the transaction

1.1 Shareholders' General Meeting held on 15 December 2016

The Company's shareholders' General Meeting held on 15 December 2016, voting in accordance with the quorum and majority requirements for extraordinary general meetings, in its second resolution, has in particular (i) delegated to the Company's Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 12 months as from the date of such General Meeting, its authority to decide to issue shares of the Company with shareholders' preferential subscription rights preserved and (ii) decided that the total nominal amount of share capital increase (issue premium excluded) resulting from such issue shall not exceed 40,500,000 euros, plus, as the case may be, the nominal value of the ordinary shares to be issued in order to preserve, in accordance with applicable laws and regulations or, as the case may be, contractual provisions, the rights of the holders of securities and holders of other rights giving access to the Company's share capital.

1.2 Decision of the Board of Directors dated 2 February 2017

Pursuant to the delegation of authority granted to it by the shareholders' General Meeting of 15 December 2016 in its second resolution, the Company's Board of Directors has decided, at its meeting of 2 February 2017, the principle of a capital increase with shareholders' preferential subscription rights preserved by the issue of a maximum of 405,000,000 shares at a price of 1 euro each, i.e. a capital increase of a maximum amount (issue premium included) of 405,000,000 euros. It has also sub-delegated to Mr Jean-Pierre Remy, the Company's Chief Executive Officer, all the necessary powers to decide to proceed with such issue and determine the final terms and conditions of the transaction.

1.3 Decision of the Chief Executive Officer dated 8 February 2017

On 8 February 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, has decided to proceed with a share capital increase with preferential subscription rights preserved for a total amount (issue premium included) of 398,484,781 euros, by the issue of 398,484,781 new ordinary shares with a

nominal value of 0.10 euro each, to be subscribed and fully paid up in cash or by way of set-off with certain, due and payable receivables against the Company, upon subscription at the price of 1 euro per share (i.e. 0.10 euro par value and 0.90 euro of issue premium).

1.4 Decision of the Chief Executive Officer dated 1 March 2017

On 1st March 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, has set the receivable of all the financial creditors holding receivables, held on the date of this decision, against the Company under the 2006 Credit Agreement, to an aggregate amount of one billion one hundred fifty-seven million six hundred ninety-eight thousand six hundred and forty-one euro and eighty-nine cents (1,157,698,641.89).

1.5 Decision of the Chief Executive Officer dated 2 March 2017 (amended by the decision of the Chief Executive Officer dated 9 March 2017)

On 2 March 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, has acknowledged that the amount of the share capital with preferential subscription rights preserved subscribed in cash by the shareholders and assignees of preferential subscription rights is two hundred seventy-two million six hundred fifty thousand two hundred and fifty (272,650,250) euros (issue premium included) and that the amount of one hundred twenty-five million eight hundred thirty-four thousand five hundred and thirty-one (125,834,531) euros (issue premium included) remained to be subscribed by the Company's financial creditors by way of set-off with the corresponding portion of the receivables that each creditor holds against the Company under the 2006 Credit Agreement.

1.6 Decision of the Chief Executive Officer dated 13 March 2017

On 13 March 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, acknowledged that 272,650,250 issued shares were subscribed in cash by shareholders and assignees of shareholders' preferential subscription rights, that

125,834,531 issued shares were subscribed by creditors, that each of the creditors has paid up all its subscription by way of set-off with the corresponding portion of its certain, due and payable receivable against the Company under the 2006 Credit Agreement, that the final completion of the share capital increase with shareholders'

preferential subscription rights preserved took place on 13 March 2017, that the settlement of the new shares occurred on 13 March 2017 and that such shares were admitted to trading on the regulated market of Euronext Paris.

2 Description of the impact of the issue on the position of the shareholders and holders of securities giving access to the share capital

2.1 Impact of the issue on shareholders' equity

By way of illustration, the impact (i) of the issue of 398,484,781 ordinary shares of the Company in connection with the capital increase with preferential subscription rights preserved completed on 13 March 2017 (the "**New Shares**"), (ii) of the free allocation of 58,314,846 shares on 13 March 2017 to all the Company's shareholders recorded on 10 March 2017, at the ratio of three (3) shares for two (2) existing shares (the "**Free Shares**"), (iii) of the capital increase without shareholders' preferential

subscription rights for the benefit of the creditors holding receivables against the Company under the 2006 Credit Agreement, by issuing 80,542,087 new shares for a total amount of 363,244,812 euros (the "**Creditors Shares**") and (iv) of the 9,067,200 new shares from the repayment of the mandatory convertible bonds ("**MCB**"), on the portion of the Company's shareholders' equity per share (calculation based on the Company's shareholders' equity as of 31 December 2016 and a number of 38,876,564 shares making up the Company's share capital as of 31 December 2016 including treasury shares) would be as follows:

	Portion of shareholders' equity per share (in euros)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	1.63	2.58
After the issue of 58,314,846 Free Shares	0.65	1.04
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	0.93	1.01
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	1.43	1.50
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	1.43	1.50 ⁽²⁾

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

2.2 Impact of the issue on the shareholder's position

By way of illustration, the impact of the issue of the New Shares, the Creditors Shares, the Free Shares and the new shares from the

repayment of the MCB on the equity investment of a shareholder owning 1% of the Company's share capital prior to the issues and not subscribing to them (calculation based on 38,876,564 shares making up the Company's share capital as of 31 December 2016) is as follows:

	Shareholder interest (%)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	1%	0.99%
After the issue of 58,314,846 Free Shares	1%	1%
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	0.2%	0.2%
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	0.17%	0.17%
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	0.17%	0.17% ⁽²⁾

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

2.3 Impact on the stock option beneficiaries' position

The right to exercise the stock options corresponding to the SoLocal Group plans which are exercisable has been suspended as from 2 February 2017 (0:01, Paris time), until no later than 1st May 2017 (23:59, Paris time) included in accordance with applicable laws and regulations as well as the provisions of the stock options

plans. A notice of suspension has been published in the *Bulletin des Annonces légales obligatoires* dated 25 January 2017 pursuant to Article R. 225-133 of the French Commercial Code and became effective on 2 February 2017 (0:01, Paris time).

The rights of the beneficiaries of stock options of all SoLocal Group stock option plans will be preserved in accordance with applicable laws and regulations and the respective provisions of the regulations of the stock options plans.

3 Theoretical impact of the issue of new shares on the current market value of the SoLocal Group share

Theoretical impact on the current market value of the SoLocal Group share, i.e. 2.63 euros (volume weighted average share price of the SoLocal Group share during the 20 trading days preceding

8 February 2017) would be as follows (on the basis of the number of shares making up the Company's share capital as of 31 December 2016):

	Number of shares (non-diluted basis)	Market value per share (in euros) (non-diluted basis)	Number of shares (diluted basis) ⁽¹⁾	Market value per share (in euros) (diluted basis) ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	38,876,564	2.63	39,096,134	2.63
After the issue of 58,314,846 Free Shares	97,191,410	1.05	97,410,980	1.05
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	495,676,191	1.01	495,895,761	1.01
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	576,218,278	1.50	576,437,848	1.50
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	576,218,278	1.50	585,505,048 ⁽²⁾	1.51 ⁽²⁾

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

The market value (non-diluted basis after the issue of the New Shares, the Free Shares, the Creditors Shares and the MCB) has been obtained by taking the market capitalization before the transaction, corresponding to the volume weighted average share price of the SoLocal Group share during the 20 trading days preceding 8 February 2017 (i.e., 2.63 euros) multiplied by the total number of shares (i.e., 38,876,278 shares as at 31 December 2016), adding the estimated net proceeds of the issue of the New Shares, the Free Shares and the Creditors Shares (i.e., approximately 863.1 million euros) and dividing the whole by 576,218,278 corresponding to the sum of the number of shares as at 31 December 2016 (i.e., 38,876,564 shares) and

the total number of shares resulting from the issue of the New Shares, the issue of the Creditors Shares and the Free Shares (i.e., 537,341,714 new shares).

In accordance with the applicable laws and regulations, this complementary report is made available to the shareholders at the registered office of the Company and will be brought directly to the attention of the shareholders during the next general meeting.

The Board of Directors

Nature, category and identification number

398,484,781 ordinary shares of the Company which may be increased to a maximum of 458,257,498 ordinary shares in the event of exercise in full of the extension clause.

They shall carry entitlement to dividend rights, namely, the right to receive, as of their issue date, all distributions decided by the Company as of such date, and will be listed under the same trading line as the existing shares.

- ISIN code: FR0012938884;
- Ticker symbol: LOCAL;
- ISB sectoral classification:
 - 5000 Consumer Services
 - 5500 Media
 - 5557 Publishing
- Listing place: Euronext Paris, Compartment B.

Number of securities issued and their par value

398,484,781 New Shares with a par value of €0.10, which number could be increased to a maximum of 458,257,498 New Shares in the event of the full exercise of the extension clause, to be fully paid on the date of subscription.

Application for admission

New Shares shall be subject to an application for admission to trading on Euronext Paris, as of their Issue Date, planned for 13 March 2017, under the same trading line as the existing shares of the Company (ISIN code FR0012938884).

Net total amount of the issue's proceeds / Total costs estimates with respect to the offering

Gross proceeds from the Rights Issue remains unknown as of the date of the prospectus dated 8 February (the "**Prospectus**") and shall be equal to the portion of the issue which shall be subscribed to by holders of preferential subscription rights on a non-reducible basis (*à titre irréductible*) and subject to reduction (*à titre réductible*).

The maximum amount of the gross proceeds of the offering is 398,484,781 euros, which could be increased to a maximum amount of 458,257,498 euros in the event of the exercise in full of the extension clause.

Estimate of the costs related to the Rights Issue and other restructuring transactions: remuneration of financial intermediaries and administrative and legal fees is approximately 20 million euros.

Offering purpose

The offering's purpose is to implement the financial restructuring of the Company.

The amount of cash raised will be used to repay outstanding debt under the 2006 Credit Facility Agreement, except for an amount of 20 million euros received by the Company and allocated notably to the payment of the restructuring fees, if the subscriptions for the Rights Issue exceed 20 million euros.

The Rights Issue will allow the Company to partially reduce its indebtedness in order to implement the "Conquer 2018" strategic plan.

Number of New Shares to be issued: 398,484,781 ordinary shares of the Company, which may be increased to a maximum of 458,257,498 ordinary shares upon the exercise in full of the extension clause.

Subscription period: 15 February 2017 to 24 February 2017.

Subscription price: The New Shares' subscription price in the Rights Issue is equal to 1 euro per share (0.10 euro nominal value and 0.90 euro issue premium).

Preferential Subscription Right

Subscriptions for New Shares shall be restricted to holders of existing shares which are registered as book-entries in their security accounts as at 13 February 2017, who will be attributed preferential subscription rights, together with assignees of preferential subscription rights.

- Beneficiaries of preferential subscription rights may subscribe for 41 New Shares on a non-reducible basis (*à titre irréductible*) for every 4 existing and owned shares (the ratio being 4 preferential subscription rights to subscribe for 41 New Shares at a price of 1 euro per share); and
- Any number of New Shares they choose to subscribe subject to reduction (*à titre réductible*) at their option in addition to the number of New Shares they will have subscribed for on a non-reducible basis (*à titre irréductible*), including the New Shares that may be issued in the event of the exercise of the extension clause.

Terms and conditions of the issue

Preferential subscription rights will be detached as of 13 February 2017 and shall trade on Euronext Paris until 22 February 2017, under the ISIN code FR0013234499.

Preferential subscription rights detached from the 85,887 treasury shares of the Company as at the date of the Prospectus, i.e., 0.2% of the share capital, will be sold on the market before the closing of the trading period for the preferential subscription rights, i.e. until 22 February 2017, under the terms of Article L.225-210 of the French Commercial Code.

Theoretical values of a preferential subscription right and of an ex-right share of SoLocal – Discounts to the issue price of the New Shares compared to the market price of the shares and to the theoretical value of the ex-right share

Based on the market price of the Company's shares on 7 February 2017, i.e., 2.551 euros:

- The 1 euro issue price of the New Shares represents a discount of 60.8%.
- The theoretical value of the preferential subscription right amounts to 1.413 euros.

Terms and conditions of the issue

- The theoretical value of the ex-right share amounts to €11.138
- The issue price of the New Shares represents a discount of 12.1% compared to the theoretical value of the ex-right share.

These values are without prejudice to the actual value of the preferential subscription right during the subscription period, the value of the ex-right share or the discounts as they will be recorded on the market.

These values do not take into account the exercise in full of the extension clause, the allotment of Free Shares and the potential issuance of Lenders Warrants and MCBS.

