8.3 REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS SUBMITTED

Ladies, Gentlemen, Shareholders,

This report is part of the management report of the Board of Directors on the resolutions submitted to the Combined General Meeting of April 14, 2016.

EARNINGS FOR THE YEAR

The consolidated and separate financial statements are included in this registration document and Annual Financial Report in chapter 4, page 129.

INFORMATION ON THE SHARE CAPITAL

See chapter 6, page 229, of this registration document and Annual Financial Report.

ACQUISITIONS AND DISPOSALS OF HOLDINGS

See chapter 3, page 126, 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 financial statements 2015 and on agreements and undertakings relative to Article L. 225-38 of the French Commercial Code. See chapter 5, page 215, of this registration document and Annual Financial Report.

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

- **approve the separate and consolidated financial statements for 2015 as well as the transactions recorded in the statements;**

The results of TF1's activities and its financial results over the past five years are presented in the Board of Directors' management report in this registration document and Annual Financial Report, chapter 3, page 128. Market trends are presented in chapter 1, page 28. In the **1st and 2nd resolutions** submitted to you for approval, we propose that you approve the separate and consolidated financial statements for 2015.

- **approve related-party agreements and undertakings;**

The **3rd and 4th resolutions** concern the approval of the related-party agreements and undertakings described in Article L. 225-38 of the French Commercial Code and mentioned in the Statutory Auditors' special report, excluding routine operations, decided by the Board and in particular those concluded between the company and other companies with Directors or senior executives in common with it, or between the company and shareholders owning more than 10% of the share capital.

Related-party agreements and undertakings submitted to the vote of the Combined General Meeting of April 14, 2016 are covered by separate resolutions. One resolution concerns related-party agreements and undertakings between TF1 and Bouygues. The other concerns related-party agreements and undertakings to which Bouygues is not a party

PROCESS FOR AUTHORISING RELATED-PARTY AGREEMENTS AND UNDERTAKINGS

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

These agreements are subject to prior authorisation by the Board of Directors under the conditions provided by law. The Board of Directors takes note of the agreements between the company and its corporate officers, between the company and other companies with Directors or senior executives in common with it, and between the company and shareholders owning more than 10% of the share capital. Related-party transactions covered by the law are reviewed by the TF1 Board of Directors, which considers the benefit of each agreement to TF1 and its Group and its financial terms and conditions. The preceding provisions do not apply to agreements relating to routine transactions carried out under conventional terms and conditions.

The TF1 Board of Directors decides in principle whether to sign or renew such agreements at its Meeting in the fourth quarter of the year. Each year it reviews ongoing related-party agreements including the commercial lease agreements between TF1 and Aphélie and Firélie, which manage its real estate holdings. Directors concerned by the agreements do not take part in the vote, thus protecting the interests of all shareholders. The Statutory Auditors are informed of new agreements concluded during the year and of ongoing agreements authorised in previous years.

These agreements are then submitted to the General Meeting for approval after the reading of the Statutory Auditors' special report. In accordance with proposal No. 29 of AMF Recommendation No. 2012-05, any significant related-party agreement authorised and concluded after the close of the financial year must be submitted to the next General Meeting for approval, on condition that the Statutory Auditors have been able to review this agreement in time to include it in their report. When the General Meeting votes on the corresponding resolutions, the number of shares held by the parties concerned by the agreements is not included in the calculation of the quorum and majority.

Agreements between the company and its wholly owned subsidiaries are not subject to this authorisation process.

TYPES OF RELATED-PARTY AGREEMENTS AND UNDERTAKINGS

Most of the agreements mentioned below and in the Statutory Auditors' special report are service agreements. TF1 Directors considered it appropriate and financially advantageous for TF1 to use the expert services of Bouygues. Similarly, they deemed it advisable that TF1 subsidiaries benefit from TF1's corporate services.

In accordance with AMF recommendation n°2012-05 of July 2, 2012 relating to the General Shareholders' Meetings of listed companies, and Proposal n°20 in particular, the Board of Directors approved a TF1 group Internal Charter on Related-party Agreements on February 17, 2016.

The purpose of the TF1 group Charter on Related-party Agreements is to facilitate the identification of agreements which, due to the fact that they relate, directly or indirectly, to members of the TF1 Board of Directors or that of Bouygues (shareholder owning more than 10% of its share capital), must be subject to the related-party agreements control procedure laid down by the French Commercial Code (*i.e.* prior approval from the Board of Directors, notification of the Statutory Auditors, special report from the Statutory Auditors, approval from the General Meeting). In particular, with regard to the concept of an indirect interest, this Internal Charter suggests that we refer to the definition proposed by the Paris Chamber of Commerce and Industry: "A person is considered to be indirectly concerned by an agreement to which he is not party where, due to his connections with the parties and the powers he has to influence their behaviour, he derives benefit from the agreement."

This Internal Charter is available at www.groupe-tf1.fr

To clarify the nature and objectives of the related-party agreements and undertakings involving TF1, in particular for the shareholders, and to comply as fully as possible with the proposals in the AMF Recommendation No. 2012-05, the paragraphs below describe these related-party agreements and undertakings in detail. An assessment of each one is also included in the Statutory Auditors' report.

The agreements that will be submitted to shareholders for approval at the General Meeting of April 14, 2016 are indicated in the column "Status of Agreements".

DESCRIPTION OF AGREEMENTS AND UNDERTAKINGS BETWEEN TF1 AND ITS SUBSIDIARIES

WITH TF1 GROUP SUBSIDIARIES THAT ARE NOT WHOLLY OWNED

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

Agreement on corporate services with TMC

Authorisation: On October 28, 2015, the Board of Directors approved, for a period of one year starting on January 1, 2016, the renewal of the agreement on corporate services signed with its subsidiary TMC according to which TF1 is expected to provide certain services to its subsidiary, particularly in the fields of management, human resources, guidance, finance and strategy.

Parties concerned:

- TMC: Nonce Paolini (Director);
- TF1 is a shareholder.

Benefit: The purpose of the agreement on corporate services is to enable the subsidiaries to benefit from services provided by the parent company and to divide the corresponding expenses among the TF1 companies using these services.

For example, the internal communications services provided by the Group (an online site for employees, communications media, etc.) are intended for all employees. These services are reinvoiced to the subsidiaries in proportion notably to the number of employees concerned.

Financial conditions: These corporate services are invoiced to each subsidiary in proportion to its headcount and separate company revenues. Invoicing under the agreement signed with TMC, the sole non-wholly-owned company, amounted to €0.5 million for the 2015 financial year. Services performed at the request of a subsidiary are invoiced at market prices. It will be recalled that under Article L. 225-39 of the French Commercial Code, agreements between two companies where one of them owns, directly or indirectly, all the share capital of the other, are not subject to the authorisation process for related-party agreements and undertakings. The wholly owned subsidiaries of TF1 are thus not included in the calculation of the aforementioned amount.

Status of agreements

The renewal of this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 14, 2015.

