8.3 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL MEETING AND STATEMENT OF THE REASONS FOR THE RESOLUTIONS

Ladies and Gentlemen, dear Shareholders,

This report is part of the management report of the Board of Directors for the General Meeting of April 18, 2013.

Earnings for the year

The consolidated and individual financial statements are included in this registration document and annual financial report, chapter 4, page 101.

Information on the capital

See chapter 6, page 201 of this registration document and annual financial report.

Acquisition and disposal of holdings

See chapter 3, page 97 of this registration document and annual financial report.

Resolutions submitted by the Board of Directors to the General Meeting – Ordinary business

Your Statutory Auditors will provide you with their reports on the accounts for 2012 and on agreements and undertakings relative to Article L. 225-38 of the French Commercial Code. See chapter 5, page 188 of this registration document and annual financial report.

In the resolutions that are submitted to you, we propose that you:

- **approve the individual and consolidated financial statements for 2012, as well as the transactions recorded in the statements;**

Market trends, activities, results and financial results of TF1 SA over the past five years are set forth in the management report of the Board of Directors, in this registration document and annual financial report (chapter 3, page 71).

- **approve the regulated agreements and undertakings;**

These resolutions concern the approval of the related-party agreements and undertakings described in Article L. 225-38 of the Commercial Code, mentioned in the Statutory Auditors' special report, excluding routine operations, decided by the Board and in particular those entered between the company and other companies with Directors or officers in common, or between the company and shareholders owning more than 10% of capital.

Related-party agreements and undertakings, submitted to the vote of the Combined General Meeting of April 18, 2013, are covered by separate resolution. One resolution covers related-party agreements and undertakings between TF1 and Bouygues. Another resolution relates to related-party agreements and undertakings to which Bouygues is not a party.

Process for authorising regulated agreements and undertakings

French legislation on related-party agreements, which cover both agreements and undertakings, is intended to prevent any conflicts of interest that may arise for a Director and/or a major shareholder entering into agreements with the company.

These agreements are subject to the prior authorisation of the Board of Directors on the terms stipulated by the relevant legislation. The Board of Directors takes cognisance of the agreements entered into by a Group company, and agreements between the company and other companies

with Directors or officers in common, or between the company and shareholders owning more than 10% of capital. Significant related-party transactions are reviewed by the Board of Directors of TF1, which considers the value of each agreement to TF1 and its group, and the associated financial terms. The preceding provisions do not apply to agreements relating to routine operations entered into on conventional terms.

The Board of Directors of TF1 takes the decision to sign or renew such agreements at its beginning - and end-of-year meetings. Directors concerned by the agreements do not take part in the vote. The Statutory Auditors are given notice of new agreements concluded over the course of the year and ongoing agreements authorised in previous years.

Agreements are then submitted to the TF1 Annual General Meeting for approval after having read the report of the Statutory Auditors. When the Meeting votes on the resolutions, quorum and majority are determined by deducting the number of shares held by the persons concerned by the agreements.

Types of regulated agreements and undertakings

The agreements of assistance represent most of these agreements presented in the Statutory Auditors' special report. TF1 Directors considered it relevant and financially more advantageous for TF1 to be able access the expert services of Bouygues. Similarly, it seemed appropriate to TF1 Directors for TF1 subsidiaries to be able to benefit from TF1's corporate services.

Description of the agreements and undertakings between TF1 and its subsidiaries

The related-party agreements between TF1 and its subsidiaries, described in the Statutory Auditors' special report on such agreements, relate to:

- permanent access by the subsidiaries to TF1 corporate services (management, HR, counsel, finance and strategy). Access to these functions is invoiced to each subsidiary in proportion to its headcount and individual-company revenues. The total amount invoiced for the year ended December 31, 2012 was €13.5 million. Additional services provided on request are invoiced on an arm's length basis,
- business management leases and commercial leases.

Under an agreement dated October 12, 2005, LCI may in the event of a major breaking news story switch its output to the TF1 channel so as to provide immediate news coverage. In 2012, LCI received an annual fixed fee of €5 million.