Exercise of a preferential subscription right

To exercise their preferential subscription right, holders must address a request to their authorised financial intermediary anytime between 15 February 2017 and 24 February 2017 and pay the subscription price accordingly. Any preferential subscription right that has not been exercised shall *ipso jure* become void upon expiration of the subscription period, *i.e.*, on 24 February 2017 at the close of trading.

Suspension of the right to exercise stock options

The right to exercise stock options has been suspended as from 2 February 2017 at 00:01 until 1 May 2017 included, pursuant to legal and regulatory provisions and stock option plan rules. This suspension was the subject of a notice under Article R.225-133 of the French Commercial Code, which was published in the *Bulletin des Annonces Légales obligatoires* (BALO) of 25 January 2017, and became effective on 2 February 2017.

Subscription intentions with respect to principal shareholders and members of the Company's management, executive or supervisory boards

Edmond de Rothschild Asset Management (France), acting on behalf of the funds it manages and holding 2,373,274 shares as at the date of the Prospectus, committed to subscribe for new shares by exercising all of its preferential subscription rights. The Company is not aware of the intention of its principal shareholders, or members of its management, executive or supervisory boards.

Backstop

Each creditor under the Existing Credit Facility Agreement has undertaken, in accordance with the Amended Plan, to act as a guarantor under the Rights Issue by offsetting the nominal value of their debt against an equivalent portion of the issue which will have not been subscribed to by holders of preferential subscription rights, whether on a non-reducible basis (*à titre irréductible*) or subject to reduction (*à titre réductible*), *pro rata* with the principal amount of the debt held by such creditor on 9 February 2017, based on the total principal amount of the Existing Credit Facility Agreement, and rounded down to the nearest lower whole number of shares.

The Company's lock-up commitment and the main shareholders' standstill commitment

For the Company, for a period of 180 days following the date of settlement of the Offer (subject to certain exceptions).

Countries in which the Rights Issue will be open to the public

The Rights Issue shall be open to the public in France only.

Restrictions applicable to the issue

Disclosure of the Prospectus, sale of shares and preferential subscription rights, and subscription to New Shares may, in some countries, including the United States of America, be subject to specific regulations.

Sole Global Coordinator and Lead Manager

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

The Sole Global Coordinator and Lead Manager has agreed to assist the Company in connection with obtaining subscriptions for the shares to be issued in the Rights Issue from shareholders and any assignees of preferential subscription rights (outside the United States of America). A placement agreement was entered into for this purpose between the Sole Global Coordinator and Lead Manager and the Company (the "**Placement Agreement**"). The Sole Global Coordinator and Lead Manager is not acting as an underwriter of the Rights Issue.

Board of Directors' complementary report on the issue of mandatory convertible bonds (*obligations à option de conversion remboursables en actions*), without shareholders' preferential subscription rights for the benefit of a category of persons meeting specific criteria

Ladies and Gentlemen,

The Board of Directors implemented the delegation of authority granted by the sixth resolution of the shareholders' General Meeting of SoLocal Group ("**SoLocal**" or the "**Company**") held on 15 December 2016 to issue mandatory convertible bonds (the "**MCB**"), reserved to creditors holding receivables against the Company under the credit agreement dated 24 October 2006, as amended (the "**2006 Credit Agreement**").

The transaction was subject to a prospectus on which the French *Autorité des marchés financiers* granted on 1st December 2016 the *visa* number n°16-564 (the "**Prospectus**"); the main terms and conditions of the transaction, as described in the Prospectus, are set out in annex to this report.

1 Overview of the decisions of the Company's corporate bodies and key features of the transaction

1.1 Shareholders' General Meeting held on 15 December 2016

The Company's shareholders' General Meeting held on 15 December 2016, voting in accordance with the quorum and majority requirements for extraordinary general meetings, in its sixth resolution, has in particular (i) delegated to the Company's Board of Directors, with the right to sub-delegate under the conditions set out by law, for a period of 12 months as from the date of such General Meeting, its authority to decide to issue MCB without shareholders' preferential subscription rights, (ii) decided that the nominal value of each MCB will be two (2) euros, will be issued at par and will have 5 years maturity and (iii) decided that the number of MCB shall not exceed 101,000,000.

1.2 Decision of the Board of Directors dated 2 February 2017

Pursuant to the delegation of authority granted to it by the shareholders' General Meeting of 15 December 2016 in its sixth resolution, the Company's Board of Directors has decided, at its meeting of 2 February 2017, the principle of an issue of MCB up to a maximum of 101,000,000 MCB with a par value of two (2) euros each. It has also sub-delegated to Mr Jean-Pierre Remy, Company's Chief Executive Officer, all the necessary powers to decide to implement, announce and proceed with the issue of the MCB (or, as the case may be, to postpone the issue) and determine all the final terms and conditions of the transaction.

1.3 Decision of the Chief Executive Officer dated 1 March 2017

On 1st March 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, has set the receivables of all the financial creditors holding receivables, held on the date of this decision, against the Company under the 2006 Credit Agreement to an aggregate amount of one billion one hundred fifty-seven million

The issue of the MCB forms part of the implementation by the Company of its financial restructuring plan as provided for by the modification of its accelerated financial safeguard plan, ratified by the *Tribunal de Commerce of Nanterre* on 22 December 2016.

The issue of the MCB subscribed by the Company's financial creditors by way of set-off with the corresponding portion of their receivables under the 2006 Credit Agreement, has allowed the Company to partially reduce its indebtedness.

In accordance with the provisions of Articles L.225-138 and R.225-116 of the French Commercial Code, we have prepared a complementary report to the Board of Directors' report which will be presented at the next General Meeting.

six hundred ninety-eight thousand six hundred and forty-one euros and eighty-nine cents (1,157,698,641.89).

1.4 Decision of the Chief Executive Officer dated 2 March 2017 (as amended by the decision of the Chief Executive Officer dated 9 March 2017)

On 2 March 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, has decided to proceed with the issue at par of nine million sixty-seven thousand two hundred (9,067,200) MCB with a nominal value of two (2) euros each for a unit subscription price of two (2) euros each, *i.e.* an issue of MCB for a total amount of eighteen million one hundred thirty-four thousand four hundred (18,134,400) euros, to be subscribed by the Company's financial creditors by way of set-off with the corresponding portion of the receivables that each creditor holds against the Company under the 2006 Credit Agreement, and has determined in particular the list of beneficiaries of the issue of the MCB within the category of creditors.

1.5 Decision of the Chief Executive Officer dated 13 March 2017

On 13 March 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, determined the final terms and conditions of the MCB, acknowledged that 9,067,200 MCB were subscribed by the creditors, that each of the creditors has paid up all its subscription by way of set-off with the corresponding portion of its certain, due and payable receivables held by such creditor against the Company under the 2006 Credit Agreement, that the final completion of the issue of 9,067,200 MCB took place on 13 March 2017, that the settlement of the issued MCB occurred on 13 March 2017 and that such MCB were admitted to trading on the regulated market of Euronext Paris.

2 Description of the impact of the issue on the position of the shareholders and holders of securities giving access to the share capital

2.1 Impact of the issue on shareholders' equity

By way of illustration, the impact (i) of the issue of 398,484,781 ordinary shares of the Company in connection with the capital increase with preferential subscription rights preserved completed on 13 March 2017 (the "New Shares"), (ii) of the free allocation of 58,314,846 shares on 13 March 2017 to all the Company's shareholders recorded on 10 March 2017, at the ratio of three (3) shares for two (2) existing shares (the "Free Shares"), (iii) of the capital increase without shareholders' preferential subscription rights for the benefit of the creditors holding

receivables against the Company under the 2006 Credit Agreement, by issuing 80,542,087 new shares for a total amount of 363,244,812 euros (the "Creditors Shares") and (iv) of the 9,067,200 new shares from the repayment of the mandatory convertible bonds ("MCB"), on the portion of Company's shareholders' equity per share (calculation based on the Company's shareholders' equity as of 31 December 2016 and a number of 38,876,564 shares making up the Company's share capital as of 31 December 2016 including treasury shares) would be as follows:

	Portion of shareholders' equity per share (in euros)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	1.63	2.58
After the issue of 58,314,846 Free Shares	0.65	1.04
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	0.93	1.01
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	1.43	1.50
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	1.43	1.50 ⁽²⁾

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

2.2 Impact of the issue on the shareholder's position

By way of illustration, the impact of the issue of the New Shares, the Creditors Shares, the Free Shares and the new shares from the repayment of the MCB on the equity investment of a shareholder owning 1% of the Company's share capital prior to

the issues and not subscribing for them (calculation based on 38,876,564 shares making up the Company's share capital as of 31 December 2016) is as follows:

	Shareholder interest (%)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	1%	0.99%
After the issue of 58,314,846 Free Shares	1%	1%
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	0.2%	0.2%
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	0.17%	0.17%
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	0.17%	0.17% ⁽²⁾

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

2.3 Impact on the stock option beneficiaries' position

The right to exercise the stock options corresponding to the SoLocal Group plans which are exercisable has been suspended as from 2 February 2017 (0:01, Paris time), until no later than 1st May 2017 (23:59, Paris time) included, in accordance with applicable laws and regulations as well as the provisions of the stock options plans. A

notice of suspension has been published in the *Bulletin des Annonces légales obligatoires* dated 25 January 2017 pursuant to Article R.225-133 of the French Commercial Code and became effective on 2 February 2017 (0:01, Paris time).

The rights of the beneficiaries of stock options of all SoLocal Group stock option plans will be preserved in accordance with applicable laws and regulations and the respective provisions of the regulations of the stock options plans.

3. Theoretical impact on the issue of new shares on the current market value of the SoLocal Group share

Theoretical impact on the current market value of the SoLocal Group share, i.e. 2.63 euros (volume weighted average share price of the SoLocal Group share during the 20 trading days

preceding 8 February 2017) would be as follows (on the basis of the number of shares making up the Company's share capital as of 31 December 2016):

	Number of shares (non-diluted basis)	Market value per share (in euros) (non-diluted basis)	Number of shares (diluted basis) ⁽¹⁾	Market value per share (in euros) (diluted basis) ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	38,876,564	2.63	39,096,134	2.63
After the issue of 58,314,846 Free Shares	97,191,410	1.05	97,410,980	1.05
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	495,676,191	1.01	495,895,761	1.01
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	576,218,278	1.50	576,437,848	1.50
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	576,218,278	1.50	585,505,048 ⁽²⁾	1.51 ²

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

The market value (non-diluted basis after the issue of the New Shares, the Free Shares, the Creditors Shares and the MCB) has been obtained by taking the market capitalization before the transaction, corresponding to the volume weighted average share price of the SoLocal Group share during the 20 trading days preceding 8 February 2017 (i.e., 2.63 euros) multiplied by the total number of shares (i.e., 38,876,278 shares as at 31 December 2016), adding the estimated net proceeds of the issue of the New Shares, the Free Shares and the Creditors Shares (i.e., approximately 863.1 million euros) and dividing the whole by 576,218,278 corresponding to the sum of the number of shares as at 31 December 2016 (i.e., 38,876,564 shares) and the total number of shares resulting from the issue of the

New Shares, the issue of the Creditors Shares and the Free Shares (i.e., 537,341,714 new shares).

In accordance with the applicable laws and regulations, this complementary report is made available to the shareholders at the registered office of the Company and will be brought directly to the attention of the shareholders during the next General Meeting.