WITH WHOLLY OWNED SUBSIDIARIES OF THE TF1 GROUP

The following agreements, which were concluded with wholly owned subsidiaries, are not subject to the authorisation process for related-party agreements described above:

- service agreements with the subsidiaries in the TF1 group;
- a contract with La Chaîne Info (LCI) guaranteeing news coverage of any major event;
- a leasing-management agreement with e-TF1;
- leasing-management agreements with TF1 Entreprises;
- leasing-management agreements with TF1 DA.

Status of agreements

Agreements settled and approved during the previous years, which continued to be executed in 2015.

Board of Directors on October 28, 2015, reassessed the commercial leases with TF1, and maintained them.

DESCRIPTION OF AGREEMENTS AND UNDERTAKINGS BETWEEN TF1 AND ITS MAIN SHAREHOLDER

Since TF1 was privatised in 1987, Bouygues has been its main shareholder, holding 43.7% of the capital on December 31, 2015.

The terms and conditions of the agreements are decided by voting Directors. As regards agreements with Bouygues, Martin Bouygues, Olivier Bouygues and Nonce Paolini did not vote. The Statutory Auditors are informed of the Directors' decisions.

The related-party agreements and undertakings described in the Statutory Auditors' special report concern the following:

WITH BOUYGUES

Corporate Services Agreement

Authorisation: On October 28, 2015, the Board of Directors approved the renewal for one year, starting January 1, 2016, of the corporate services agreement with Bouygues under which Bouygues provides services to TF1.

Parties concerned:

- Bouygues: Martin Bouygues (Chairman and CEO, Director), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

Benefit: Two types of services are provided: expertise and coordination of the subsidiaries.

Expertise

Bouygues provides companies in the Bouygues group with expert services in fields such as finance, legal affairs, human resources, administration, information systems, new technologies and general guidance.

TF1 may decide to use these services in response to issues as they arise under the terms of this agreement, which is approved annually by the Board of Directors. Each subsidiary may avail itself of these services at any time to discuss an issue where its in-house expertise is limited.

In 2015, as part of the "open innovation initiative" launched by the TF1 group, a service provision and holdings management agreement was signed between Bouygues and TF1. As such, TF1 benefits from services provided by Bouygues via Bouygues Développement, a wholly owned Bouygues subsidiary dedicated to open innovation. TF1 thereby benefits from its expertise in two fields in particular innovation-related consultancy for the purposes of providing services, advice and assistance in the identification and validation of innovation projects led by innovation companies (start-ups), as well as the securing of financing from financial partners. The consultancy services predominantly include:

- the analysis, valuation and assessment of TF1's investments,
- organising a network of financial partners as well as providing assistance and guidance to TF1 in the securing of financing from these financial partners in relation to proposed investments,
- coordination between TF1 and the innovation company in relation to the proposed investment and advising TF1 during the investment negotiation phase,
- additional analysis specific to the structure and/or optimisation of operations,
- providing assistance to TF1 particularly in relation to legal, accounting, tax, social and/or financial audits and the negotiation and preparation of contractual and/or corporate documentation.

Status of agreements

The renewal of this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 14, 2016.

Coordination of the subsidiaries

Besides advice and assistance, services include coordination in the corporate functions, in particular the setting up of Meetings where staff in a particular function (e.g. cash management) can exchange views, discuss technical issues and familiarise themselves with new developments (e.g. accounting standards).

Examples of these types of services in 2015 included:

- human resources: a number of TF1 group senior executives received training in Bouygues group techniques and values at the Bouygues Management Institute. Newly hired employees in the TF1 group took part in a Welcome Day organised by the Bouygues group. In addition, the TF1 group Management Committee participated in the four annual Board Meetings of the Bouygues group. Bouygues also brought together Human Resources experts from various areas in the Group (e.g. Employee Affairs, Training, School Relations) for discussions. Its employee Legal Affairs Department held a one-day training session on current legal issues for TF1's HR Directors and managers. Also, the TF1 Human Relations and Organisation Department was given access to the Bouygues HR data query system;
- internal control: the TF1 group receives support from Bouygues concerning internal control and risk management tools and methodologies. During 2015, this support took the following forms:
  - updating of the internal control principles used in relation to Information Systems, Insurance, Treasury Management and Purchasing,
  - training initiatives on the Group's internal control software,
  - continuation in 2015 of Bouygues organisation and leading of meetings at which representatives of the businesses could:
    - share knowledge of external benchmarks *in* relation to internal control and risk mapping assess Group methods and compare these with other companies' practices,
    - promoting best practices in terms of:
      - reporting,
      - involvement of support functions (Finance, IT, HR, Legal, Purchasing Departments),
      - promoting ethics by testing the businesses with a serious game;
    - sharing research on risk transfer opportunities facing insurers (Cyber risk),
    - sharing information on regulatory changes,
    - anticipation of changes associated with the software used for internal control campaigns: host change, anticipated changes in features and functions,
- Corporate Social Responsibility (CSR): The TF1 group's CSR coordinator and other staff in charge of CSR activities in their departments draw support from initiatives implemented by the Bouygues group's department in charge of sustainable development.

By participating in cross-group Meetings, information sessions, and training, they discuss experiences on specific issues (non-financial indicators, reduced energy consumption and carbon emissions, responsible purchasing and responsible communication). They also benefit from the monitoring of CSR news and legal developments as well as the sharing of tools (*CSR* reporting with Enablon).

In 2015 the Group worked particularly hard on raising awareness of the COP21 conference. It repeatedly used its media outlets to promote events, participations in round table discussions and conferences and had a stand at the Le Bourget site for the duration of the event.

- Information Systems Department: 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 software.

Lastly, in 2015 the Bouygues group, as a majority shareholder, regularly offered its support formally and/or informally in dealing with operational issues, notably in the legal and financial areas. For example, Meetings were held to discuss the obligations arising from the implementation of the European Market Infrastructure Regulation (*EMIR*).

Financial conditions: The services provided to TF1 by Bouygues are invoiced by dividing the cost among the companies using them. In 2015, Bouygues invoiced TF1 a total of €2.9 million, equivalent to 0.14% of the TF1 group's total revenues (compared with €3.1 million in 2014, or 0.15% of revenues).

The actual cost of these shared corporate functions is reinvoiced 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.

Supplementary retirement pension granted to Nonce Paolini, Chairman and CEO

Authorisation: On October 28, 2015, the Board of Directors approved the renewal for a period of one year, starting January 1, 2016, of the supplemental retirement pension granted to Nonce Paolini under the *agreement* on the collective pension plan, with benefits determined and established by Bouygues.

Parties concerned:

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors);
- Bouygues is a shareholder.