Description of the agreements and undertakings between TF1 and its main shareholder

Since TF1 was privatised in 1987, Bouygues has been the main shareholder in TF1, and held 43.7% of the capital on February 19, 2013.

The terms and condition of the agreements are decided only by voting Directors; particularly with regard to agreements with Bouygues, Patricia Barbizet, Martin Bouygues, Olivier Bouygues, Philippe Marien et Nonce Paolini did not vote. Their decision is notified to the Statutory Auditors.

The related-party agreements between TF1 and Bouygues, as described in the Statutory Auditors' special report on such agreements, cover:

- **an agreement governs access by TF1 to Bouygues corporate services.** Access to these services is charged by dividing up the corresponding cost among the various user companies of Bouygues. In 2012 Bouygues invoiced TF1 a total of €3.6 million, equivalent to 0.14% of the total revenue generated by the TF1 group (versus €3.5 million and 0.13% of total revenue for 2011).

  The actual cost of these shared corporate functions is recharged to TF1 using a formula tailored to the nature of the service: the ratio of TF1 headcount to total Bouygues group headcount for human resources, long-term capital for financial matters, and revenue for all other functions.

  The services provided break down into two kinds: expertise and coordination.

  Bouygues provides the various companies in the Bouygues group with expert services in a variety of fields such as finance, legal, human resources, administration, information systems and new technologies.

  TF1 has a contractual right to call upon these services in response to issues as and when they arise, in accordance with the terms of an agreement approved annually by the Board of Directors. TF1 can consult Bouygues group experts at any time in areas where they have limited in-house expertise.

  As well as providing advice and assistance on request, the Bouygues group corporate functions co-ordinate activities within their areas of expertise, in particular by arranging meetings at which specialists can exchange views, discuss technical issues and familiarise themselves with new developments; examples include contract law and accounting standards.

  In 2012 examples of this type of assistance and cooperation included the following.

  In HR, a number of senior managers from the TF1 group got the opportunity to receive training on Bouygues group techniques and values at the Bouygues Management Institute. New recruits at the TF1 group took part in a Welcome Day organised by the Bouygues group. In addition, the TF1 group Management Committee participates in the four annual meetings of the Bouygues group Board, and TF1 HR has access to the Bouygues HR data query system.

  The TF1 group also receives support from Bouygues with internal control tools and methods. Numerous meetings were held during 2012, particularly to ensure that the internal control system provided by the publisher satisfied the needs identified by the TF1 group. The Bouygues group also organised a day of system testing and provided training for TF1's two key users TF1.

In addition, Bouygues organised meetings over the course of the year to talk with TF1 about the scope and methods of campaigns to assess the enforcement of internal control principles, and about risk-mapping methodology. Bouygues organised a seminar on October 23rd.

A seminar on internal control on January 19, 2012, attended by 60 or so TF1 group managers, was designed to make group managers more aware of internal control issues.

In the area of Corporate Social Responsibility, the head of CSR at the TF1 group and other employees in charge of CSR in their divisions draw support from initiatives implemented by Bouygues Group's division in charge of sustainable development.

By attending joint meetings and information and training sessions, they share experience on specific issues (non-financial indicators, carbon assessment, Green IT, responsible purchasing, responsible communications). Through Bouygues, they have access to updates on CSR news and legal developments, as well as tools (CSR reporting with Enablon, etc.) and external expertise (Carbone 4 assesses the Group's carbon emissions, etc.).

In 2012, in response to new legislation, namely the decree of April 24, 2012 implementing Article 225 of the Grenelle Act, discussions took place about the structure of reports on CSR policy and acceptance of the required data.

The TF1 group Information Systems Department benefits from synergies with Bouygues group departments, thanks to active coordination by Bouygues. As a result, TF1 belongs to a virus-warning network and enjoys more general benefits such as IT security and global purchasing for IT hardware and tools.