The Board of Directors

Terms and conditions of the MCB

The terms and conditions of MCB are the following:

- the par value of each MCB is 2 euros;
- the number of MCB issued is of 9,067,200;
- MCB are issued at par, in euros, bearing no interest and with maturity of 5 years;
- MCB have been issued in the framework of a share capital increase without shareholders' preferential right in favour of financial creditors holding receivables against the Company, with said creditors constituting a category of persons meeting specific criteria within the meaning of Article L. 225-138 of the French Commercial Code;
- MCB have been fully subscribed by said creditors;
- MCB have been fully paid up by set-off against the corresponding portion of the certain, payable and due receivable held by said creditors against the Company;
- concerning the subordination ranking of the MCB:
 - (i) the MCB constitute direct subordinated, general, unconditional, lowest rank subordinated and unsecured commitments of the Company, ranking equally among themselves and *pari passu* with all other present or future, lowest rank subordinated commitments of the Company, and are subordinated to (i) all present or future equity securities and equity loans, issued or granted by the Company, (ii) all ordinary subordinated bonds of the Company, and (iii) all unsubordinated obligations of the Company;
 - (ii) the Company's obligation to repay the principal and other amounts in respect of the MCB is neither guaranteed nor secured;
 - (iii) if any judgement is rendered by any competent court declaring the compulsory liquidation of the Company, or in the event of a transfer of the whole of the business of the Company subsequent to the opening of a judicial recovery procedure, or if the Company is liquidated for any other reason, the payments of the creditors of the Company will be made in the following order of priority (in each case subject to the payment in full of priority creditors): (a) unsubordinated creditors of the Company, (b) ordinary subordinated creditors of the Company, (c) lenders in relation to subordinated debt granted to the Company and holders of equity interests issued by the Company, and (d) deeply subordinated creditors of the Company;
 - (iv) the MCB rank in priority only to any class of share capital, whether represented by ordinary shares or preference shares, on the understanding, however, that in case of compulsory or voluntary liquidation of the Company, or subject to the applicable legislative and regulatory provisions, bankruptcy proceedings or receivership, in accordance with the provisions of Title IV of Book VI of the French Commercial Code, the MCB will be redeemed by allotment of new Company's shares;
- MCB are redeemed:
 - (i) in their entirety, on the 5th anniversary of their issuance (i) either by allotment of one (1) new Company share per MCB (subject to applicable adjustments), (ii) or, at the Company's discretion, by payment of an amount per MCB corresponding to the par value of one MCB, *i.e.* 2 euros; or
 - (ii) in their entirety, at any time by request of the majority of holders of MCB (representing at least 50% of the then outstanding MCB on the date of request), through the issuance of one (1) new Company share per MCB (subject to any applicable adjustments); or
 - (iii) at any time upon request of any holders of MCB, up to all or a block of at least 100,000 of MCB that he/she/it owns, by delivery of one (1) new share of the Company per MCB (subject to adjustments, as the case may be);
- consequently, and subject to any adjustments as may be required to be made in case of activities involving share capital pursuant to Articles L. 228-98 *et seq.* of the French Commercial Code:
 - (i) the total maximum number of new Company shares which can be issued upon redemption of MCB is set at 9,067,200 (subject to any applicable adjustments);
 - (ii) the total par value of the capital increase resulting from a redemption of MCB cannot exceed 906,720 euros (corresponding to 9,067,200 shares with par value of 0.10 euros each);
- in accordance with the provisions of Article L. 228-98 of the French Commercial Code:
 - the Company can change its corporate form or corporate purpose without requesting the approval of the group of holders of MCB;
 - the Company can, without requesting authorisation from the group of holders of MCB, redeem its share capital, change its profit distribution or issue preferred shares, provided, so long as any MCB are outstanding, that it has taken the necessary measures to preserve the rights of holders of MCB;
- in the event of a reduction in the Company's capital resulting from losses and realised through the decrease in the par value or in the number of shares comprising the share capital, the rights of the holders of MCB will be reduced accordingly, as if they had exercised their MCB before the date on which the reduction in capital became final. In the event of a reduction in capital by a decrease in the number of shares, the new redemption ratio will be equal to the product of the redemption ratio in effect before the decrease in the number of shares and the following ratio:

Number of shares comprising the share capital after the transaction

Number of shares comprising the share capital before the transaction

- subsequent to each of the following transactions:
 1. financial transactions with listed pre-emptive subscription rights or by the free allotment of listed warrants;
 2. the free allotment of shares to shareholders, reverse stock split or stock split;
 3. the capitalisation of reserves, profits or premiums through an increase in the nominal value of shares;
 4. the allotment of reserves or premiums, in cash or in kind;
 5. the free allotment to the Company's shareholders of any financial instrument other than Company shares;
 6. takeover, merger or demerger;
 7. a repurchase by the Company of its own shares at a price higher than the share price;
 8. depreciation of capital;
 9. a change in profit distribution and/or the creation of preferred shares; and
 10. the distribution of dividends in cash or in kind

which the Company can carry out, for which the Record Date (as defined below) occurs before the delivery date of Company shares issued or delivered on the date of maturity or early reimbursement of the MCB, the rights of holders of MCB will be maintained until the delivery date (excluded), by means of an adjustment to the redemption ratio of the MCB, in accordance with the terms set forth below.

The "**Record Date**" is the date on which the holding of Company shares is fixed so as to determine which shareholders are beneficial owners of a transaction or may participate in a transaction, and in particular to which shareholders a distribution or an allotment, announced or approved on or before such date, should be paid or delivered.

This adjustment will be carried out such that the value of the shares that would have been allocated if the MCB had been exercised immediately before the completion of any of the transactions listed above is equal, to the nearest thousandth of a share, to the value of the shares to be allocated upon reimbursement of the MCB immediately after the completion of such a transaction.

In the event of adjustments carried out in accordance with paragraphs 1 to 10 below, the new redemption ratio will be calculated to three decimal places by rounding to the nearest thousandth (with 0.0005 being rounded upwards to the nearest thousandth, i.e. 0.001). Any subsequent adjustments will be carried out on the basis of such newly calculated and rounded redemption ratio. However, because MCB may result only in the allocation of a whole number of shares, fractional entitlements are treated as specified below.

- (a) In the event of a financial transaction conferring listed pre-emptive subscription rights, the new redemption ratio will be equal to the product from the redemption ratio in force prior to the commencement of the relevant transaction and the following ratio:

Value of the share after detachment of the pre-emptive subscription right + Value of the pre-emptive subscription right

Value of the share after detachment of the pre-emptive subscription right

For the calculation of this ratio, the values of the shares after detachment of the pre-emptive subscription right and of the pre-emptive subscription right are equal to the arithmetic average of their opening prices quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated market or on a similar market on which the shares or pre-emptive subscription rights are listed) on each trading day included in the subscription period.

- (b) In the event of a financial transaction involving the free distribution of listed warrants to shareholders with the corresponding ability to place the securities resulting from the exercise of warrants that were not exercised by their holders at the end of the subscription period that applies to them, the new redemption ratio will be determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

Value of the shares after detachment of the warrant + Value of the warrant

Value of the shares after detachment of the warrant

For the calculation of this ratio:

- the value of the share after detachment of the warrant will be equal to the volume-weighted average of (i) the price of the shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar

market on which the shares are listed) on each trading day included in the subscription period, and (ii) (a) the transfer price of the securities sold within the framework of the placement, if such securities are shares fungible with the existing shares, applying the volume of shares sold within the framework of the placement to the transfer price or (b) the price of the shares quoted on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the shares are listed) on the determination date of the sale price of the securities sold within the framework of the placement if such securities are not shares fungible with the existing shares;

- the value of the warrant will be equal to the volume-weighted average of (i) the price of the warrants on Euronext Paris (or, in the absence of a listing on Euronext Paris, on any other regulated or similar market on which the warrants are listed) on each trading day included in the subscription period, and, (ii) the default value of the warrants represented by the sale price of the securities sold within the framework of the placement, which would correspond to the difference (if it is positive), adjusted by the warrants' redemption ratio, between the sale price of the securities sold within the framework of the placement and the subscription price of the securities by exercise of the warrants, applying to the price thus determined, the volume corresponding to exercised warrants in order to allocate the securities sold within the framework of the placement.

- In the event of the free allotment of shares to shareholders, and also in the event of stock splits or reverse stock splits, the new redemption ratio will be determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

Number of shares comprising the share capital after the transaction

Number of shares comprising the share capital before the transaction

- In the event of a capital increase by capitalisation of reserves, profits or premiums carried out by increase in the nominal value of the shares, the nominal value of the shares to be allocated to holders of MCB exercising their MCB will be increased accordingly.
- In the event of a distribution of reserves or premiums in cash or in kind (portfolio securities, etc.), the new redemption ratio will be determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

Value of the share before allotment

Value of the share before allotment – Amount distributed per share or value of the securities or assets distributed per share

For the calculation of this ratio:

- the value of the share before allotment will be equal to the volume-weighted average price of the shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-allotment;
- if the allotment is made in kind:
 - in the event of an allotment of securities already listed on a regulated market or similar market, the value of the securities distributed will be determined as indicated above;

- b. in the event of the allotment of securities that are not already listed on a regulated market or similar market, the value of the securities distributed will be equal, if they were expected to be listed on a regulated market or similar market within ten trading days starting on the date on which the shares are listed ex-allotment, to the volume-weighted average price on such market during the first three trading days included in such period during which such securities are listed; and
- c. in other cases (allotment of securities that are not listed on a regulated market or a similar market or are listed for fewer than three trading days within the period of ten trading days referred to above or a distribution of assets), the value of the securities or assets allocated per share will be determined by an internationally renowned independent expert chosen by the Company.
5. In the event of a free allotment to the Company's shareholders of financial instruments other than the shares, and subject to Paragraph 1(b) above, the new redemption ratio will be determined as follows:
- (a) if the right to the free allocation of securities was admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share ex-right to free allocation
+ Value of the free allocation right**

Value of the share ex-right to free allocation

For the calculation of this ratio:

- the value of the share ex-right to free allocation will be equal to the volume-weighted average share price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share ex-right to free allocation is listed) of the share ex-right to free allocation during the first three trading days on which the Company shares are listed ex-right to free allocation;
 - the value of the free allocation right will be determined as indicated in the paragraph above. If the free allocation right is not listed during each of the three Trading Days, then its value is determined by an internationally renowned independent expert chosen by the Company.
- (b) if the right to free allocation of securities was not admitted to trading on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

**Value of the share ex-right to free allocation
+ Value of the security or securities allocated per Share**

Value of the share ex-right to free allocation

For the calculation of this ratio:

- the value of the Share ex-right to free allocation will be determined as indicated in paragraph (a) above;
- if the securities allocated are listed or may become listed on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market), within ten trading days beginning on the date on which the shares are listed ex-distribution, then the value of the security or securities allocated per share will be equal to the volume-weighted average of the price of such financial securities recorded on such market during the first three trading

days included within this period during which such securities are listed;

- if the securities allocated are not listed on each of the three trading days, then the value of the security or securities allocated per share will be determined by an internationally renowned independent expert chosen by the Company.

6. In the event of takeover of the Company by another company or of merger with one or more companies with a new company or demerger, the MCB will be exchangeable for shares of the surviving or new company or of the beneficiary companies of the demerger.

The new redemption ratio will be determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the exchange ratio of shares for shares of the acquiring or new company or the beneficiary companies of a spin-off. These latter companies will be automatically substituted for the Company with regard to its obligations towards the holders of MCB.

7. In the event of a repurchase by the Company of its own shares at a price higher than the share price, the new redemption ratio will be determined by multiplying the redemption ratio in effect prior to the commencement of the repurchase by the following ratio:

Share value x (1 - PC%)

Share value – PC% x Repurchase price

For the calculation of this ratio:

- share value will be equal to the volume-weighted average price of the shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) during the three trading days immediately preceding such repurchase (or the option to repurchase);
 - PC% means the percentage of repurchased capital; and
 - repurchase price means the actual price at which Shares are repurchased.
8. In the event of redemption of capital, the new redemption ratio will be determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

Value of the share before redemption

**Value of the share before redemption
– Amount of redemption per share**

For the calculation of this ratio, the value of the share before redemption will be equal to the volume-weighted average price of the shares on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-redemption.

9. (a) In the event of the modification by the Company of the distribution of its profits and/or the creation of preferred shares resulting in such a change, the new redemption ratio will be determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

Value of the share before the change

**Value of the share before the change
– Reduction per share of the right to profits**

For the calculation of this ratio:

- the value of the share before the change will be determined on the basis of the volume-weighted average price of the shares on Euronext Paris (or if the shares are not listed on Euronext Paris, on another regulated or similar market on which the shares are listed) during the three trading days immediately preceding the day of such change;
- the reduction per share of the rights to profits will be determined by an expert.

Notwithstanding the above, if such preferred shares were issued with shareholders' pre-emptive subscription rights or by the free allotment to shareholders of warrants exercisable for such preferred shares, the new redemption ratio will be adjusted in accordance with paragraphs 1 or 5 above.