Benefit: With this agreement, a supplemental retirement pension is granted to Nonce Paolini, Chairman and Chief Executive Officer of TF1 and employee of the Bouygues group. The Board of Directors approved the renewal of the supplementary retirement pension under the agreement on the collective pension plan with defined benefits for the members of the Bouygues General Management Committee, of which Nonce Paolini is a member. Under this supplementary pension, beneficiaries accrue 0.92% of the reference salary for each year in the plan. Beneficiaries become entitled to this supplementary pension only after ten years of service with the Group. This supplementary annual pension is capped at eight times the social security annual cap (equal to €308,928 for 2016, representing less than the cap of 45% of the reference salary as provided for by the AFEP/MEDEF Code). This supplementary pension plan is outsourced to an insurance company.

The features of the supplementary pension scheme are the followings:

1. Title of the commitment: defined-benefit collective pension scheme;
2. Reference to legal provisions identifying the scheme: Article L. 137-11 of the French Social Security Code;
3. Conditions for joining the scheme and other eligibility conditions: the beneficiary must:
   - be a member of the Bouygues SA Management Committee on the date of retirement;
   - have at least ten years' service with the Bouygues group at the date of retirement;
   - have definitively ended his or her professional career at one of the Group companies (this condition is fulfilled when the employee is part of the workforce at the date of retirement);
   - be at least 65 years old at the date of retirement;
   - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (ARRCO and AGIRC).
4. Method of determining the reference salary specified by the scheme and used to calculate the rights of beneficiaries: the reference salary must be equal to the average gross salary of the employee's three best calendar years at the Bouygues group during his or her period on the Bouygues SA Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC scheme, on the date the employment contract is terminated. The reference gross salary is that used to calculate social security contributions in accordance with Article L. 242-1 of the French Social Security Code.
5. Pattern of vesting of rights: annual rate; beneficiaries of the supplementary pension scheme receive an additional retirement benefit set at 0.92% of the reference salary per year in the scheme, determined as explained above.
6. Existence of a ceiling, and the amount and terms and conditions for determining that ceiling: rights may not exceed a ceiling set at eight times the annual social security ceiling (equivalent to a ceiling of €308,928 in 2016).
7. Terms and conditions for funding the benefit: outsourced to an insurance company, to which a contribution is paid each year
8. Amount of the annual annuity at the end of the reporting period: Nonce Paolini will receive a supplementary pension of €186,700 a year.
9. Tax and social security charges levied on the scheme: the contributions paid into the scheme by the company are not subject to employers' social security charges or to the CSG or CRDS levies. However, the company is required to pay a levy set at 24% of those contributions.

This agreement is intended to enable Bouygues to retain the members of its General Management Committee. TF1 also benefits from the negotiations in the Bouygues group between Bouygues and the senior executives in its businesses.

Financial conditions: The premium totalled €743,967 excluding VAT in 2015, corresponding to the share of the premiums paid to the insurance company.

Status of the agreement

The renewal of this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015.

Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 14, 2016.

Services contracts (*open innovation*) **Authorisation:** On April 16, 2015, the Board of Directors authorised the signature of a services contract with Bouygues. During its October 28, 2015 meeting, the Board of Directors authorised the renewal, for a period of one year starting on January 1, 2016, of the services contract signed with Bouygues. **Parties concerned:** ■ Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors); ■ Bouygues is a shareholder. **Benefit:** This agreement defines the terms and conditions for the execution and the remuneration of the services provided by Bouygues, whether directly or through the intermediary of its wholly-owned subsidiary Bouygues Développement, to TF1 in the field of open innovation. The management of TF1 equity interests in innovation companies once the acquisition has been finalised. These services include: ■ the performance of any duties imposed upon TF1 within an administrative, supervisory or governing body of any innovation company in which TF1 has an equity interest, ■ preparation for and participation at the meetings of such bodies, ■ preparation for collective decisions to be made by innovation companies in which TF1 has an equity interest, ■ monitoring investments held by TF1, including the review of any legal, employment, commercial, tax, financial and accounting information sent by the innovation company, ■ advising TF1 on the strategy to be applied to the completed investment, ■ maintaining relationships with the innovation company management teams, ■ regular reporting to TF1 on projects discussed and decisions made by the aforementioned bodies. **Financial conditions:** Providing advice is an integral part of Bouygues' shared corporate services and this service is directly invoiced through the corporate services agreement for the appropriate share of the residual amount of the corporate services expenses. As compensation for management services, TF1 pays to Bouygues, *on a prorated basis*, a monthly fixed remuneration of €750 excluding VAT through participation in a managed innovation company. There was no amount invoiced for 2015.	**Status of the agreement** **Agreements approved during the previous financial year and submitted to the General Meeting of April 14, 2016 for approval.**

WITH THE ECONOMIC INTEREST GROUP (GIE) "32 AVENUE HOCHE"	
Provision of offices **Authorisation:** On October 28, 2015, the Board of Directors approved the renewal for a period of one year, starting January 1, 2016, of the agreement for the provision of offices on the first floor of the building at 32, avenue Hoche. **Parties concerned:** ■ Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors); ■ Bouygues is a member of the Economic Interest Group (GIE). **Benefit:** Under this agreement, the GIE "32 avenue Hoche" provides TF1 with offices for the reception of visitors and meeting rooms on the first floor located in central Paris as well as related services for receiving visitors, computers facilities and secretarial services. **Financial conditions:** The GIE was paid €13,366 excluding VAT in 2015.	**Status of the agreement** The renewal of this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015. **Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 14, 2016.**

WITH AIRBY	
For the use of aircraft held by AirBy **Authorisation:** On October 28, 2015, the Board of Directors approved the renewal of the agreement entitling TF1 to use aircraft leased or owned by Bouygues and operated by AirBy, with the airplane and all related services included in the cost. **Parties concerned:** ■ Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and Nonce Paolini (Directors); ■ Bouygues is a partner. **Benefit:** This 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 an equivalent aircraft. TF1 has not used this facility since 2009. **Financial conditions:** Use of a Global 5000 airplane is charged at a flat rate of €7,000 (excluding VAT) per flight hour, which includes the aircraft and all related services (pilot, fuel, etc.) provided during its use. When the aircraft provided by AirBy is leased, the cost is the leasing cost plus €1,000 excluding VAT for the chartering service provided by AirBy to TF1. This amount is invoiced each time such an aircraft is provided. No amount was invoiced in 2015.	**Status of the agreement** The renewal of this agreement for a period of one year, starting January 1, 2015, was approved by the General Meeting of April 16, 2015. **Agreement approved for the previous financial year and submitted for approval to the General Meeting of April 16, 2015.**

- **appropriate and distribute profits;**

In **the 5th resolution,** having noted the existence of distributable profits of €579,323,557.89, comprising net profit for the period of €402,220,763.48 and retained earnings of €177,102,794.41, we ask you to appropriate this sum as follows:

  – distribution of a cash dividend of €168,417,253.60 (*i.e.* a dividend of €0.80 per share with a par value of €0.20),
  – the balance of €410,906,304.29 to be carried forward as retained earnings.

The ex-dividend date for the Euronext Paris market shall be April 22, 2016. The cut-off date for positions qualifying for payment shall be April 25, 2016. The dividend shall be paid in cash on April 26, 2016.

This dividend is eligible for the 40% tax rebate mentioned in paragraph 2, section 3 of Article 158 of the French General Tax Code.