Finally, in 2012, the Bouygues group, as reference shareholder, has regularly provided support, either through formal and/or informal exchanges, on operational topics in different fields, notably legal and financial:

- a seminar gathering Consolidation teams of the Bouygues group has in particular given ground to a reflection about the implementation of tools in this field;
- quarterly breakfast meetings take place, focusing on the interpretation and application of IFRS standards;
- several meetings have taken place regarding either financing issues (linked to the regulatory evolutions of the banking sector) or the awareness to counterparty risks;
- some occasional exchanges on specific topics also take place with the General Counsel and Legal Department of the Bouygues Group, notably with regards to the strategic partnership signed between Discovery Communications and TF1.
- **An agreement sets the amount of the supplementary retirement pension** granted to Nonce Paolini, Chairman and Chief Executive Officer of TF1, who is employed by the Bouygues Group. The Board of Directors approved the renewal of the agreement on the collective pension plan with defined benefits for the members of the Bouygues General Management Committee, which includes Nonce Paolini. Under this supplementary plan, beneficiaries accrue 0.92% of the reference salary (average of the best three years) for each year in the plan. The supplementary annual pension is capped at eight times the social security annual cap. This supplementary pension plan is outsourced to an insurance company.

  The agreement is intended to enable Bouygues to retain the members of its General Management Committee.

  Remuneration in 2012 totalled €472,788 ex. VAT, corresponding to the share of the premiums paid to the insurance company.
- **An agreement offers TF1 the use of aircraft operated by AirBy**, a company owned indirectly by Bouygues and SCDM. TF1 is entitled to use Airby's Global 5000, or, if it is unavailable, a Challenger 605, or, failing that, an equivalent aircraft.

  Use of the aircraft is charged at a flat rate of €7,000 (ex. VAT) per flight hour, which includes the aircraft and all associated services (pilot, fuel, etc.).

  TF1 has not used this facility since 2009.
- **An agreement also provides for the use granted to TF1 by the "32 avenue Hoche" joint venture**, joint venture of function and meeting rooms located on the 1st floor of 32 avenue Hoche, as well as for related services such as reception, computer facilities and secretarial services. For 2012, the joint venture received €10,529 (ex. VAT) of consideration in this respect.

- **appropriate and distribute the profits for the year;**

In the resolutions submitted for your approval, we are asking you to approve the individual financial statements and the consolidated financial statements for the year ended December 31, 2012 and, having noted the existence of distributable profits of €415,571,374.06, comprising net profit for the period of €120,521,749.35 and retained earnings of €295,049,624.71, to appropriate this sum as follows:

- distribution of a cash dividend of €115,658,170.65 (*i.e.* a dividend of €0.55 per share of €0.20 face value),
- the balance of €299,913,203.41 to be carried forward as retained earnings.

The ex-date of the dividend on the Euronext Paris market will be April 25, 2013. The date of record (*i.e.* the day at the end of which the post-settlement positions entitled to the dividend are determined) will be April 29, 2013. The payment date of the dividend will be April 30, 2013.

We are also asking for your authority to transfer to retained earnings the amount of dividend accruing to any of its own shares that TF1 may hold, in accordance with Article L. 225-210 of the French Commercial Code.

The amount of dividend distributed in respect of the three previous financial years was as follows:

Year ended	Net dividend per share
December 31, 2009	€0.43
December 31, 2010	€0.55
December 31, 2011	€0.55

- **appoint or renew as Director for a two-year-term:**

Patricia Barbizet, whose term of office as Director expires at the end of the next General Meeting, has not asked for a renewal of her term of Director. Acting on advice from the Selection Committee, we are submitting for your approval the appointment of Catherine Dussart as Director for two years, i.e until the General Meeting convened to approve the 2014 financial statements. We inform you that Catherine Dussart would qualify as a fully independent Director in accordance with the criteria set down in the AFEP/MEDEF Code.

Following the advice of the Selection Committee, we believe that Ms Dussart's appointment to the Board of Directors would further extend the Board's expertise, owing to her in-depth knowledge of French and international cinema and the French audiovisual sector, strengthen the Board's independence and improve the representation of women on the Board. Ms Dussart's CV is provided in part 2.1.1 of this registration document, on page 38.