- (b) In the event of the creation of preferred shares that do not lead to a modification of the distribution of profits, the adjustment of the redemption ratio, if necessary, will be determined by an internationally renowned independent expert chosen by the Company;

10. In the event of a distribution of dividends in cash or in kind (portfolio securities, etc.), the new redemption ratio will be determined by multiplying the redemption ratio in effect prior to the commencement of the relevant transaction by the following ratio:

Value of the share before distribution

**Value of the share before distribution
Amount distributed per share or value of the
securities or assets distributed per share**

For the calculation of this ratio:

- the value of the share before allotment will be equal to the volume-weighted average price of the shares quoted on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the shares are listed) during the three trading days immediately preceding the trading day on which the shares are listed ex-allotment;
- if the allotment is made in kind:
 - a. in the event of a distribution of securities already listed on a regulated market or similar market, the value of the securities distributed will be determined as indicated above;
 - b. in the event of the distribution of securities that are not already listed on a regulated market or similar market, the value of the securities distributed will be equal, if they were expected to be listed on a regulated market or similar market within ten trading days starting on the date on which the shares are listed ex-allotment, to the volume-weighted average price on such market during the first three trading days included in such period during which such securities are listed; and
 - c. in other cases (allotment of securities that are not listed on a regulated market or a similar market or are listed for fewer than three trading days within the period of ten trading days referred to above or a distribution of assets), the value of the securities or assets allocated per share will be determined by an internationally renowned independent expert chosen by the Company;
- treatment of fractional entitlements:
 - (i) each holder of MCB exercising its rights in relation to the MCB can receive a number of Company shares calculated by applying the redemption ratio to the total number of MCB presented by the aforementioned holder of MCB on the date in question, and if the number of shares thus calculated is not a whole number, the holder of MCB can request allocation of:

- a. either the whole number of shares immediately below such number; in this case, the holder of MCB will receive a cash sum equal to the product of the remaining fractional share and the value of the share, equal to the closing price on Euronext Paris (or, in the absence of listing on Euronext Paris, on another regulated market or similar market on which the share is listed) on the trading day immediately preceding the day on which the exercise request for redemption is filed;
- b. or the whole number of shares immediately above such number, on the condition that a sum equal to the value of the additional fraction of a share thus requested, valued on the basis provided for in the preceding paragraph, is paid to the Company;
- (ii) all sums payable in this respect will be paid on the MCB maturity date simultaneously with the delivery of the shares;
- (iii) if a holder of MCB has more than one MCB, its rights with respect to the additional fractional shares will be calculated on the basis of the aggregate number of MCB then held; and
- (iv) in the event that the holder of MCB does not specify its preferred option, such Holder of MCB will be given the whole number of Company's shares immediately below in addition to a cash supplement as described above;
- with regard to the representation of the holders of MCB:
 - (i) in accordance with Article L228-103 of the French Commercial Code, the holders of MCB, for the protection of their common interests will be grouped into a body, which benefits from legal personality;
 - (ii) a general meeting of Holders of MCB will be called to authorise modifications to the terms and conditions of the MCB and to vote on all decisions that require its approval under applicable law;
 - (iii) each MCB will carry the right to one vote. The general meeting of holders of MCB cannot deliberate unless the holders present or represented hold at least one-fourth of the MCB carrying voting rights at first calling and at least one-fifth at second calling. Decisions made by the general meeting of holders of MCB will only be valid if approved by a majority of two-thirds of the votes of the holders of MCB present or represented;
 - (iv) the representative of the group, in the absence of any contrary resolution adopted by the general meeting of holders of MCB, shall have the power to carry out, on behalf of the group of holders of MCB, all acts of management to protect the common interests of the holders of MCB;
- shares to be issued for redemption of MCB will enjoy all current rights and, as of their creation, shall be fully comparable to existing shares and subject to all stipulations of the bylaws and decisions of the General Shareholders' Meeting. Pursuant to Article L225-132, Part 6 of the French Commercial Code, the decision to issue MCB will automatically entail waiver by shareholders of their pre-emptive subscription right to the Company shares to which the MCB entitle them in the event of a redemption in shares;
- MCB have been listed for trading on the Euronext Paris regulated market and are tradable, as from 13 March 2017, under the ISIN code FR0013237070; and
- in the event of a capital increase, takeover, merger, demerger or issuance of new shares or securities giving access to the Company's equity, or other financial transactions involving a pre-emptive subscription right or reserving a priority subscription period to the benefit of Company shareholders, the Company will be entitled to suspend the redemption of MCB for a period of no more than three months or any other period set by applicable regulation.

Board of Directors' complementary report on the share capital increase without shareholders' preferential subscription rights for the benefit of a category of persons meeting specific criteria

Ladies and Gentlemen,

The Board of Directors implemented the delegation of authority granted by the seventh resolution of the shareholder's General Meeting of SoLocal Group (« **SoLocal** » or the « **Company** ») held on 15 December 2016 to proceed with a share capital increase of the Company without shareholders' preferential subscription rights, reserved to the creditors holding receivables against the Company under the credit agreement dated 24 October 24, as amended (the "**2006 Credit Agreement**").

This transaction was subject to a prospectus on which the French *Autorité des marchés financiers* granted on 1st December 2016 a *visa* under number n°16-564 (the « **Prospectus** »); the main terms and conditions of the transaction, as described in the Prospectus, are set out in annex to this report.

This share capital increase forms part of the implementation by the Company of its financial restructuring plan as provided for by the modification of its accelerated financial safeguard plan, ratified by the *Tribunal de Commerce of Nanterre* on 22 December 2016.

The issue of 80,542,087 shares subscribed by the Company's financial creditors by way of set-off with the corresponding portion of their receivable under the 2006 Credit Agreement, in connection with this share capital increase (the "**Creditors Shares**") has allowed the Company to partially reduce its indebtedness.

In accordance with the provisions of Articles L.225-129-5 and R. 225-116 of the French Code de commerce, we have prepared a complementary report to the Board of Directors' report which will be presented to the next General Meeting.

1. Overview of the decisions of the Company's corporate bodies and key features of the transaction

1.1 Shareholders' General Meeting held on 15 December 2016

The Company's shareholders' General Meeting held on 15 December 2016, voting in accordance with the quorum and majority of extraordinary general meetings, in its seventh resolution, has in particular delegated to the Company's Board of Directors, with the right to sub-delegate under the conditions set by law, for a period of 12 months as from the date of this General Meeting, its authority to decide to issue, without shareholders' preferential subscription rights, Creditors Shares with warrants for Company's shares (*bons de souscriptions d'action*) ("**Warrants**"), whether attached or not to such shares.

1.2 Decision of the Board of Directors dated 2 February 2017

Pursuant to the delegation of authority granted to it by the shareholders' General Meeting of 15 December 2016 in its seventh resolution, the Company's Board of Directors has decided, at its meeting of 2 February 2017, the principle of a capital increase, without shareholders' preferential subscription rights in favor of the financial creditors holding receivables against the Company under the 2006 Credit Agreement, for a total nominal amount (issue premium excluded) of 8,200,000 euros, by issuing a maximal number of 82,000,000 new shares of the Company and a maximum number of 46,000,000 Company's Warrants. It has also sub-delegated to Mr Jean-Pierre Remy, Company's Chief Executive Officer, all the necessary powers to decide to implement, announce and proceed with the capital increase without shareholders' preferential subscription rights (or, as the case may be, to postpone the issue) and determine the final terms and conditions of the transaction.

1.3 Decision of the Chief Executive held on 1 March 2017

On 1st March 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, has set the receivables of all the financial creditors holding receivables, held on the date of this decision, against the Company under the 2006 Credit Agreement for an aggregate amount of one billion one hundred fifty-seven million six hundred ninety-eight thousand six hundred and forty-one euro and eighty-nine cents (1,157,698,641.89) euros.

1.4 Decision of the Chief Executive held on 2nd March 2017 (amended by the decision of the Chief Executive held on 9 March 2017)

On 2 March 2017, Mr Jean-Pierre Remy, Company's Chief Executive, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, (i) has decided to proceed with the issue of 80,542,087 new ordinary shares for a nominal value of ten euro cents (0.10), for a subscription price of four euros and fifty-one cents (4.51), representing a capital increase for a nominal amount of eight million fifty-four thousand two hundred and eight euro and seventy cents (8,054,208.70) and a total amount of three hundred sixty-three million two hundred and forty-four thousand eight hundred and twelve euro and thirty-seven cents (363,244,812.37) (issue premium included) to be subscribed by way of set-off with the corresponding portion of the receivables of each creditor against the Company under the 2006 Credit Agreement and (ii) has determined in particular the list of beneficiaries of the issue of the Creditors Shares within the category of creditors and (iii) has acknowledged that, given that the amount of the capital increase with preferential subscription rights preserved subscribed in cash by the shareholders and assignees of shareholders' preferential subscription rights is greater than 250,000,000 euros, no Warrant will be issued.

1.5 Decision of the Chief Executive held on 13 March 2017

On 13 March 2017, Mr Jean-Pierre Remy, Company's Chief Executive Officer, acting pursuant to the sub-delegation of powers granted by the Board of Directors dated 2 February 2017, has acknowledged that 80,542,087 new shares, for an issue price of 363,244,812 euros were subscribed by the creditors, that each of the creditors has paid up all its subscription by way of set-off with the corresponding portion of its certain, due and payable receivables held by such creditor against the Company under the 2006 Credit Agreement, that the final completion of the capital increase without shareholders' preferential subscription rights took place on 13 March 2017, that the settlement and delivery of the issued Creditors Shares occurred on 13 March 2017 and that such Creditors Shares were admitted to trading on the regulated market of Euronext Paris.

2. Description of the impact of the issue on the position of the shareholders and holders of securities giving access to the share capital

2.1 Impact of the capital increase on shareholders' equity

By way of illustration, the impact (i) of the issuance of 398,484,781 ordinary shares of the Company in connection with the capital increase with preferential subscription rights preserved completed on 13 March 2017 (the "**New Shares**"), (ii) of the free allocation of 58,314,846 shares on 13 March 2017 to all the Company's shareholders recorded on 10 March 2017, at the ratio of three (3) shares for two (2) existing shares (the "**Free Shares**"), (iii) of the capital increase without

shareholders' preferential subscription rights for the benefit of the creditors holding receivables against on the Company under the 2006 Credit Agreement, by issuing 80,542,087 new shares for a total amount of 363,244,812 euros, and (iv) of the 9,067,200 new shares from the repayment of the mandatory convertible bonds ("**MCB**"), on the portion of Company's shareholders' equity per share (calculation based on the Company's shareholders' equity as of 31 December 2016 and a number of 38,876,564 shares making up the Company's share capital at 31 December 2016 including treasury shares) would be as follows:

	Portion of shareholders' equity per share (In euros)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	1.63	2.58
After the issue of 58,314,846 Free Shares	0.65	1.04
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	0.93	1.01
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	1.43	1.50
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	1.43	1.50 ⁽²⁾

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

2.2 Impact of the issue on the shareholder's position

By way of illustration, the impact of the issue of the New Shares, the Creditors Shares, the Free Shares and the new shares from

the repayment of the MCB on the shareholding in the capital of a shareholder owning 1% of the share capital of the Company prior to the issues to them (calculation based on 38,876,564 shares making up the Company's share capital as of 31 December 2016) is as follows:

	Shareholder interest (%)	
	Non-diluted basis	Diluted basis ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	1%	0.99%
After the issue of 58,314,846 Free Shares	1%	1%
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	0.20%	0.20%
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	0.17%	0.17%
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	0.17%	0.17% ⁽²⁾

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

2.3 Impact on the stock option beneficiaries' position

The right to exercise the stock options corresponding to the SoLocal Group plans which are exercisable has been suspended as from 2 February 2017 (0:01, Paris time), until no later than 1st May 2017 (23:59, Paris time) included in accordance with applicable laws and regulations as well as the provisions of the stock options plans.

A notice of suspension has been published in the *Bulletin des Annonces légales obligatoires* dated 25 January 2017 pursuant to Article R. 225-133 of the French Commercial Code and became effective on 2 February 2017 (0:01, Paris time).

The rights of the beneficiaries of stock options of all SoLocal Group stock option plans will be preserved in accordance with applicable laws and regulations and the respective provisions of the regulations of the stock options plans.

3. Theoretical impact on the issue of new shares on the current market value of a SoLocal Group share

Theoretical impact on the current market value of a SoLocal Group share, i.e. 2.63 euros (the volume weighted average share price of the SoLocal Group share during the 20 trading days

preceding 8 February 2017) would be as follows (calculated on the basis of shares making up the Company's share capital as at 31 December 2016):

	Number of shares (non-diluted basis)	Market value per share (in euros) (non-diluted basis)	Number of shares (diluted basis) ⁽¹⁾	Market value per share (in euros) (diluted basis) ⁽¹⁾
Prior to the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 new shares from the repayment of the MCB	38,876,564	2.63	39,096,134	2.63
After the issue of 58,314,846 Free Shares	97,191,410	1.05	97,410,980	1.05
After the issue of 58,314,846 Free Shares and 398,484,781 New Shares*	495,676,191	1.01	495,895,761	1.01
After the issue of 58,314,846 Free Shares, 398,484,781 New Shares* and 80,542,087 Creditors Shares	576,218,278	1.5	576,437,848	1.5
After the issue of 398,484,781 New Shares*, 58,314,846 Free Shares, 80,542,087 Creditors Shares and 9,067,200 MCB	576,218,278	1.5	585,505,048 ⁽²⁾	1.51 ⁽²⁾

* Including 272,650,250 new shares subscribed in cash by the shareholders and 125,834,531 new shares subscribed by way of set-off with receivables by the creditors.

(1) In the event of the exercise of all of the 219,570 stock options exercisable or not exercisable.

(2) In the event of the issue of 9,067,200 new shares from the repayment of MCB.