We also ask 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	Dividend per share*
December 31, 2012	€0.55
December 31, 2013	€0.55
December 31, 2014	€1.50

* *Eligible for the 40% tax relief available to individuals tax-resident in France under Article 158.3.2 of the French General Tax Code.*

- **to appoint or renew the following Directors for three year terms;**

We are submitting for your approval the appointment of a new Director in the **6th resolution** and the renewal of the terms of office of three Directors in the **7th to 9th resolutions.**

The Board of Directors has reviewed its composition, organisation and procedures, with regard to the governance rules set forth in the Articles of Association, internal procedures and recommendations of the AFEP/MEDEF Corporate Governance Code, and with regard to the requirement to keep the number of independent Directors on the Board to one-third (AFEP/MEDEF Code), due to the appointment of Gilles Pélisson (Director formerly considered Independent) as Chairman and CEO of TF1 as well as the gender representation on its Board. According to the AFEP/MEDEF Code, the percentage of female Directors on the Board must be "at least 40%" by the 2016 General Meeting.

Based on the recommendation of the Selection Committee and given that the term of office of Claude Berda shall expire at the end of the next General Meeting, we submit for your approval the appointment of Pascaline de Dreuzy as a Director for a three-year term, *i.e.* until the General Meeting called in 2019 to approve the 2018 financial statements. The Selection Committee has confirmed that she has had no business relationship with the TF1 group and as such Pascaline de Dreuzy would exercise her position of independent Director according to all criteria defined by the AFEP/MEDEF Code.

We believe, in agreement with the opinion of the Selection Committee, that the appointment of this new Director to the Board of Directors will strengthen the effectiveness of the Board's work by welcoming a consummate professional with strong ethical, social and humanist values who has extensive experience in the business world. Ms de Dreuzy's position as a Director of the Institut Français des Administrateurs will also contribute to the quality of the Board's deliberations.

Pascaline de Dreuzy's curriculum vitae is featured on page 56, in part 2.1.1 of this registration document and Annual Financial Report.

In addition, the Board of Directors proposes the renewal of the Directors' terms of office that expire in 2016, while bearing in mind the expertise of the Directors, the need to maintain the same level of independence among them and the Board's commitment to the integration of women. The Board of Directors paid particular attention to the Directors' expertise, experience and knowledge of the Group's businesses.

Accordingly, the Board of Directors proposes the renewal of the terms of office of Janine Langlois-Glandier, Gilles Pélisson and Olivier Roussat for three years, *i.e.* until the General Meeting called in 2019 to approve the 2018 financial statements. The Director position vacated by Nonce Paolini effective February 19, 2016 will not be filled. In addition, within the authority of the Extraordinary General Meeting and in order to manage the Board's organisation in a more flexible way, we propose that the Articles of Association (which provide for a fixed number of twelve Directors) be amended to allow for a variable number of Directors - "between three and eighteen" - as provided for in Article L. 225-17 of the French Commercial Code.

As at February 17, 2016, the TF1 Board of Directors consists of 4 independent Directors (44% of its members) and counts 4 women (44% of its members) among its Directors that do not represent staff, in addition to the 2 women Directors representing the staff.

The Directors' *curricula vitae* are found in Part 2.1.3, pages 58 to 66, of this registration document and Annual Financial Report.

The composition of the Board of Directors is updated regularly on the company's website (www.groupe-tf1.fr, Groupe TF1 > Investors > Governance > Board of Directors).

- **confirm the election of the Directors representing the staff;**

Since the company's privatisation, TF1's employees have been represented by two Directors. They are elected for a two-year term by the employees of TF1 SA in accordance with legal and statutory provisions. One is elected from among managers and journalists and the other from among administrative and technical staff and supervisors. All employees who have had an employment contract for at least three months at the date of an election are entitled to vote. All employees who have had an employment contract for at least two years at the date of an election are eligible to stand for election.

The terms of office of Fanny Chabirand and Sophie Leveaux Talamoni are expiring in 2016, upon the announcement of the results of the electoral colleges' ballots culminating in the appointment of the Directors representing the staff. These appointments should normally take place two weeks prior to the General Meeting. The elections shall take place on March 15, 2016.

During the General Meeting of April 14, 2016, the Chairman will inform you of the names of the Directors representing the staff elected by the electoral colleges and in accordance with the **10th resolution**, you will be required to duly record their election and their appointment for two years as Directors representing the staff. The curriculum vitae of Fanny Chabirand and Sophie Leveaux Talamoni are found in Part 2.1.3 of this registration document and Annual Financial Report, on pages 60 and 64.

The names and curriculum vitae of the elected Directors will be added to the composition of the Board of Directors on the company's website (www.groupe-tf1.fr, Homepage > Investors > Governance > Corporate governance).

- **approve the components of remuneration due or allocated in respect of the 2015 financial year to the Executive Director of the company;**

In accordance with the recommendations of the AFEP/MEDEF Code revised in June 2013 (Article 24.3), which is the Code to which the company refers pursuant to Article L. 225-37 of the French Commercial Code, shareholders shall be consulted on the components of remuneration due or allocated in respect of the 2015 financial year to the Executive Director of the company, including:

- the fixed portion,
- the annual variable portion with the objectives that contribute to the determination,
- extraordinary remuneration,
- stock options, performance shares, and any other component of long-term remuneration,
- benefits linked to taking up or terminating office,
- supplementary pension scheme,
- any other benefits.

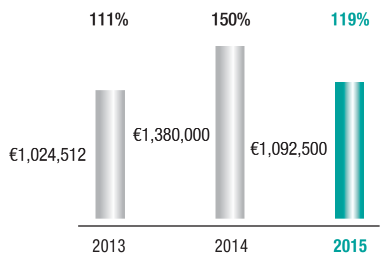
The vote concerns only the remuneration due or allocated in respect of FY 2015 to the Chairman and CEO, Nonce Paolini.

Information about remuneration is presented in the Corporate Governance report by the Chairman of the Board of Directors (see Part 2.3 of this registration document and annual financial report, page 93).

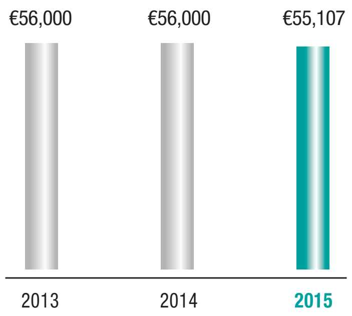
The information was also posted on the company's website on February 18, 2016: http://www.groupe-tf1.fr/fr/investisseurs/gouvernance/remuneration-des-dirigeants.

The fixed remuneration of the Executive Director is reviewed annually by the TF1 Board of Directors, in accordance with Article L. 225-53 of the French Commercial Code, after seeking the opinion of the Remuneration Committee.