The term of office of Société Française de Participation et de Gestion – SFPG expires at the end of the next General Meeting. Acting on advice from the Selection Committee, we are submitting for your approval the appointment of Olivier Roussat, CEO of Bouygues Telecom and until now the standing representative of Société Française de Participation et de Gestion – SFPG, as Director for a two-year term, i.e. until the General Meeting convened to approve the 2014 financial statements.

We inform you that Olivier Roussat would not qualify as independent in accordance with the criteria set down in the AFEP/MEDEF Code. Mr Roussat's CV is provided in part 2.1.1 of this registration document, on page 29.

Acting on advice from the Selection Committee, we are submitting for your approval the renewal of the terms of office of Directors Claude Berda, Martin Bouygues, Olivier Bouygues, Laurence Danon, Nonce Paolini, Gilles Pélisson and the Bouygues company, represented by Philippe Marien.

Their CVs are provided in part 2.1.1 of the present registration document and annual financial report, on page 24.

The Board of Directors would include 4 independent Directors and 4 Women out of the 12 Directors (please see part 2.1.1, page 33 of the current registration document and annual financial report).

- **to renew Mazars' term of office as Statutory Auditors and Thierry Colin's term of office as Alternate Auditor**, for six years, expiring at the General Meeting called to approve the financial statements for 2018;

The Board of Directors proposes renewing the terms of office of the Auditors. The Board has found that the experience and technical competence of the partners and managers has produced efficient, relevant audits, as well as contributions useful to TF1, particularly the recommendations made after the process review and the adaptation of accounting procedures. The Board also thinks, more broadly, and on advice from the Audit Commitee, that the Group's relationship with the Statutory Auditors from Mazars offers continuity and stability, a decisive factor in the quality of the audits. The Board informs the shareholders that the rotation of partners ensures the firms' independence from management.

The cost of the Statutory Auditors is closely monitored. The fees paid to the Statutory Auditors by TF1 and its subsidiaries appear in this registration document and annual financial report, chapter 4, note 35 of the notes to the consolidated financial statements, page 158.

- **authorise your company to trade in its own shares;**

The **17th resolution** authorises the company to trade in and buy back shares representing up to 5% of the company's share capital, within the limits set by the shareholders and in accordance with law. This resolution supersedes the authorisations given by the shareholders at previous General Meetings.

Details of the programme submitted for approval

- Securities concerned: shares,
- Maximum percentage of the capital authorised for repurchase: 5%,
- Maximum overall amount: €150 million,
- Maximum price per share: €20,
- Duration: 18 months.

Aims

The aims of the buyback programme are the same as for the previous programme. A description of the share buyback programme is provided in this registration document and annual financial report (chapter 6, page 216).

Share buybacks, which must not exceed 5% of the capital, can be used in particular to cancel shares actions under the authorisation set forth in the eighteenth resolution, in order to offset the dilutive impact on shareholders on the exercise of stock options allocated to employees and corporate officers. Buybacks can also, in accordance with a market practice accepted by the AMF (Autorité des Marchés Financiers) ensure the liquidity of and organise the market for the company's shares, through an investment service provider acting completely independently. They can also be used as a medium of payment or exchange for acquisitions, mergers, demergers or transfers of assets or upon the exercise of rights attached to securities through redemption, conversion or exchange.

The purchased shares can subsequently be disposed of under the conditions set by the AMF in its position of November 19, 2009 on the implementation of the new rules on share buybacks.

These transactions may be carried out in any manner and at any time, except during a takeover bid, a public offer of exchange or a standing market offer for the company's shares, and without using derivative financial instruments, in compliance with regulatory requirements, pursuant to Article L. 225-209 of the Commercial Code and the regulations set forth by the Autorité des Marchés Financiers (AMF). The purchase price cannot exceed €20 per share. The maximum amount of funds that can be used for the share buyback programme is €150 million.

The authorisation for the company to buy back its own shares is subject to several legal limits, in particular:

- the company may not own, directly or through an intermediary acting in its own name but on behalf of the company, more than 10% of the total number of shares making up its share capital,
- the acquisition of shares must not reduce shareholders' equity below the amount of capital plus non-distributable reserves,
- throughout the period of ownership of the shares, the company must have reserves, in addition to the legal reserve, at least equal to the value of all the treasury shares it owns.