The market value (non-diluted basis after the issue of the New Shares, the Free Shares, the Creditors Shares and the MCB) has been obtained by taking the market capitalization before the transaction, corresponding to the volume weighted average share price of the SoLocal Group share during the 20 trading days preceding 8 February 2017 (i.e., 2.63 euros) multiplied by the total number of shares (i.e., 38,876,278 shares as at 31 December 2016), adding the estimated net proceeds of the issue of the New Shares, the Free Shares and the Creditors Shares (i.e., approximately 863.1 million euros) and dividing the whole by 576,218,278 corresponding to the sum of the number of shares as at 31 December 2016 (i.e., 38,876,564 shares) and the total number of shares resulting from the issue of the

New Shares, the issue of the Creditors Shares and the Free Shares (i.e., 537,341,714 new shares).

In accordance with the applicable laws and regulations, this complementary report is made available to the shareholders at the registered office of the Company and will be directly brought to the attention of the shareholders during the next General Meeting.

The Board of Directors

<p>Nature, category and identification number</p>	<p>The admission to trading on Euronext Paris of a maximal number of 82 000 000 Creditors Shares for a subscription price per share between 2.14 euros and 4.73 euros (the minimal subscription price would be 2.12 euros taking into account a maximal financial indebtedness of the Company of 1,172,000,000 euros as of the implementation date of the restructuring transactions), issued through a share capital increase without shareholders' preferential subscription rights reserved to the creditors holding receivables against the Company under the 2006 Credit Agreement.</p>
<p>Number of securities issued and their par value</p>	<p>80,542,087 Creditors Shares with a par value of ten cents (0.10) euros each, to be fully paid on the date of subscription.</p>
<p>Application for admission</p>	<p>Creditors Shares were subject to an application for admission to trading on Euronext Paris under ISIN code FR0012938884.</p>
<p>Net total amount of the issue's proceeds and total cost estimates with respect to the offering</p>	<p>Subscription to the Creditors Shares being by way of set-off with receivables, their issue will not generate any proceeds for the Company.</p>
<p>Offering purpose</p>	<p>The offering's purpose is to implement the financial restructuring of the Company. Subscription to the Creditors Shares being by way of set-off with receivables, their issue will not generate any proceeds for the Company. These transactions will allow to partially reduce the amount of the Company's residual gross indebtedness to 398 million euros. This issue will allow the Company to partially reduce its indebtedness in order to implement the strategic plan "Conquérir 2018".</p>
<p>Terms and conditions of the offer</p>	<p>Number of issued securities: 80,542,087 Creditors Shares</p> <p>Subscription period: Non applicable</p> <p>Subscription price: the Creditors Shares' subscription price with respect to this issue is four euros and fifty one cents (4.51) each, i.e. an issue of Creditors Shares for a total amount of three hundred sixty-three million two hundred forty-four thousand eight hundred twelve euros and thirty-seven cents (363,244,812.37) (issue premium included).</p> <p>Terms: issue without shareholders' preferential subscription rights reserved to the creditors holding receivables against the Company under the 2006 Credit Agreement, up to a portion of their receivables, pursuant to article L.225-138 of the French Commercial Code.</p> <p>The Creditors Shares were subject to an application to trading on Euronext Paris as from 13 March 2017.</p> <p>Independent expert report: the Company's board of directors decided to request the opinion of an independent expert on the fairness of the subscription price of the Creditors Shares and the MCB.</p> <p>The Didier Kling & Associés firm was engaged as independent expert. The independent opinion was disclosed on 30 November 2016.</p> <p>Underwriting: Non applicable</p> <p>Guarantee: Non applicable</p> <p>Exercise, lock-up or standstill commitment: the Creditors Shares have not been subject to any exercise, lock-up or standstill commitment.</p>

PRINCIPLES AND CRITERIA FOR THE DETERMINATION, ALLOCATION AND GRANTING OF THE COMPENSATION OF CORPORATE OFFICERS

This report, drawn up pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code, introduced by the Law no. 2016-1691 of December 9, 2016 ("Sapin 2 Law"), sets out the principles and criteria for the determination, allocation and granting of the fixed, variable and exceptional components of the total compensation and the benefits in kind of the corporate officers of SoLocal Group for the financial year 2017.

This report supersedes and replaces the previous one set out in chapter 15.4 of the Company's 2016 reference document (pages 109 to 112).

It is specified that all the amounts referred to in this report represent ceilings and that the total compensation and the benefits in kind granted to the corporate officers of SoLocal Group may be for lower amounts.

1 Principles and rules for determining the compensation and benefits granted to the corporate officers

The compensation of the corporate officers of the group is determined in compliance with the recommendations of the AFEP/MEDEF Corporate Governance Code, revised in November 2016, and the provisions of the Sapin 2 Law.

It is drawn up by the Board of Directors, on the proposal of the Remuneration and Appointments Committee, and submitted to the vote of the General Shareholders' Meeting.

It is subject to regular comparative studies in order to ensure the competitiveness and fairness of the compensation policy within the group.

The conditions of compensation of the corporate officers comprise firstly annual growth and personal operational effectiveness targets, and secondly long-term targets linked to the economic and financial performance of the group. They notably take account of the specificities of firms of the digital sector in the matter of compensation and retention of management staff.

During previous years, the Board of Directors wanted the variable compensation of the corporate officers to take account of their involvement in the issues of transformation of the organization, systems, offer and culture of the group.

In 2015, the targets of the corporate officers notably comprised the resolution of the 40 operational difficulties deemed the most critical for the smooth running of the company, and a target specifically relating to the transformation of the human resources of the group.

In 2016, the Board of Directors had upheld a target relating to the implementation of 25 simplification projects, with particular emphasis on the budget management of the activities of the group.

As the transformation of the group is now largely completed, the Board of Directors wanted the targets fixed for the corporate officers for the year 2017 to be based on the total shareholder return, in compliance with the commitment made by the General Shareholders' Meeting on December 15, 2016.

2 Compensation of the executive corporate officers

2.1 Annual compensation

2.1.1 Structure of the annual compensation

The annual compensation of the Chief Executive Officer and that of the Deputy Chief Executive Officer(s) comprise a fixed portion and a variable portion, the criteria for which are (i) partly common to all directors of the group ("common targets"), and (ii) partly individual ("individual targets").

It was the subject of a comparative study conducted by an independent consultancy in October 2016.

This study established that the level of fixed compensation of the corporate officers was based in the lowest quarter of fixed compensations awarded to directors of companies comparable by the size or the nature of the activity.

From this same study, it also emerged that the absolute level of total monetary compensation, both fixed and variable, was in line with the median of comparable firms.

2.1.2 Annual fixed compensation for 2017

For the financial year 2017, the fixed compensation of the Chief Executive Officer and the Deputy Chief Executive Officer(s) will amount respectively to 520,000 euros and 370,000 euros. The amount of this fixed compensation has not changed since 2013.

2.1.3 Annual variable compensation for 2017 payable in 2018

The criteria for the variable compensation of the corporate officers for the financial year 2017 payable in 2018 were set by the Board of Directors at its meetings of February 2, 2017 and May 22, 2017, on the proposal of the Remuneration and Appointments Committee, in line with the rollout of the "Conquer 2020" strategic plan.

Subsequently, considering the negative opinion expressed by the General Shareholders' Meeting on October 19, 2016 on the compensations for the financial year 2015, the Board of Directors wished to introduce an annual target linked to the financial performance of the company (total shareholder return) which aligns the variable portion and the long-term profit sharing of the corporate officers even further with the interest of the shareholders.

The criteria for assessment of the 2017 variable compensation of the Chief Executive Officer and the Deputy Chief Executive Officer(s) and their respective weight are summarized in the table below:

Concerning the Chief Executive Officer:

The Board of Directors fixed the 2017 target objective of the variable portion of the compensation of the Chief Executive Officer at 100% of the fixed compensation where targets are achieved, and which can vary between 0% and 200% of the fixed compensation, based on the following criteria:

	Min	Target	Max
Evolution of the aggregate EBITDA-CAPEX	0%	50%	100%
Growth in internet revenues 2017	0%	12.5%	25%
Evolution in number of Clients	0%	12.5%	25%
Total Shareholder Return	0%	25%	50%
TOTAL VARIABLE AS% OF FIXED COMPENSATION	0%	100%	200%

Concerning the Deputy Chief Executive Officer(s):

The Board of Directors fixed the 2017 target objective of the variable portion of the compensation of the Deputy Chief Executive Officer(s) at 60% of the fixed compensation where targets are achieved, and which can vary between 0% and 120% of the fixed compensation, based on the following criteria:

	Min	Target	Max
Evolution of the aggregate EBITDA-CAPEX	0%	24%	48%
Growth in internet revenues 2017	0%	10.5%	21%
Evolution in number of Clients	0%	10.5%	21%
Total Shareholder Return	0%	15%	30%
TOTAL VARIABLE AS% OF FIXED COMPENSATION	0%	60%	120%

Payment of the elements of variable compensation for the financial year 2017 to the Chief Executive Officer and the Deputy Chief Executive Officer(s) will be conditional on approval by the Ordinary Shareholders' General Meeting of the Company to be held in 2018.

2.1.4 Multi-year variable compensation

N/A.

2.1.5 Exceptional compensation

N/A.

2.2 Other elements of compensation and benefits in kind

2.2.1 Long-term profit sharing plan

History of the 2011-2014 plans

A performance share award plan was voted in April 2014 by the General Shareholders' Meeting for the financial years 2015, 2016 and 2017 with the criterion of growth in total revenues of the group, which had to be positive for the first tranche and greater than 3% for the second tranche. The total volume of shares awarded to the Chief Executive Officer and the Deputy Chief Executive Officer represented respectively 290,000 and 128,333 shares.

Considering the constraints linked notably to the accelerated decline in printed directories firstly, and the burden of the debt of the group and a digital transformation which has taken more time to produce its effects secondly, this performance condition was not achieved for the financial years 2015 and 2016.

As a reminder, the 2011 performance share plan was acquired in March 2014 and at the level of 42%, being the equivalent of 1,969 new shares for the Chief Executive Officer and 844 for the Deputy Chief Executive Officer. The 2012 plan was acquired in March 2015 and at the level of 70%, being 25,270 new shares for the Chief Executive Officer and 12,635 for the Deputy Chief Executive Officer.

Principles applicable for 2017

The free shares allocation plan that will be submitted for the vote of the General Shareholders' Meeting on June 13, 2017 has the objective

firstly of attracting and retaining the talents necessary to set up the "Conquer 2020" plan, and secondly of aligning their interests to those of the shareholders.

The Board of directors has set the conditions of this new free shares allocation plan based on the followings:

- the recommendations of the AFEP/MEDEF corporate governance code of June 2013, as amended in November 2016;
- a comparative study of practices with respect to long-term incentive (LTI) in companies comparable to the Company, drawn up by the consulting company Willis Tower Watson, which had been mandated for this purpose following the negative advisory vote on the remuneration of the Company's managers expressed by the Combined General Meeting dated 19 October 2016. This study, based on the review of two comparisons panels, i.e. (i) panel no. 1: SBF120 (for practices) or French groups comparable to the Company in terms of turnover, market capitalisation, workforce (for LTI levels allocated); and panel no. 2: international comparison (ii) panel used for the benchmark of the remuneration of corporate officers and members of the executive committee of the Company (for practices) or American groups comparable to the Company in terms of turnover, market capitalisation, workforce (for LTI levels allocated), was provided to the Board of Directors in March 2017;
- the specificity of the Company's business, the fact that a new operational phase is beginning and the necessity to define an extended beneficiaries perimeter (compared to the previous plan in 2014) in order to preserve the capacity of the Company to retain and motivate its associates, in the context of growth and acquisition of market shares which is that of the Company; and

● the proposal of the remuneration and appointments Committee. Subject to the approval of the General Shareholders' Meeting, the Board of Directors contemplates implementing in 2017 a share allocation plan for the benefit of the employees and corporate officers.

Conditions of performance of the plan

The Board of Directors will propose to the General Shareholders' Meeting that one criterion be upheld for allocating free shares: appreciation of the Company's stock market price such as the average Company's stock market price for the 60 days prior to the 3rd anniversary of the vesting date, plus any distribution during the period, be higher or equal to 1.81 euro. The performance condition would be deemed satisfied in the event of a change of control of the Company within the meaning of Article L.233-3 of the French Commercial Code (without prejudice to the obligation for the beneficiary to comply with the vesting period).

The above-mentioned amount of 1.81 euro corresponds to the upper limit of the range of the theoretical minimum stock price that has been determined as being between 1.53 euro and 1.81 euro by the independent expert, the Didier Kling & Associés firm, in its report dated 30 November 2016 drawn up in the context of the Company's financial restructuring. This threshold of 1.81 euro corresponds to a creation of value of 81% compared to the subscription price set for the capital increase with shareholders' preferential subscription rights preserved completed in March 2017 as part of the Company's financial restructuring.