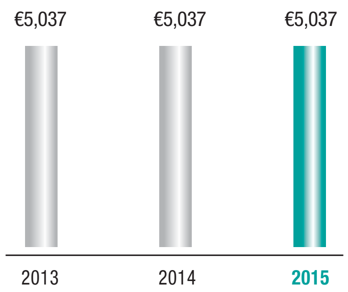
When voting on the 11th resolution, we ask you to approve the components of remuneration due or allocated in respect of FY 2015 to Chairman and CEO Nonce Paolini, namely:

Components of remuneration due or allocated in respect of the closed financial year	Amounts or value put to a vote	Description
Fixed remuneration	€920,000	Gross amounts due before tax No change since 2011 **Policy for determining fixed remuneration:** Criteria considered: level and complexity of responsibilities, experience in the post and length of service with the Group, as well as the practices followed by the Group or companies carrying on similar businesses. **Past years' fixed remuneration:** ■ 2014: €920,000, ■ 2013: €920,000.
Annual variable remuneration	€1,092,500 To be paid in March 2016 119% of fixed remuneration	Gross amounts due before tax **Quantitative criteria:** ■ P1 criterion: change in consolidated net profit attributable to the Bouygues group. This criterion represents 30% of fixed remuneration on achieving the objective and takes into consideration all Bouygues group financial performances; ■ P2 criterion: change, compared with the business plan, in TF1 current operating margin. This criterion gives rise to the award of 10% of fixed remuneration on achieving the objective and captures the financial performances of the entire TF1 group; ■ P3 criterion: change, compared with the business plan, in consolidated net profit attributable to the TF1 group. This criterion represents 25% of fixed remuneration on achieving the objective and rewards the Executive Director for meeting budget commitments; ■ P4 criterion: year-on-year change in consolidated net profit attributable to the TF1 group. This criterion represents 35% of fixed remuneration on achieving the objective and takes into consideration the year-on-year growth performance. **Qualitative criteria:** ■ P5 criterion: this criterion consists of four qualitative criteria that are not disclosed for confidentiality reasons. They represent 50% of fixed remuneration on achieving the objectives. In 2013, the Remuneration Committee decided that these qualitative criteria would include a qualitative criterion relating to CSR performance (namely TF1's continued inclusion in at least three non-financial rating indices). This criterion, also applied to the 2015 financial year, requires that the Group be included in four non-financial rating indices, as opposed to three. The objective on CSR performance recognition was therefore achieved from its first year of implementation. **Indicators:** ■ measured with reference to significant economic indicators, which are intended to be stable and appropriate over time; ■ annual review of the appropriateness of these indicators. **Cap:** ■ 150% of fixed salary. **Past years' annual variable remuneration and percentage of fixed remuneration:** 

Components of remuneration due or allocated in respect of the closed financial year	Amounts or value put to a vote	Description
Deferred variable remuneration	Not applicable	No deferred variable remuneration
Multi-year variable remuneration	Not applicable	No multi-year variable remuneration
Exceptional remuneration	Not applicable	No exceptional variable remuneration
Stock options, performance shares, and any other component of long-term remuneration	Not applicable	**TF1 stock options:** ■ None granted in 2014 and 2015, ■ Nonce Paolini has received no TF1 options since 2010, ■ He was not a beneficiary of plans 12, 13 and 14 allocated in 2011, 2012 and 2015. **Bouygues stock options:** Nonce Paolini was allocated: ■ in 2014, 80,000 options that may be exercised from 2018 at an exercise price of €30.32; ■ in 2015, 135,000 options that may be exercised from 2017 at an exercise price of €37.106.
Directors' fees	€55,107 Gross amount, before tax	■ €18,500 in respect of his TF1 Directorship. Amount calculated in accordance with the provisions set at the 2003 General Meeting (see 2.3 of this registration document and annual financial report, page 93). ■ €25,000 in respect of his Bouygues Directorship, ■ €11,607 in respect of his Bouygues Telecom Directorship.



Value of other benefits	€5,037	**In-kind benefits:** ■ unchanged. **Benefits provided:** ■ company car; ■ part-time assignment of a personal assistant; ■ driver-bodyguard.



Components of remuneration due or allocated in respect of the closed financial year that are or have been put to a vote by the General Meeting under the procedure governing related-party agreements and commitments	Amounts or value put to a vote	Description
Benefits for taking up a position or termination	Not applicable	Take-up, termination or change of function: ■ no benefit; ■ no benefit due or likely to be due; ■ no commitment has been made and no promise made to grant termination benefits; ■ In terms of the payment of the retirement benefits provided by the collective bargaining agreement that governs the employment contract between Bouygues and Nonce Paolini, Bouygues and TF1 have agreed to divide these benefits pro rata to the time spent in each company, Bouygues shall invoice TF1 for the sum of €1,315,000.
Non-competition benefit	Not applicable	■ No non-competition clause.
Supplementary pension scheme	0.92% of the reference salary (average of three highest years) for each year of service, or eight times the upper earnings limit for social security contributions (currently €308,928)	■ Under a policy governed by the French Insurance Code, Bouygues offers the members of its Senior Management Committee a supplementary pension set at 0.92% of the reference salary (average of three highest years) for each year of service. Nonce Paolini is a member of that committee. The annual supplementary pension is capped at eight times the upper earnings limit for social security contributions (currently €308,928). ■ The characteristics of the supplementary pension are presented on page 95 of this Registration Document and Annual Financial Report. ■ This entitlement is acquired after ten years of service at the Bouygues group and applies only to those who are at the Group when they retire. ■ The annual supplementary pension is subject to the procedure on related-party agreements, and Bouygues charges TF1 for the portion corresponding to premiums paid to the insurance company. ■ At the time of his retirement in 2016, Nonce Paolini shall receive, considering his years of service, an annual pension of €186,700. In accordance with the AFEP/MEDEF Code, this amount does not exceed 45% of the reference salary. ■ For 2015, this supplementary pension and the associated social security contributions were reinvoiced by Bouygues to TF1 in accordance with the related-party agreement concluded with Bouygues, authorised by the Board of Directors on October 29, 2014 and approved by the General Meeting on April 16, 2015.
Details of the financial conditions of Nonce Paolini's retirement		
Fixed remuneration		With regards to the 2016 financial year, remuneration of €360,000 shall be paid to Nonce Paolini, representing the fixed part of his remuneration until the end of May 2016.
Annual variable remuneration		None
Stock options, performance shares, and any other component of long-term remuneration		As at the date hereof, Nonce Paolini has not been granted any stock options or bonus shares by the TF1 Board of Directors.
Termination or non-competition benefit		None
Retirement benefit provided for by the collective bargaining agreement that governs the employment contract between Bouygues and Nonce Paolini		Because Bouygues and TF1 have agreed to divide these benefits pro *rata* to the time spent in each company, Bouygues shall invoice TF1 for the sum of €1,315,000.
Supplementary pension scheme		At the time of his retirement in 2016, Nonce Paolini shall receive, considering his years of service, an annual pension of €186,700. In accordance with the AFEP/MEDEF Code, this amount does not exceed 45% of the reference salary.