Treasury shares have no voting rights and dividends accruing to them are carried forward as retained earnings.

Between February 15, 2012 and February 19, 2013, the company purchased 650,366 of its own shares on the market for €5.3 million.

On February 19, 2013, the company did not hold any of its own shares.

Resolutions submitted by the board of directors to the General Meeting – Extraordinary business

The financial authorisations and powers granted by the previous General Meetings are listed in a table on page 218 *et seq.*, chapter 6 in this registration document and annual financial report.

Between February 15, 2012 and February 19, 2013, the Board of Directors used the financial powers on reducing the capital and allocating stock options, granted by the General Meetings of April 19, 2012 and April 14, 2011 respectively.

In the resolutions that are submitted to you, we propose that you:

- **authorise a capital reduction through the cancellation of shares;**

The purpose of this resolution is to authorise your Board of Directors to reduce the capital of the company, on one or more occasions and by up to 5% of the capital per 24-month period, by cancelling some or all of the shares acquired under the buyback programmes authorised by the General Meeting. This authorisation will be given for an 18-month period and replace the one given at the Combined Annual General Meeting of April 19, 2012.

Cancelling repurchased shares makes it possible, if the Board deems it appropriate, to offset the dilutive impact on shareholders arising from the creation of new shares following, for example, the exercise of stock options.

The company bought back 650,366 of its own shares between February 15, 2012 and February 19, 2013, then cancelled those shares. On February 19, 2013, no treasury shares were held.

- **to grant the financial power to issue shares and other securities;**

The powers submitted for approval in these resolutions are to issue shares and securities convertible into shares, with or without pre-emptive rights. They cancel and supersede pre-existing powers (granted by the General Meeting of April 14, 2011) to issue shares and securities convertible into shares immediately or at a later date, with or without pre-emptive rights, which the Board may no longer use. The powers to grant options and allocate performance shares, which expire on June 14, 2014 remain valid.

Over the years, the General Meeting has regularly granted the Board of Directors the necessary powers, enabling it to take opportunities on the financial market, in order to conduct operations that best meet the company's needs in terms of shareholders' equity, by choosing the securities convertible into shares, with or without pre-emptive rights.

We submit for your approval to renew the previous authorisations by granting the General Meeting's powers to the Board of Directors for a period of 26 months.

The policy of the Board of Directors is to prefer on principle to maintain pre-emptive rights when raising capital. However, it may be necessary to waive pre-emptive rights for some financial transactions. Those transactions can only take place if the shareholders agree to renounce their pre-emptive rights in favour of the designated beneficiaries or categories of beneficiaries, or without designated beneficiaries if the company offers shares to the public or to qualified investors or a restricted circle of investors (private placement). The Board of Directors could however grant shareholders the possibility to subscribe as of right and/or up to the amounts requested by them.

The amount of each capital increase and the total amount of all increases authorised are covered in the **27th resolution**. The maximum nominal amount of immediate and deferred capital increases that can be made by virtue of the authorisations submitted for approval, is €8.4 million (the "overall ceiling" of 20% of the share capital) with pre-emptive rights or €4.2 million (the "sub-ceiling" of 10% of the share capital) without

pre-emptive rights. The corresponding issues are limited by the overall ceiling. The maximum nominal amount of debt securities that may be issued under the authorisations would be €900 million.

The sub-ceiling applies to the following types of transactions:

- capital increase without pre-emptive rights through the issuance of shares or securities *via* public offer or private placement (21st resolution and 22nd resolution),
- additional issues by application of the green-shoe clause, if the issue is organised without pre-emptive rights (24th resolution),
- issues for in-kind contributions (25th resolution),
- issues for contributions of shares (26th resolution).