This performance criterion, directly linked to the creation of value for the shareholders, is thus based on a TSR increase of more than 80% over 3 years, representing about three times the SBF 120 return assessed on average over 3 years periods between 2009 and 2016 (which was of 31%);

Mechanism for allocating performance shares

The performance share allocated in 2017 would be subject to a vesting period of three years (no holding period).

Subject to the completion of the performance condition, the shares will be vested by the beneficiaries only at the end of the vesting period, subject to a presence condition (being specified that the Board of Directors may decide, on a case-by-case basis and exclusively in the interest of the Group, whether the allocation will be upheld notwithstanding the non-compliance with this condition of presence).

Beneficiaries and provisional allotment amounts

The draft plan provides an allotment for the Chief Executive Officer and the Deputy Chief Executive Officer(s) of a volume equivalent to a total value of 200% of the fixed and variable compensation achieved.

In order to further combine the talents of the group, the number of beneficiaries would be significantly increased in relation to the previous allotment carried out in 2014 (200 beneficiaries vs 110).

It is proposed to authorize the Board of Directors to allot up to 1.9% of the share capital over the 12-month period.

2.2.2 Directors' fees

The Chief Executive Officer, if also a Director, receives directors' fees for his contribution to the works of the Board of Directors.

For the financial year 2016, the amount of directors' fees due to the Chief Executive Officer was 50,994 euros, and the amount paid 84,310 euros, as the directors' fees due for his contribution to the works of the Board of Directors during the financial year 2015 were paid in early 2016.

For the financial year 2017, the total annual envelope for directors' fees is 490,000 euros, and shall be divided between all directors in compliance with the distribution rules fixed by the Board of Directors and as described in Chapter 15 of the reference document.

The Deputy Chief Executive Officer(s) does not receive directors' fees.

2.2.3 Compensations, indemnities or benefits due or that may be due owing to new recruits

N/A.

2.2.4 Commitments made to the benefit of the executive corporate officers

All commitments made to the benefit of the executive corporate officers have been authorized by the Board of Directors and submitted for the approval of the Ordinary Shareholders' General Meeting in compliance with the provisions of Article L. 225-42-1 of the French Commercial Code, on the understanding that those made by the Company to the benefit of Christophe Pingard, for his office of Deputy Chief Executive Officer, are subject to the approval of the General Shareholders' Meeting of June 13, 2017.

Severance package

The Board of Directors decided to set up a severance package for the Chief Executive Officer and the Deputy Chief Executive Officer in the event they are forced to leave the Company because of a change in control or strategy or its implementation, the amount of which would be equal to their flat gross annual compensation (fixed and variable with objectives achieved), on condition that they had achieved at least 80% of their annual targets for the past three years. The severance package would only be paid after the Board of Directors of the Company has recorded the achievement of the applicable performance condition.

Non-competition indemnities

A non-competition obligation is stipulated in the event of termination of the appointment of Chief Executive Officer or Deputy Chief Executive Officer for any reason and in any form. This competition prohibition is limited to a period of 24 months beginning on the effective termination date, and covers the exercise of a professional activity competing with the Company's within all or a part of the French territory. The corresponding package is equal to 12 months' compensation calculated on the basis of the monthly average of total gross compensation paid for the 12 months' employment preceding the termination date. It would be paid to the Chief Executive Officer and the Deputy Chief Executive Officer in instalments of one-fourth of the total package at the end of every 6-month period. The Company will have the option to release the two beneficiaries from this non-competition clause by informing them of its decision no later than 15 calendar days after the Board meeting that noted or decided to terminate their appointment. The cumulative total of these two packages, severance and non-competition, may not exceed two years' compensation, fixed and variable.

2.2.5 Supplementary pension

The Chief Executive Officer and the Deputy Chief Executive Officer(s) benefit from a defined-contribution supplementary pension plan (Art 83 of the French General Tax Code) resulting from a contribution of 5.50% applied to tranches B and C of the compensation.

This contribution is paid at the rate of 40% by each of the beneficiaries, being 2.20%, and 60% by the company, being 3.30%.

2.2.6 Stock options

No stock option allotment is planned for 2017.

As a reminder, the number of stock options definitively allotted to the Chief Executive Officer, after recording the partial achievement of the performance conditions, was 9,450 and 7,717 options respectively for the plans of July 23, 2009 and July 27, 2010, authorized by the General Shareholders' Meeting of June 11, 2009.

2.2.7 Elements of compensation and benefits in kind due or that may be due under related-party agreements

N/A.

2.2.8 Any other element of compensation attributable owing to the office

N/A.

2.2.9 Benefits in kind

The Chief Executive Officer and the Deputy Chief Executive Officer(s) benefit from coverage by the company of unemployment insurance contributions (GSC), the amount of which is 12,164 euros for each of them.

They also benefit from a company car, the annual benefit of which is valued at 8,250 euros for the Chief Executive Officer and 7,279 euros for the Deputy Chief Executive Officer.

3 Compensation of non-executive corporate officers

The Chairman of the Board receives a fixed annual compensation of 90,000 euros for his appointment as Chairman of the Board of Directors, in the form of directors' fees.

He does not benefit from any other compensation or benefit.

4 Other information

On the date of this report:

- the Chief Executive Officer holds, with the people affiliated to him, 334,444 shares, including 203,832 shares subscribed on March 13, 2017 within the framework of the capital increase of SoLocal Group with preservation of the preferential subscription right, and 40,858 shares allotted free of charge considering the allotment to shareholders evidencing a registration in account of their shares on March 10, 2017, at the rate of 3 shares for 2 shares held;
- the Chairman of the Board of Directors holds, with the people affiliated to him, 637,546 shares, including 512,459 shares subscribed within the framework of this capital increase.

In the past, the Company has set up stock options and performance share allotment plans making it possible to reinforce the stake of the corporate officers in the share capital of the company.

The number of stock options granted to the Chief Executive Officer was 9,450 and 7,717 options respectively for the plans of July 23, 2009 and July 27, 2010, authorized by the General Shareholders' Meeting of June 11, 2009.

Within the framework of the performance share allotment plans of 2011, 2012 and 2013, 27,239 shares were definitively acquired by the Chief Executive Officer and 13,479 by the Deputy Chief Executive Officer after recording of the partial achievement of the performance conditions, adjusted following the 2014 capital increase and regrouping of the shares on October 26, 2015.

STATUTORY AUDITORS' REPORTS

Statutory auditors' report on the annual financial statements

For the year ended 31 December 2016

To the shareholders,

Pursuant to the task with which you have entrusted us at your General Shareholders' Meeting, we present our report on the following for the year ended 31 December 2016:

- our auditing of SoLocal Group's annual financial statements, as appended hereto;
- the justification of our assessments;
- the specific verifications and information required by law.

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

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with French auditing standards. These standards require that we plan and perform our audit so as to enable reasonable assurance about whether or not the annual financial statements are free of material misstatement. An audit consists of verifying, on a test basis or using other selection methods, the elements that support the amounts and information provided in the annual financial statements. It also consists of evaluating the accounting policies observed, the significant estimates used, and the overall presentation of financial statements. We believe that the information we collected is sufficient and appropriate to serve as a basis for our opinion.

We certify that the annual financial statements are, under French accounting principles and rules, correct and true and fairly present the results of the previous year's transactions and the company's financial position and assets at the end of that year.

Without qualifying the opinion expressed above, we bring to your attention the context of the financial debt restructuring described in the "Note on the going concern principle" set forth in Note 2 "Accounting rules and methods" to the consolidated financial statements.

II. Justification of assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code on the justification of our assessments, we call your attention to the following:

Your company's management makes estimates and assumptions that affect the amounts presented in its financial statements and the accompanying notes. Results may differ significantly from these estimates since actual business conditions may differ from expectations. In our auditing of the annual financial statements, we estimated that the company's equity interests (see Note 3.2

to the annual financial statements) involved the most significant estimates and required a justification of our assessments.

In accordance with the professional standards that govern the assessment of accounting estimates, we assessed, among other things, the data and assumptions used as the basis for the estimates of the value of the equity interests (and most notably the projected cash flows estimated by your company's operational departments), examined your company's calculations and the sensitivity of the main values in use, compared the accounting estimates of previous years with actual figures and reviewed management's procedure for approving these estimates.

As indicated in the first part of this report, the "Note on the going concern principle" set forth in Note 2 to the consolidated financial statements describes the debt restructuring currently being carried out at the company. We examined the measures implemented or to implement during the first quarter of 2017 in respect thereto. Based on our procedures and the information which has been provided to us as of the date hereof and, in the context of our appreciation of the accounting policies adopted by your company, we believe that the note in the appendix provides appropriate disclosures regarding the company's position in terms of the going concern principle.

These assessments were made within the framework of our overall audit of the annual financial statements and therefore served as a basis for our opinion, as expressed in the first part of this report.

III. Specific verifications and information

In accordance with professional standards in France, we also carried out the specific verifications required by law.

We have no matters to report regarding the fair presentation and consistency of the annual financial statements with the information provided in the management report from the Board of Directors and in the documents provided to shareholders on the financial position and the annual financial statements.

Concerning the information provided pursuant to Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by the corporate officers and any other commitments made to them, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information your company has obtained from companies that control your company or are controlled by it. On the basis of this work, we certify the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information on the acquisition of controlling interests and other equity investments and on the identity of the holders of share capital and voting rights have been provided in the management report.

Paris-La Défense and Neuilly-sur-Seine, 6 February 2017

Statutory Auditors

BEAS
An organisation of the Deloitte network

Joël Assayah

AUDITEX
Member of the Ernst & Young network Global Limited

Vincent de La Bachelerie

Statutory auditors' report on the consolidated accounts

Financial year ended 31 December 2016

To the shareholders,

Pursuant to the task with which you have entrusted us at your General Shareholders' Meeting, we present our report on the following for the year ended 31 December 2016:

- our audit of SoLocal Group's consolidated financial statements as appended hereto;
- the justification of our assessments;
- the specific verification required by law.

The approval of the consolidated financial statements is the Board of Directors' responsibility. It is our responsibility, on the basis of our audit, to express an opinion on these financial statements.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with French auditing standards. These standards require that we plan and perform our audit so as to enable reasonable assurance about whether or not the consolidated financial statements are free of material misstatement. An audit consists of verifying, on a test basis or using other selection methods, the elements that support the amounts and information provided in the consolidated financial statements. It also consists of evaluating the accounting policies observed, the significant estimates used, and the overall presentation of financial statements. We believe that the information we collected is sufficient and appropriate to serve as a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and net income of the consolidated companies and entities, in accordance with IFRS standards as adopted in the European Union.

Without qualifying the opinion expressed above, we bring to your attention the context of the financial debt restructuring described in the "Note on the going concern principle" set forth in Note 2 "Context of publication and basis for preparation of the 2016 consolidated financial statements" in the appendix of the consolidated financial statements.

II. Justification of assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code on the justification of our assessments, we call your attention to the following:

As specified in Note 2 to the consolidated financial statements, your company's management makes estimates and assumptions that affect the amounts presented in its financial statements and the accompanying notes. Note 2 also indicates that results may differ significantly from these estimates, since actual business conditions may differ from expectations. In our auditing of the consolidated financial statements as at 31 December 2016, we estimated that the accounts that involved the most significant estimates and required a justification of our assessments were goodwill, provisions for risks and contingencies relating to disputes linked to your company's reorganisation, salesmen remuneration debts, acquisition costs of contracts, and employee benefits.

In accordance with the professional standards that govern the assessment of accounting estimates, we focused mainly on the following:

- with respect to goodwill: the data and assumptions on which the estimates are founded and in particular, the definition of cash-generating units and the projected cash flows estimated by your company's operational departments. We examined your company's calculations and the sensitivity of the main values in use and examined the principles and methods used to determine fair values;
- with respect to the disputes brought by the former employees following confirmation of invalidation of the employment protection plan by the Council of State, the legal arguments, the data and assumptions on which the estimates are based, particularly the estimated number of months of compensation to be paid and the unit average cost;
- with respect to salesmen remuneration debts, the data and assumptions on which the estimates are based, particularly the attainment of performance targets and the reliability of the underlying information systems;
- with respect to the acquisition costs of contracts: the nature of the costs capitalised and whether their capitalisation is justified, and the data and assumptions on which the estimates are based;
- with respect to personnel benefits: the method used to determine provisions. Our work consisted in examining the data used, assessing actuarial assumptions, reviewing calculations and ensuring that Notes 3.16 and 23 to the consolidated financial statements provide appropriate information.