Nonce Paolini holds 4,050 TF1 shares of which 3,950 are held in regard to the retention obligation following the exercise of stock options in 2013.

Nonce Paolini's total remuneration in the last three financial years is broken down as follows:

The remuneration of the Executive Director is reviewed annually by the TF1 Board of Directors, in accordance with Article L. 225-53 of the French Commercial Code, after seeking the opinion of the Remuneration Committee. It reflects the wider interests of the company.

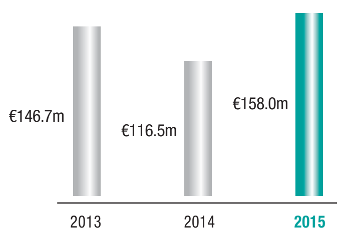
In 2015, Nonce Paolini's remuneration stood at €920,000, remaining stable since 2011.

The variable element of Nonce Paolini's remuneration stood at €1,092,500, equal to 119% of his fixed remuneration, 20.8% less than the previous year. The quantitative criteria were not met in their entirety whereas the qualitative criteria were satisfied in full.

The following components were taken into account when calculating Nonce Paolini's remuneration:

– the company's performance: the Board took the view that this remuneration was commensurate with work carried out and the outcomes achieved in a highly complex economic, regulatory and competitive environment which had an impact on the financial performance of the company. However, the Group's current operating profit grew significantly in 2015 (+€41.5 million). The Group also continued to create value by completing the sale of the Eurosport group to Discovery Communications. Furthermore, the first stages in transforming the presentation of the news were successfully completed, including the streamlining of the Metronews content and the unencrypted broadcasting of LCI. Lastly, TF1 adopted a strong position in the field of production and distribution of content with its acquisition of an equity interest in Newen Studios. However, the Group's net profit remained unchanged from the previous year, due to the effect of the economic climate on advertising revenue.

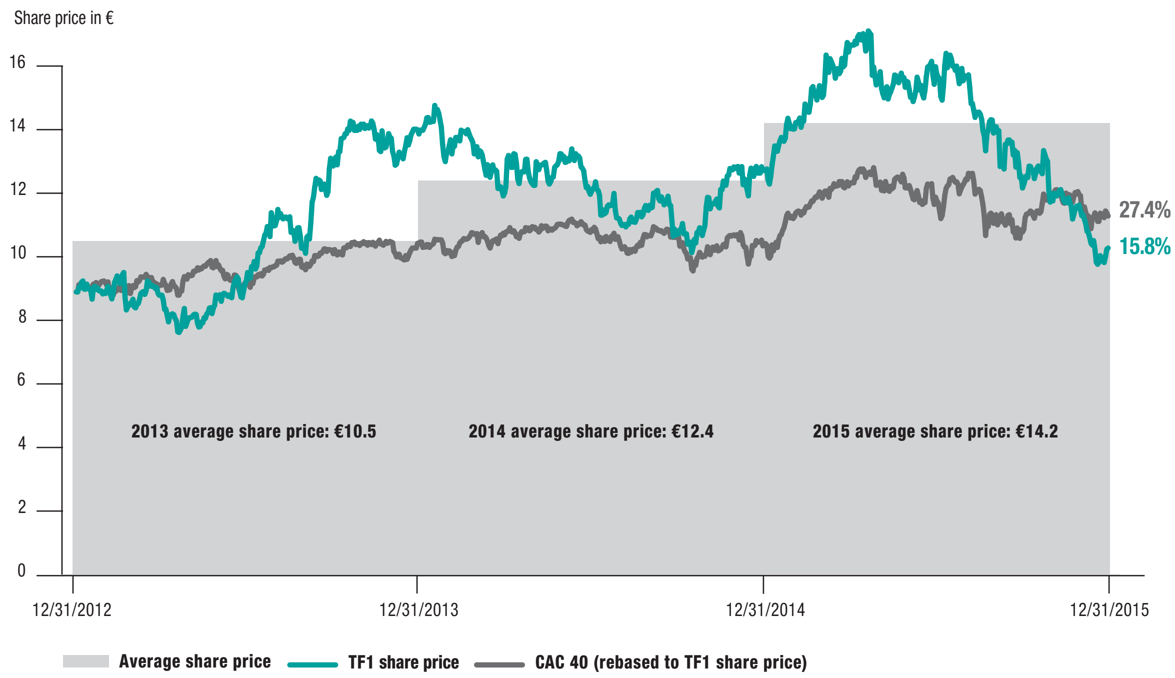
CURRENT OPERATING PROFIT (IN MILLIONS OF EUROS)



– share price performance.

Remuneration was considered against the company's share price performance.

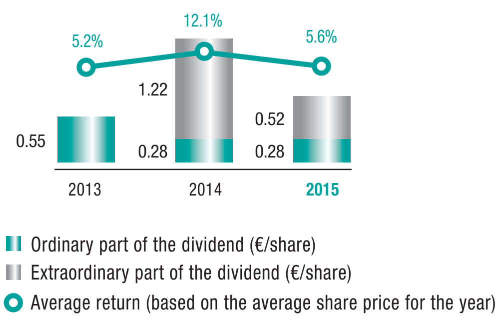
2013 AVERAGE SHARE PRICE



Between 2013 and 2015, the average TF1 share price rose by 34.7%, compared with a 22.2% rise in the CAC 40 and 24.5% in the SBF 120.

Remuneration was also considered against total shareholder return.

TFI SHARE PERFORMANCE



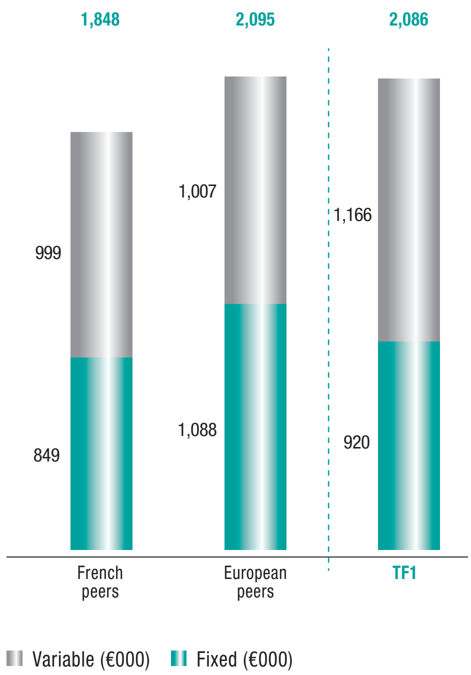
The average return (dividends received for years 2013-2014-2015/ average share price for the period) was 23.0%.

TOTAL SHAREHOLDER RETURN

The total shareholder return on TF1 (dividends received and capital gains realised) shares since January 1, 2013 stands at 48.0%.

– intra-group and sector comparison: remuneration is assessed against that of other French and European senior managers in the sector. It is also determined using rules applied consistently across the Bouygues group's different business lines.