In accordance with the legislation, the issue price for shares must be at least equal to the weighted average share price in the last three market sessions prior to the setting of the price, to which a maximum discount of 5% may be applied. However, you are asked to exempt the Board from the price-setting conditions set forth in the 21st and 22nd resolutions by allowing an issue price equal to the average share price over a maximum period of six months prior to the issue or an issue price equal to the weighted average share price on the market on the day before the issue (VWAP 1 day), to which a maximum discount of 10% may be applied.

In the **19th resolution**, you are asked to grant to the Board of Directors the power to increase the share capital with pre-emptive rights, by issuing ordinary shares in the company and securities of any kind, issued in exchange for payment or allotted as bonus shares, convertible immediately or at a later date into ordinary shares in the company that are outstanding or that will be issued.

Shareholders will be offered a pre-emptive right, in proportion to the amount of their shares, to subscribe as of right and, if the Board so decides, up the amounts they request, for ordinary shares and securities issued on the basis of this resolution.

The total nominal amount of capital increases must not exceed €8.4 million, which is approximately 20% of the current registered capital, and the total amount of debt securities convertible into shares immediately or at a later date would be capped at €900 million. These amounts are deducted from the ceilings for capital increases authorised by the 27th resolution.

In the **20th resolution**, you are asked to authorise the Board of Directors to increase the share capital through capitalisation of share premium, profits, reserves or other amounts whose capitalisation is legal or statutory, by allotting bonus shares or by raising the nominal value of outstanding shares, or by a combination of the two processes, up to a nominal limit of €400 million. This ceiling is independent from and does not alter the overall ceiling set in the 27th resolution.

The **21st and 22nd resolutions** seek to authorise the Board of Directors to increase the share capital without pre-emptive subscription rights, by issuing ordinary shares in the company and securities of any kind, issued in exchange for payment or allotted as bonus shares, convertible immediately or at a later date into ordinary shares in the company that are outstanding or that will be issued, up to a limit of 10% of the share capital (€4.2 million) and €900 million for debt securities. These amounts are deducted from the ceilings for capital increases authorised by the 27th resolution.

The 21st resolution concerns public offers and the 22nd resolution private placements. These transactions would enable the company to optimise its access to financial markets and benefit from the best market conditions.

Unlike public share offers, capital increases by private placement are intended for fund managers or for qualified investors or for a restricted circle of investors, as long as these investors are acting on their own behalf. Private placements are capped at 10% of the share capital within a twelve-month period.

The issue price for ordinary shares and securities must be such that the amount received immediately by the company plus any amount to be received at a later date for every ordinary share issued, is at least equal to the legal minimum amount, unless the provisions of the 23rd resolution granting power to the Board of Directors to set the price on different terms in certain cases, up to a limit of 10% of the share capital.

The **23rd resolution** seeks, in accordance with Article L. 225-136, paragraph 1 of the Commercial Code, to exempt the Board of Directors from the price-setting conditions stipulated in the legislation (Article R. 225-119 of the Commercial Code) for issues made via public offer or private placement, and to set the issue price of shares to be issued immediately or at a later date on the terms to be determined by the Meeting, up to a limit of 10% of the share capital within a twelve-month period.

The issue price would be set as follows:

- for shares to be issued immediately, the Board could opt for one of the following methods:
  - an issue price equal to the average share price over a maximum period of six months prior to the issue,
  - an issue price equal to the weighted average share price on the market on the day before the issue (VWAP 1 day), with a maximum discount of 10%,
- for shares to be issued at a later date, the issue price will be such that the amount received immediately by the company plus the amount that will be received at a later date by the company for each share is at least equal to the amount indicated above.

The **24th resolution** would enable the Board of Directors, for any capital increase with or without pre-emptive subscription rights, to increase the number of shares to be issued, during a period of 30 days after the

subscription closes, up to a limit of 15% of the initial issue, and up to the ceiling stipulated in the resolution by virtue of which the capital increase is decided, and at the same price as for the initial issue.

The **25th resolution** seeks to empower the Board of Directors to make, on the merger auditor's report one or more capital increases, up to a limit of 10% of the share capital (€4.2 million) and €900 million for debt securities, with a view to remunerating contributions in kind to the company consisting of shares or securities convertible into shares of another company, excluding public exchange offers. The transactions performed under this delegation of power will be deducted from the ceilings for capital increases and debt security issues stipulated in the 27th resolution.