As indicated in the first part of this report, the Note on the going concern principle set forth in Note 2 to the consolidated financial statements describes the debt restructuring currently being carried out at the company. We examined the measures implemented or to implement during the first quarter of 2017 in respect thereto. Based on our procedures and the information which has been provided to us as of the date hereof and, in the context of our appreciation of the accounting policies adopted by your company, we believe that the "Going concern" note and Note 25 "Cash and cash equivalents, net borrowings" in the consolidated financial statements provide appropriate disclosures regarding the company's position in terms of the going concern principle and the consequences of the financial restructuring on the loan issue costs included in its debt at the closing date.

These assessments were made within the framework of our overall audit of the consolidated financial statements and therefore served as a basis for our opinion, as expressed in the first part of this report.

III. Specific verification

In accordance with professional standards in France, we also carried out the specific verification required by law on the information concerning the group provided in the management report.

We have no matters to report regarding the fair presentation of this information or its consistency with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, 6 February 2017

Statutory Auditors

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AUDITEX

Member of the Ernst & Young network Global Limited

Vincent de La Bachelerie

Statutory Auditors' special report on regulated agreements and commitments

To the shareholders,

In our capacity as your Company's auditors, we present below our report on regulated agreements and commitments.

Based on the information provided, we are required to report to shareholders on the characteristics, main terms and conditions of and the grounds for the Company's interest in the agreements and commitments that have been disclosed to us or which were brought to light as a result of our assignment, without commenting on their relevance or substance and without determining whether other such agreements or commitments exist. Under Article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

We are also required as necessary to report to you the information set out in Article R. 225-31 of the French Commercial Code regarding operations carried out during the financial year under agreements and commitments approved by the General Shareholders' Meeting in previous years.

We have performed those duties deemed necessary by us in accordance with the professional guidelines of France's national auditing body, the CNCC, as applicable to this assignment. These measures consisted of verifying the consistency of the information given to us with the contents of the source documents.

Agreements and commitments submitted for the approval of the General Shareholders' Meeting

We hereby inform you that we have not been notified of any agreements or commitments authorized during the past financial year that are to be submitted for the approval of the General Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the General Shareholders' Meeting

Agreements and commitments approved in previous years

- a) the implementation of which took place during the past financial year;

We hereby inform you that we have not been notified of any agreements or commitments already approved by the General Shareholders' Meeting that were implemented during the past financial year.

- b) that were not implemented during the past financial year

We were, incidentally, informed that the following agreements and commitments, which were approved by shareholders in previous years, were still in effect in the past financial year.

1. With Mr Jean-Pierre Remy, your Company's Chief Executive Officer

Nature and purpose

At its meetings of May 17, 2009 and March 10, 2014, the Board of Directors authorized the terms and conditions of Mr Jean-Pierre Remy's appointment as Chief Executive Officer. These terms and conditions relating to the commitments made in favor of Mr Jean-Pierre Remy relate to a severance payment and/or an allowance in return for a non-competition clause from which the latter benefits.

Terms and conditions

The remuneration and other terms and conditions of Mr Remy's appointment were proposed by the Remuneration Committee on May 17, 2009.

Mr Remy will be entitled to your Company's current supplementary pension scheme, to "mutual" life and health insurance plans under the same terms that apply to the Company's management staff, or to a similar plan, and to civil liability insurance.

Mr Remy may receive severance pay if he is forced to leave the Company as a result of a change in its control or strategy, or of a change in the execution of its strategy. The amount of this severance pay would be equivalent to his annual gross remuneration (both fixed and variable with targets achieved), provided that Mr Remy has achieved at least 80% of his objectives over the last three years. The severance payment would not be made until the Board of Directors has verified that Mr Remy's performance obligation, as amended, has been achieved.

A non-competition obligation will come into effect if Mr Remy ceases to be the Company's Chief Executive Officer. The terms of the compensation provided in consideration of this obligation are identical to those that were approved at the General Shareholders' Meeting of June 10, 2010. This obligation would not exceed twenty-four months and would cover all of France.

The combined total of the severance payment and the non-competition compensation may not exceed two years of fixed and variable remuneration.

Your Company will have the option to release Mr Remy from this non-competition clause by informing him of its decision to do so no later than fifteen calendar days after the Board of Directors' meeting where the termination of Mr Remy's term of office as Chief Executive Officer is acknowledged or decided.

2. With Mr Christophe Pingard, your Company's Deputy Chief Executive Officer

Nature and purpose

On October 26, 2011 and December 13, 2016, your Board of Directors set forth the terms and conditions of Mr Christophe Pingard's appointment as Deputy Chief Executive Officer.

Terms and conditions

The remuneration and other terms and conditions of our Deputy Chief Executive Officer, Mr Christophe Pingard's appointment were authorized by your Board of Directors at its meetings of October 20, 2011.

Mr Christophe Pingard's will be entitled to your Company's current supplementary pension scheme, to "mutual" life and healthcare insurance plans under the same terms that apply to the Company's management staff, or to a similar plan, and to civil liability insurance.

Mr Pingard may receive severance pay if he is forced to leave the Company as a result of a change in its control or strategy, or of a change in the execution thereof. This severance pay would be equal to twelve months of remuneration at the average monthly rate of the

total gross remuneration over the last twelve months of his term of office. If he leaves before the end of the first year after being hired, this severance pay will be equal to six months of remuneration at the average monthly rate of the total gross remuneration he will have received.

A non-competition obligation will come into effect if Mr Pingard ceases to be Deputy Chief Executive Officer for any reason and in any way whatsoever. This obligation would not exceed twenty-four months and would cover all of France.

The compensation to be paid in consideration for observing this non-competition obligation for twenty-four months would be twelve months of remuneration at the average monthly rate of the total gross remuneration over the last twelve months of Mr Christophe Pingard's term of office as Deputy Chief Executive Officer. One fourth of this compensation would be paid to Mr Pingard at the end of each six-month period.

When Mr Pingard's employment is terminated, the Company may waive the non-competition obligation, in which case it will not have to pay the corresponding compensation.

Neuilly-sur-Seine and Paris-La Défense, March 15, 2017

Statutory Auditors

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Vincent de La Bachelerie

Report of the Statutory Auditors on the capital increase reserved for the members of a Company Savings Plan

Combined Shareholders' Meeting of 13 June 2017

FIFTEENTH RESOLUTION

Dear Shareholders,

In our capacity as Statutory Auditors of your company and in implementation of the assignment covered by Articles L.225-135 and following of the Commercial Code, we submit our report on the proposal of delegating to the Board of Directors the authority to decide on a capital increase through the issue of ordinary shares, with cancellation of the pre-emptive subscription right, reserved for the employees and former employees who belong to the SoLocal Group Savings Plan, for a maximum nominal amount of 1,150,000 euros. You are asked to vote on this operation.

This capital increase is submitted for your approval in application of the provisions of Articles L. 225-129-6 of the Commercial Code and L. 3332-18 and following of the Labour Code.

The Board of Directors proposes, based on its report, that you delegate to it for a period of twenty-six months starting from the day of this Meeting, the authority to decide on a capital increase and to cancel your pre-emptive subscription right on the ordinary shares that will be issued. If need be, they will establish the final terms and conditions of issue of this operation.

The Board of Directors will prepare a report in conformity with Articles R. 225-113 and R.225-114 of the Commercial Code. We are required to give our opinion on the sincerity of the figures taken from the

accounts, on the proposal to eliminate the pre-emptive subscription right and on certain other information concerning the issue, provided in that report.

We have exercised the due diligence that we considered necessary following the professional guidance issued by the National Auditing Body with regard to this assignment. This due diligence consisted in verifying the contents of the Board of Directors' report relative to this operation and the methods for determining the issue price of the shares.

Subject to further study of the terms and conditions of the capital increase which will be decided, we have no comments to make regarding the methods for determining the issue price of the ordinary shares to be issued provided in the Board of Directors' report.

The definitive terms and conditions under which the capital increase will be carried not having been established, we are not expressing our opinion on them and, as a result, on the proposal being made to you to cancel the pre-emptive subscription right.

In conformity with Article R. 225-116 of the Commercial Code, we will draft an additional report, if need be, at the time this delegation is used by the Board of Directors.

Paris-La Défense and Neuilly-sur-Seine, 19 May 2017

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Vincent de La Bachelerie

Report of the Statutory Auditors on the authorization to allocate free shares, existing or yet to be issued

Combined Shareholders' Meeting of 13 June 2017

SIXTEENTH RESOLUTION

Dear Shareholders,

In our capacity as Statutory Auditors of your company (the "Company") and in implementation of the assignment covered by Article L.225-197-1 of the French Commercial Code, we hereby submit our report to you on the draft authorization to allocate free shares, existing or yet to be issued, subject to a performance condition, to the benefit of the employees or the corporate officers of the Company or of French or foreign companies and groups which are linked to it as defined by Article L.225-197-2 of the French Commercial Code, or certain categories among them. You are asked to vote on this operation.

The total number of shares which can be allocated free under the terms of this authorization, including to the corporate officers of the Company, cannot be more than 1.9% of the share capital of the Company on the date of this General Shareholders' Meeting. It must be specified that the shares allocated free to the corporate officers of the Company cannot represent more than 0.7% of the Company's share capital on the date of this General Shareholders' Meeting.

The Board of Directors proposes, based on its additional report, that you authorize it, for a period of 12 months starting from the day of this General Shareholders' Meeting, to allocate free shares, existing or yet to be issued.

The Board of Directors will draft a report on this operation that it hopes it can carry out. We are required to give you, if need be, our comments on the information that is being given to you on the anticipated operation.

We have exercised the due diligence that we considered necessary following the professional guidance issued by the National Auditing Body with regard to this assignment.

This due diligence consisted in particular in checking that the methods envisaged and provided in the Board of Directors' additional report fall within the scope of the provisions provided for by the law.

We do not have any comments to make on the information provided in the Board of Directors' additional report relative to the operation envisaged of authorization for free share allotments.

Paris-La Défense and Neuilly-sur-Seine, 22 May 2017

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Report of the Statutory Auditors on the authorization to allocate existing shares or those to be issued

Combined Shareholders' Meeting of 13 June 2017

RESOLUTION C

Dear Shareholders,

In our capacity as Statutory Auditors of your company (the "Company") and in implementation of the assignment covered by Article L. 225-197-1 of the Commercial Code, we hereby submit our report to you on the draft authorization, proposed by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy, and other shareholders of the Company who joined together with them on their request, to allocate free shares, existing or yet to be issued, subject to a performance condition, to the benefit of the employees or the corporate officers of the Company or of French or foreign companies and groups which are linked to it as defined by Article L.225-197-2 of the Commercial Code, or certain categories among them. You are asked to vote on this operation.

The total number of shares which can be allocated free under the terms of this authorization, including to the corporate officers of the Company, cannot be more than 1% of the share capital of the Company on the date of this General Shareholders' Meeting per 12-month period and more than 3% of the share capital of the Company in total. It must be specified that the shares allocated free to the corporate officers of the Company cannot represent in total more than 0.1% of the Company's share capital on the date of this General Shareholders' meeting per 12-month period and more than 0.3% of the Company's share capital in total.

It is proposed that your Board of Directors, based on its report dated 24 April 2017, authorizes it, for a period of 38 months starting from the day of this General Shareholders' Meeting, to allocate free shares, existing or yet to be issued.

Pursuant to Article L. 225-197-1 of the French Commercial Code, the Board of Directors is required to draft a report on this operation. We are required to give you, if need be, our comments on the information that is being given to you on the anticipated operation, in the draft text of this resolution and in the corresponding statement of reasons filed by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy, and other shareholders of the Company who joined together with them on their request, and set out in the Board of Directors' additional report.

We have exercised the due diligence that we considered necessary following the professional guidance issued by the National Auditing Body with regard to this assignment.

This due diligence consisted in particular in checking that the methods envisaged and provided in the draft text of this resolution filed by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy, and other shareholders of the Company who joined together with them on their request, and in the corresponding statement of reasons set out in the Board of Directors' additional report, fall within the scope of the provisions provided for by the law.

We do not have any comments to make on the information provided in the draft text of this resolution filed by Mr Pierre-Henri Leroy and Mrs Bénédicte Leroy, and other shareholders of the Company who joined together with them on their request, and in the corresponding statement of reasons set out in the Board of Directors' additional report relative to the operation envisaged of authorization to allocate free shares.

Neuilly-sur-Seine and Paris-La Défense, on April 11, 2017

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Statutory Auditors' reports on the use of the delegations granted by the SoLocal Group's Extraordinary General Meeting of 15 december 2016

Board of Directors' meeting held on March 29, 2017 formally recording the decisions of the Chief Executive Officer of March 1, 2 and 13, 2017 made by virtue of powers sub-delegated by the Board of Directors on February 2, 2017.