COMPARISON OF FIXED AND VARIABLE REMUNERATION* (IN THOUSANDS OF EUROS)



* *Average of the last three years available:*

- 2012-2014 for French peers (M6, Canal+, Vivendi) and European peers (ITV, ProSieben Sat1, Mediaset Italia and Mediaset España),

- 2013-2015 for TF1,

- **approve the related-party agreement covered by Article L. 225-42-1 of the French Commercial Code in favour of Gilles Pélisson;**

In the **12th resolution**, we request that you approve the supplementary retirement pension granted to Gilles Pélisson, Chairman and CEO from February 19, 2016.

Supplementary retirement pension granted to Gilles Pélisson, Chairman and Chief Executive Officer, starting on February 19, 2016

Authorisation: On February 26, 2016, the Board of Directors approved the supplementary retirement pension awarded to Gilles Pélisson, which was established *via* a collective pension plan agreement with benefits determined and established by Bouygues.

Parties concerned:

- Bouygues: Martin Bouygues (Chairman and Chief Executive Officer, Director), Olivier Bouygues and (Director) and Gilles Pélisson;
- Bouygues is a shareholder.

Benefit: This agreement established the supplementary retirement pension awarded, starting on February 19, 2016, to Gilles Pélisson, Chairman and Chief Executive Officer of TF1, employee of the Bouygues group. The Board of Directors approved the renewal of the supplementary retirement pension under the agreement on the collective pension plan with defined benefits for the members of the Bouygues General Management Committee, of which Gilles Pélisson is a member. This supplementary pension is subject to conditions of performance. Beneficiaries become entitled to this supplementary pension only after ten years of service with the Group. This supplementary annual pension is capped at eight times the social security annual cap (equal to €308,928 for 2016, representing less than the cap of 45% of the reference salary as provided for by the AFEP/MEDEF Code). This supplementary pension plan is outsourced to an insurance company.

The characteristics of the supplementary pension scheme are the following:

1. Title of the commitment: defined-benefit collective pension scheme.
2. Reference to legal provisions identifying the scheme: Article L. 137-11 of the French Social Security Code.
3. Conditions for joining the scheme and other eligibility conditions: the beneficiary must:
   - be a member of the Bouygues SA Management Committee on the date of retirement;
   - have at least ten years' service with the Bouygues group at the date of retirement;
   - have definitively ended his or her professional career at one of the Group companies (this condition is fulfilled when the employee is part of the workforce at the date of retirement);
   - be at least 65 years old at the date of retirement;
   - fulfil the eligibility criteria for pension benefits under the basic social security pension scheme and the mandatory supplementary schemes (ARRCO and AGIRC).
4. Method of determining the reference salary specified by the scheme and used to calculate the rights of beneficiaries: the reference salary must be equal to the average gross salary of the employee's three best calendar years at the Bouygues group during his or her period on the Bouygues SA Management Committee, adjusted to reflect changes in the value of pension entitlement points under the AGIRC scheme, on the date the employment contract is terminated. The reference gross salary is that used to calculate social security contributions in accordance with Article L. 242-1 of the French Social Security Code.
5. Pattern of vesting of rights: annual rate; beneficiaries of the supplementary pension scheme receive an additional retirement benefit per year in the scheme, as defined by the performance conditions.
6. Existence of a ceiling, and the amount and terms and conditions for determining that ceiling: rights may not exceed a ceiling set at eight times the annual social security ceiling (equivalent to a ceiling of €308,928 in 2016).
7. Terms and conditions for funding the benefit: outsourced to an insurance company, to which a contribution is paid each year.
8. Amount of the annual annuity at the end of the reporting period: depending on the performance conditions.
9. Tax and social security charges levied on the scheme: the contributions paid into the scheme by the company are not subject to employers' social security charges or to the CSG or CRDS levies. However, the company is required to pay a levy set at 24% of those contributions.

Article 229 of the law of August 6, 2015 on growth requires that vesting of the pension rights of executive directors of listed companies in respect of a given financial year must now be subject to performance conditions.

Acting on the recommendation of the Remuneration Committee, the Board meeting of February 26, 2016 set those performance conditions, which will be submitted for shareholder approval at the Annual General Meeting of April 14, 2016, as part of the vote on the 12th resolution covering the regulated commitments (as stipulated in Article L. 225-42-1 of the French Commercial Code) in favour of Gilles Pélisson. Because Gilles Pélisson has only just taken office, vesting of his annual supplementary pension rights will be subject to conditions relating to performances within his control. Those conditions relate to the attainment of targets for average consolidated net profit relative to the annual budget:

- for the 2016 financial year: based on the 2016 annual budget;
- for the 2017 financial year: based on the 2016 and 2017 annual budget;
- for the 2018 financial year: based on the 2016, 2017 and 2018 annual budget.
- for later financial years, based on the annual budget for the financial year, as well as those of the two previous financial years.

Depending on the extent to which the consolidated net profit targets are met, the supplementary pension rights will be in a range from a minimum of 0% to a maximum of 0.92% + 0.46% of the reference salary.

This agreement is intended to enable Bouygues to retain the members of its General Management Committee. TF1 also benefits from the negotiations in the Bouygues group between Bouygues and the senior executives in its businesses.

Financial conditions: There was no amount invoiced for 2015.

Status of the agreement
Agreement approved for the February 19 to December 31, 2016 period and submitted for approval to the General Meeting of April 14, 2016.

- **to appoint for a term of six financial years a Permanent Statutory Auditor and an Alternate Auditor;**

We submit for your approval, in the **13th and 14th resolutions**, for the legal duration of six financial years, to run until the end of the General Meeting called in 2022 to approve the 2021 financial statements, the appointment of ERNST & YOUNG AUDIT as Permanent Statutory Auditor and AUDITEX as Alternate Auditor.

Directive 2011/56/EU and Regulation (EU) no 537/2014 of the European Parliament and of the Council introduces a European audit reform, applicable in France from June 2016, which requires the mandatory rotation of audit firms. Under the transitional provisions imposed by the reform, the current mandates of the TF1 group Statutory Auditors will come to an end after the certification of the 2016 accounts for KPMG and the 2018 accounts for Mazars. These firms may not be reappointed more than once. So as to avoid the short-term renewal of the entire audit panel at the end of their final mandates and given the limited number of firms with the capacity to respond to the tenders that will be issued at the end of these last audited years of the 4 year cooling-off period allowed under the reform, we propose that KPMG is not reappointed after certifying the 2016 accounts. We propose that Ernst & Young, an international audit firm that is highly active in the media sector in France, is appointed as the auditor of the Bouygues Group, which controls the TF1 group, and is committed to professional standards of ethics and independence.

So as to ensure the most efficient transfer of files between members of the audit panel, TF1 would like to appoint Ernst & Young with effect from the 2016 financial year to coincide with the arrival of the new Chairman and CEO and the strategic changes taking place at TF1 to meet the changing structure of the TV and advertising markets. This will mean that work can be distributed between members of the audit panel so as to provide fresh insight into the accounting and financial issues facing the TF1 group.