In the **26th resolution**, we ask you to empower the Board of Directors to decide, in the light of the opinion of the Statutory Auditors on the conditions and consequences of an issue, to make one or more capital increases, up to a limit of 10% of the share capital (€4.2 million) and €900 million for debt securities, with a view to remunerating contributions of securities in the event of a public exchange offer initiated by the company for securities of a company whose shares are admitted to trading in a regulated market. The transactions performed under this delegation of power will be deducted from the ceilings for capital increases and debt security issues stipulated in the 27th resolution.

- **to authorise a capital increase for employees and corporate officers who belong to a company savings scheme;**

The purpose of the **28th resolution** is to authorise the Board of Directors to make capital increases reserved for employees of the TF1 group who belong to one of the Group's company savings scheme, since the previous authorisation granted by the Combined General Meeting of April 14, 2011 (30th resolution), which the Board did not use, expires in 2013.

At December 31, 2012, 73% of eligible employees belonged to the TF1 group company savings scheme. Through the "FCPE TF1 Actions" company savings scheme, employees owned 7.2% of the share capital and voting rights. The management company of FCPE TF1 Actions buys TF1 shares owned by employees on the market at no discount.

The Company firmly believes that it is important to enable employees to benefit from the Group's success, to which they are key contributors. Employee savings transactions and capital increases reserved for employees would enable them to build up savings and be directly rewarded and involved in the Group's operations, which would enhance their motivation and commitment to the company.

We ask you to renew the authorisation granted to the Board of Directors, for a period of 26 months, to decide, for an amount and at times it considers fit, to make one or more capital increases reserved for employees and corporate officers of the company and associated companies as defined by Article L. 225-180 of the Commercial Code, up to a limit of 2% of the existing share capital on the day it takes the decision, by issuing new cash shares and, where appropriate, through the capitalisation of reserves, profits and premiums and the allotment of bonus shares or other securities convertible into shares. In accordance with Article L. 3332-19 of the Labour Code, the subscription price will be equal to the average of the share prices quoted on the Euronext Paris market in the 20 trading sessions prior to the day on which the Board of Directors sets the date of the subscription, with a maximum applicable discount of 20%.

- **to amend the Articles of Association of the company;**

The **29th and 30th resolutions** seek to amend the Articles of Incorporation of TF1 SA. The purpose of these resolutions is to set an age limit of 67 for the offices of Chairman of the Board of Directors and Chief Executive Officer (or Deputy Chief Executive Officer).

The Board of Directors wishes to amend the Articles of Incorporation with a view, in particular, to extend the term of office of Nonce Paolini as Chairman and Chief Executive Officer. The strategic developments implemented by Mr Paolini on a horizon of 2015/2017 are vital for the company and should make it possible to implement and complete the operations and changes initiated in 2012 (partnership with Discovery, increasing the complementarity of the four free channels in compliance with the commitments made to the anti-trust agency, the Autorité de la Concurrence, with respect to TMC and NT1, consolidation of the pay TV channels, etc.).

Moreover, it appears relevant to the Board of Directors to ensure continuity of management, in a period of economic uncertainty, to prepare for a successor to Nonce Paolini under the best conditions. Consequently, the Board wishes the Group to continue to benefit from the experience and credibility that the Chairman and CEO has built up over six years with the Group's stakeholders.

Lastly, it should be noted that the Board of Directors is continuing to improve governance. The General Management Committee, consisting of 20 board members, has been replaced by a smaller Executive Committee in early 2013, comprising seven executives, two of them women, to improve decision-making. Furthermore, the Board's independence and representation of women on the Board should be improved through the proposed directorships.

- **delegate powers to carry out corporate formalities;**

The purpose of the resolution is to allow all legal and administrative formalities, filings and disclosures provided for by prevailing law to be carried out.

The indications on the progress of social affairs, to be provided under the law, contained in the report of management that you received.

You are asked to vote on the proposed resolutions.

The Board of Directors