Supplementary report of the Statutory Auditors on the issue of mandatory convertible bonds, with elimination of pre-emptive subscription rights

To the Shareholders,

In our capacity as Statutory Auditors of the Company and pursuant to Article R. 225 116 of the French Commercial Code, we hereby present a report supplementing our report of November 24, 2016 on the issue of mandatory convertible bonds ("MCBs") with elimination of pre-emptive subscription rights reserved to financial creditors holding credit claims against the Company under the credit facility agreement dated October 24, 2006 as amended by amendments (the "2006 Credit Facility Agreement"), authorized by the Extraordinary Shareholders' meeting of December 15, 2016 in its sixth resolution.

The Shareholders' meeting delegated authority to the Board of Directors to resolve on the transaction within a deadline of twelve months, for a maximum amount of 202,000,000 euros. By exercise of the delegated power, the Board of Directors resolved at its meeting of February 2, 2017 on an in-principle issue of a maximum number of 101,000,000 MCBs each of a nominal value of 2 euros, with elimination of pre-emptive subscription rights reserved to financial creditors holding credit claims against the Company under the Credit Facility Agreement of 2006, and sub-delegated to the Chief Executive Officer, all necessary powers to decide on issue of the MCBs and to establish the final conditions for the transaction.

The Chief Executive Officer, in exercise of the sub-delegated powers, decided on March 2, 2017 to issue at par 9,067,200 MCBs each of a nominal value of 2 euros. Each MCB may be redeemed, under the conditions set forth in the Board of Directors' report, either by allotment of a one new share in the company of a nominal value of 0.10 euros, or by payment of an amount equivalent to the nominal value of an MCB, that is, 2 euros. The maximum amount of the capital increase that may result from redemption of the MCBs is 906,720 euros.

On March 13, 2017, the Chief Executive Officer recorded the final implementation of the issue of 9,067,200 MCBs, each of the creditors paying its subscription in full by set-off up to the corresponding proportion of its certain, of a fixed amount and due credit claim against the Company under the 2006 Credit Facility Agreement.

It is the responsibility of the Board of Directors to prepare a supplementary report pursuant to Article R. 225-115 of the French Commercial Code. It is our duty to state our opinion on the truthfulness of the statistical information taken from the financial statements, on the proposal for elimination of the pre-emptive subscription rights and on certain other information concerning the issue given in this report.

We conducted the diligences we deemed necessary having regard to the professional doctrine of the National Auditors' Association as relevant to this assignment. These diligences consisted notably in verifying:

- the truthfulness of the statistical information taken from the annual financial statements prepared by the Board of Directors. The financial statements were audited by us according to the standards of professional practice applicable in France;
- the compliance of the procedures for the transaction having regard to the delegated powers conferred by the Shareholders' meeting;
- the information given in the supplementary report of the Board of Directors on the choice of information for calculating the issue price and its final amount.

We have no observations to make on:

- the truthfulness of the statistical information taken from the financial statements and given in the Board of Directors' supplementary report, it being specified that the annual financial statements have not yet been approved by this Shareholders' meeting;
- the compliance of the procedures for the transaction having regard to the delegated powers conferred by the Extraordinary Shareholders' meeting of December 15, 2016 and the information provided to shareholders.

The supplementary report of the Board of Directors calls for our following observation: as we indicated in our first report dated November 24, 2016 presented to the Extraordinary Shareholders' meeting of December 15, 2016, the methods for calculating the issue price of the equity securities to be issued resulted, on the date of preparation of our report, from discussions conducted with the group of creditors, with whom an in-principle agreement was reached on August 1, 2016 and amended by the in-principle agreement of November 3, 2016.

In consequence, we cannot state an opinion on the choice of information for calculating the issue price and its amount, on the presentation of the influence of the issue on the situation of the holders of equity securities and securities giving access to capital assessed in relation to total equity and on the stock market price of the share, and therefore, on the elimination of the pre-emptive subscription rights on which you previously announced an opinion.

Neuilly-sur-Seine and Paris-La Défense, on April 11, 2017

Statutory Auditors

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Vincent de La Bachelerie

Board of Directors' meeting held on March 29, 2017 formally recording the decisions of the Chief Executive Officer of March 1, 2, 9 and 13, 2017 made by virtue of powers sub-delegated by the Board of Directors on February 2, 2017.

Supplementary report of the Statutory Auditors on the capital increase by the issue of Creditors' Shares, with elimination of pre-emptive subscription rights (PSR)

To the Shareholders,

In our capacity as Statutory Auditors of the Company and pursuant to Article R. 225 116 of the French Commercial Code, we hereby present a report supplementing our report of November 24, 2016 on the issue, with elimination of pre-emptive subscription rights, of new shares (the "Creditors' Shares") and share subscription warrants (the "Creditors' Share Subscription Warrants") attached or otherwise to said shares, reserved to financial creditors holding credit claims against the Company under the credit facility agreement dated October 24, 2006 as amended by amendments (the "2006 Credit Facility Agreement"), authorized by the Extraordinary Shareholders' meeting of December 15, 2016 in its seventh resolution.

The Shareholders' meeting delegated authority to the Board of Directors to resolve on the transaction within a deadline of twelve months, for a maximum nominal amount of €8,200,000 (excluding the capital increase consecutive on exercise of the Creditors' Share Subscription Warrants). By exercising its delegated powers, the Board of Directors, at its meeting on February 2, 2017 decided on an in-principle capital increase with elimination of pre-emptive subscription rights, reserved to financial creditors holding credit claims against the Company under the 2006 Credit Facility Agreement, by the issue of a maximum number of 82,000,000 Creditors' Shares backed up by a maximum number of 46,000,000 Company Share Subscription Warrants; in addition, it sub-delegated to the Chief Executive Officer all powers necessary to decide on implementation, announce and initiate the capital increase with elimination of the pre-emptive subscription rights and to establish the final conditions for the transaction.

In exercise of the sub-delegated powers, the Chief Executive Officer decided on March 2, 2017 (decision amended on March 9, 2017) to issue 80,542,087 new ordinary shares each of nominal value 0.10 euros for a unit subscription price of 4.51 euros, that is, a capital increase of a nominal amount of 8,054,208.70 euros, and recorded that insofar as the amount of the capital increase with retention of the pre-emptive subscription rights in cash by shareholders and the assignees of pre-emptive subscription rights exceeded 250,000,000 euros, no Creditor Share Subscription Warrants need be issued.

On March 13, 2017, the Chief Executive Officer recorded the final implementation of the capital increase by the issue of 80,542,087 ordinary shares, each of the creditors paying its subscription in full by set-off up to the corresponding proportion of its certain, of a fixed amount and due credit claim against the Company under the 2006 Credit Facility Agreement.

It is the responsibility of the Board of Directors to prepare a supplementary report pursuant to Articles R. 225-115 and R. 225-116 of the French Commercial Code. It is our duty to state our opinion on the truthfulness of the statistical information taken from the financial statements, on the proposal for elimination of the pre-emptive

subscription rights and on certain other information concerning the issue given in this report.

We conducted the diligences we deemed necessary having regard to the professional doctrine of the National Auditors' Association as relevant to this assignment. These diligences consisted notably in verifying:

- the truthfulness of the statistical information taken from the annual financial statements prepared by the Board of Directors. The financial statements were audited by us according to the standards of professional practice applicable in France;
- the compliance of the procedures for the transaction having regard to the delegated powers conferred by the Shareholders' meeting;
- the information given in the supplementary report of the Board of Directors on the choice of information for calculating the issue price and its final amount.

We have no observations to make on:

- the truthfulness of the statistical information taken from the financial statements and given in the Board of Directors' supplementary report, it being specified that the annual financial statements have not yet been approved by this Shareholders' meeting;
- the compliance of the procedures for the transaction having regard to the delegated powers conferred by the Extraordinary Shareholders' meeting of December 15, 2016 and the information provided to shareholders.

The supplementary report of the Board of Directors calls for our following observation: as we indicated in our first report dated November 24, 2016 presented to the Extraordinary Shareholders' meeting of December 15, 2016, the methods for calculating the issue price of the Creditors' Shares to be issued resulted, on the date of preparation of our report, from discussions conducted with the group of creditors, with whom an in-principle agreement was reached on August 1, 2016 and amended by the in-principle agreement of November 3, 2016. The choice of information for calculating the issue price for the Creditors' shares and its final amount also resulted from these discussions.

In consequence, we cannot state an opinion on the choice of information for calculating the issue price and its amount, on the presentation of the influence of the issue on the situation of the holders of equity securities and securities giving access to capital assessed in relation to total equity and on the stock market price of the share, and therefore, on the elimination of the pre-emptive subscription rights on which you previously announced an opinion.

Neuilly-sur-Seine and Paris-La Défense, on April 11, 2017

Statutory Auditors

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Vincent de La Bachelerie

NOTES

REQUEST FOR DOCUMENTS

Return this document, duly completed and signed, directly to:

SOLOCAL GROUP – RELATIONS ACTIONNAIRES (SHAREHOLDER RELATIONS)

204 ROND-POINT DU PONT DE SÈVRES – 92649 BOULOGNE-BILLANCOURT CEDEX

Combined General Shareholders' Meeting of SoLocal Group to be held on 13 June 2017

Mr. Mrs. Miss

First and last names:

Address:

Postcode:Town or City:

E-mail address:

Registered account number:

In accordance with the provisions of Article R. 225-88 of the French Commercial Code, I request SoLocal Group to send me all the documents and information about the Combined General Shareholders' Meeting to be held on 13 June 2017, as listed in Article R. 225-83 of the French Commercial Code.

- In my capacity as an owner of registered shares, I also request that a proxy form and the documents and information referred to in Articles R. 225-81 and R. 225-83 of the French Commercial Code be sent to me at the time of each subsequent Shareholders' Meeting.
- In my capacity as an owner of shares, all in bearer form (this section should not be completed by shareholders who hold registered shares).

I represent that these shares are registered in an account held by:

Name and address of your financial intermediary:

an authorized intermediary, and that the certificate issued by such intermediary certifying that the shares were registered no later than 9 June 2017 at 00:00 (Paris time), was deposited at SoLocal Group, the depositary designated in the notice of meeting (Articles R. 225-85 and R. 225-88 of the French Commercial Code).

Executed in on 2017,

Signature:

REQUEST THAT DOCUMENTS BE SENT ELECTRONICALLY

Form to be sent to:

BNP PARIBAS SECURITIES SERVICES, CTS ASSEMBLÉES

GRANDS MOULINS DE PANTIN

9 RUE DU DÉBARCADÈRE – 93761 PANTIN CEDEX

Documents for participating in General Shareholders' Meetings to be sent to holders of registered shares⁽¹⁾

SoLocal Group is aware of its responsibilities with respect to the environment and has decided to limit, to the extent possible, the use of paper in its communications.

That is why this form has been sent to you.

We hope that many of you will join us in this socially responsible measure.

You may register directly on our dedicated Planetshares website (<https://planetshares.bnpparibas.com>) to request any documents you wish.

I request that starting with the first General Shareholders' Meeting in 2018 you send me by e-mail, to my e-mail address indicated below, my Notice of Meeting and the documents for participating in the SoLocal Group general meetings.

I expressly authorize SoLocal Group (or its representative if applicable) to send me by e-mail all communications concerning SoLocal Group corporate matters.

Mr Mrs Miss

First and last names:

Address:

Postcode: Town or City:

E-mail address:

Registered account number:

Executed in on 2017,

Signature:

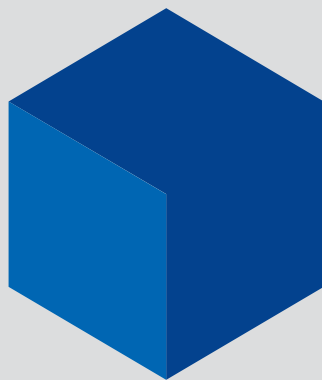
If at any time you decide that you once again wish to receive your Notice of Meeting and the documents for participating in General Meetings by post, please inform us by registered letter with acknowledgment of receipt.

Registered office: 204 Rond-Point du Pont de Sèvres – 92649 Boulogne-Billancourt Cedex

Telephone: 0800 81 84 54 (Freephone number)

E-mail address: actionnaires@solocalgroup.com – www.solocalgroup.com

(1) This possibility is available only to registered shareholders of SoLocal Group. Photo credits: © Gettyimages/Musketeer.



Solocal
GROUP

SOLOCAL GROUP

Public limited company with a capital of 57939014,70 euros
Commercial and Companies Register Nanterre 552 028 425

Head office:

204 Rond-Point du Pont de Sèvres - 92649 Boulogne-Billancourt Cedex

▶ N°Vert 0 800 81 84 54

actionnaires@solocalgroup.com

www.solocalgroup.com