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

The **15th resolution** authorises the company to trade in and buy back its own shares, within the limits set by the shareholders and in accordance with law. Share buybacks may not exceed 10% of the share capital. 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 share capital authorised for repurchase: 10%;
- maximum overall amount: €300 million;
- maximum price per share: €25;
- 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 246).

Share buybacks, which must not exceed 10% of the share capital, can be used in particular to cancel shares under the authorisation set forth in the **16th resolution**, in order, among others, to offset the dilutive impact on shareholders from the exercise of stock options allocated to employees and corporate officers. Buybacks can also, in accordance with a market practice accepted by the AMF 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 using derivative financial instruments, in compliance with regulatory requirements, pursuant to Article L. 225-209 of the French Commercial Code and the regulations set forth by the French Financial Markets Authority. The Board of Directors wanted to expand the options for share buybacks by seeking authorisation *to go* through top-rated banks to use derivative financial instruments and make purchases on or off-market, on multilateral trading systems or on systematic internalisers or over the counter. The Board felt that the terms offered by this approach might be in the financial interest of the company and shareholders. The purchase price cannot exceed €25 per share. The maximum amount of funds that can be used for the share buyback programme is €300 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 vesting 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 18, 2015 and February 17, 2016, the company purchased 2,969,765 TF1 shares on the market at an average weighted price of €13.47 per share, *i.e.* a total cost of €40 million including €28,010 in brokerage fees net of VAT and financial transaction taxes.

As at February 17, 2016, the company owned 1,487,582 of its 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 pages 247 et seq. in chapter 6 of this registration document and Annual Financial Report. This table also mentions the Board of Directors' utilisation during 2015 of the financial authorisations granted, *i.e.* the cancellation of shares and the allocation of stock options.

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

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

The purpose of the **16th resolution** is to authorise the Board of Directors to reduce the capital of the company, on one or more occasions and by up to 10% of the share 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 shall be granted for a period of eighteen months and will replace the authorisation previously granted by the Combined General Meeting of April 16, 2015.

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.

In 2015, TF1 acquired 2,969,765 shares and cancelled 1,482,183 treasury shares, on October 28, 2015.

As at February 17, 2016, the company owned 1,487,582 of its shares.

- **authorise the allocation of performance shares to employees and corporate officers;**

The **17th resolution** aims to authorise the Board of Directors to allocate, on one or more occasions, company performance shares to salaried employees or certain categories of employees and/or corporate officers, whether from TF1 or from its associated economic interest groupings, and to perform any applicable capital increases.

The previous authorisations, regarding the granting of stock options and the allocation of performance shares to employees and management, were the subject of the 11th and 12th resolutions of the Combined General Meeting of April 17, 2014 and will expire on June 17, 2017; however, the resolution dealing with the allocation of performance shares is up for renewal during the General Meeting of April 14, 2016 so as to bring the performance shares to be allocated into compliance with Law no. 2015-9901 of August 6, 2016 for growth, business and equal economic opportunity (dubbed the "Loi Macron").

The Combined General Meeting of April 17, 2014 authorised the Board of Directors to grant options or performance shares up to an overall common ceiling of 3% of the share capital, for a period of thirty-eight months.

The Board of Directors has not allocated any performance shares since 2014.

During 2015, the Board of Directors awarded, on the basis of performance 1,308,800 stock options, *i.e.* 0.6% of the share capital to 139 beneficiaries, belonging to three management bodies (Senior Management Committee, Executive Committee and Management Committee) with the exception of Nonce Paolini, Chairman and CEO.

At December 31, 2015, the total number of unexercised options stood at 3,932,376, *i.e.* approximately 1.9% of the share capital on this same date.

The company is convinced that it is important to have senior executives share in the success of the Group, in which they are the key players. These allocations enable them to hold a direct stake in the Group's performance and its future, which helps to enhance their motivation and commitment to the company.

You are asked to renew the authorisation granted to the Board of Directors to allocate performance shares, whether new or existing, for a period of 38 months. If new shares are issued, the company will have reserves available to incorporate into the share capital.

The **17th resolution** on the allocation of bonus shares provides for:

- an overall ceiling of 3% of share capital, also applicable to the awarding of stock options authorised by the Combined General Meeting of April 17, 2014 in its 11th resolution; a special ceiling of 0.03% of share capital for Executive Directors;
- the establishment by the Board of Directors of the conditions and the list or categories of other beneficiaries of the shares, and the setting of the performance criteria applicable to them.

The company shall continue its allocation policy based on performance conditions to be established by the Board of Directors at the recommendation of the Remuneration Committee, and as measured over three financial years, as was done for the last share plans.

With regard to Executive Directors, the Board of Directors will continue to abide by the following AFEP/MEDEF recommendations incorporated into its internal procedures as applied to the option plan awarded in 2009:

- stock options or bonus shares are not granted to senior executives upon leaving the company;
- hedging the risk relating to the exercise of stock options or the sale of bonus shares is forbidden;
- obligation to retain a certain number of shares until their term of office comes to an end.

The resolution also establishes that the allocation of the shares to their beneficiaries will only become final following a vesting period of a duration to be set by the Board. This period may not be shorter than three years, followed by a minimum lock-up period for the beneficiaries, that may not be shorter than one year from the definitive allocation of the shares. The cumulative duration of the vesting periods and, if applicable, the share retention periods, may not be less than four years;

- **amend the company's Articles of Association;**

The **17th and 18th resolutions** aim to modify the Articles of Association of TF1.

In order to bring some flexibility to the management of its governance, the Board of Directors solicited the advice of the Director Selection

Committee to organize its composition according to a variable number of directors rather than the existing fixed number. The modification of the Articles of Association (Article 10) is therefore proposed in order to eliminate the fixed number of directors composing the 12-member Board of Directors. The Board of Directors may henceforth consist of three to eighteen members, subject to the dispensations provided by law, while maintaining, in accordance with Article 66 of Law no. 86-1067 of September 30, 1986, the presence of two Directors representing the staff.

As such, we propose a change to the Articles of Association (Article 18) to enable the appointment of at least two Statutory Auditors (Permanent and Alternate), thereby allowing the option to appoint a third audit form, during any period of transition.

Directive 2011/56/EU and Regulation (EU) no. 537/2014 of the European Parliament and of the Council introduces a European audit reform, applicable in France from June 2016, which requires the mandatory rotation of audit firms. Under the transitional provisions imposed by the reform, the current mandates of the TF1 group Statutory Auditors will come to an end after the certification of the 2016 accounts for KPMG and the 2018 accounts for Mazars. These firms may not be reappointed more than once. So as to avoid the short-term renewal of the entire audit panel and to ensure the most efficient transfer of files between members of the panel we propose the appointment of Ernst and Young Audit as Permanent Statutory Auditor and Auditex as Alternate Auditor.

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

The purpose of the **20th resolution** is to allow all legal and administrative formalities, filings and disclosures provided for by prevailing law to be carried out.

Information on the company's operations, to be provided under the law, is included in the management report that you received.

You are asked to vote on the proposed resolutions.

The Board of Directors