



Report of the Board of Directors on the draft resolutions submitted to the Extraordinary General Meeting of 26 July 2016

First resolution: *Delegation of authority granted to the Board of Directors to issue ordinary shares or securities giving access to the share capital of the Company, maintaining the shareholders' preferential subscription rights*

Following the meeting of the Board of Directors dated April 22, 2016, it was publicly announced that a capital increase proposal, in the form of a capital market transaction for a total amount of €4 billion, would be submitted to the Board of Directors before the closing of the financial statements for the year 2016 subject to market conditions. It is recalled that the French State has already announced that it will subscribe to this capital increase for a total amount of €3 billion.

You are invited to delegate to the Board of Directors the powers necessary to carry out the contemplated transaction.

Such authorization would allow the Board of Directors to decide capital increases for a maximal nominal amount of €480 million (the "Limit") with shareholders' preferential subscription rights, through the issuance of shares or securities giving access to the share capital of the Company (such as warrants (*bons de souscription d'actions*)), being specified that the Limit is (i) common to all the share capital increases implemented immediately or at a later date under this resolution, the 4th resolution submitted to this General Meeting and under the 11th, 12th, 13th, 15th and 16th resolutions submitted to the General Meeting of 12 May 2016, and (ii) increased, as the case may be, by the nominal amount of shares to be issued in order to preserve the rights of the holders of securities giving access to the share capital of the Company. Notwithstanding the Limit, the nominal amount of the debt securities so issued would not exceed €2.4 billion, such amount being calculated taking into account the debt securities issued under the 11th, 12th, 13th, 15th and 16th resolutions adopted during the General Meeting of 12 May 2016.

This delegation of authority would be granted for a period of 26 months starting from this General Meeting.

The terms and conditions of this authorization are the same as those of the 10th resolution adopted during the General Meeting of 12 May 2016, except for (i) the nominal amount of the ceiling applicable to the share capital increase which is brought up from €240 million to €480 million and (ii) the note that the securities giving access to the share capital of the Company may consist in shares warrants. This delegation of authority would thus repeal and replace the 10th resolution adopted during the General Meeting of 12 May 2016.

Given the volume of the announced capital increase and in order to ensure its best execution, the Board of Directors considered that the nominal ceiling applicable to the issuance should be brought up to €480 million. Such increase also takes into consideration the fact that the Limit is applicable to different kind of transactions for a period of 26 months (private placement, issuance of convertible bonds, public offer without shareholder preferential subscription right).

Second resolution: *Delegation of authority granted to the Board of Directors, in the case of an issuance of ordinary shares or securities giving access, immediately or at a later date, to the share*

capital of the Company, with no preferential subscription rights for shareholders, under the 12th resolution adopted during the combined Shareholders' Meeting dated May 12, 2016, to freely set the issue price within the limit of 10% of the share capital per year

You are invited, in accordance with Article L. 225-136 of the French Commercial Code, to delegate to the Board of Directors the authority to issue, up to 10% of the share capital per year, ordinary Company shares and/or securities giving access, immediately or at a later date, to the share capital of the Company or a subsidiary, without shareholder preferential subscription rights under the 12th resolution of the combined General Meeting dated May 12, 2016, derogating to the conditions for the setting of the price set out in such resolution and to determine the issue price of the ordinary shares or the securities giving access to the share capital in accordance with the following conditions: the issue price should be at least equal to the average market price of the share, weighted by the volumes during the last trading day preceding the determination of the issue price, as the case may be with a maximum discount of 5%.

The global nominal amount of the capital increases implemented under this resolution would not exceed the ceilings stated in the 12th resolution of the combined General Meeting dated May 12, 2016, on which it will be impacted.

Should the Board of Directors use this authorization, it should establish a complementary report, certified by the statutory Auditors, describing the final conditions of the operation and giving key elements permitting to assess its real impact on the situation of the shareholder.

This delegation of authority would be granted for a period of 26 months from the date of this General Meeting.

Third resolution: *Delegation of authority granted to the Board of Directors to increase the share capital to the benefit of members of savings plans with no preferential subscription rights for shareholders to the benefit of such members of savings plans*

This delegation would authorize the Board of Directors, if it wishes, to foster the development of the employee shareholding in the Group, through capital increases reserved for the employees, without shareholders preferential subscription rights, within the limit of a maximum nominal amount of €10 million (*i.e.* approximately 1% of the share capital at the date of this General Meeting). The inclusion of this resolution on the agenda of the General Meeting is required by law (Article L. 225-129-6 of the French Commercial Code) due to the delegation of authority submitted to you in the 1st resolution.

It is proposed to the General Meeting to set the discount at 20% of the average first quoted prices of the Company's share over the twenty trading sessions of the Euronext Paris market preceding the date of the decision fixing the opening date for subscriptions, it being specified that the Board of Directors would have the power to reduce or cancel such discount.

The global nominal amount of the capital increases carried out under this resolution should not exceed a maximum nominal ceiling of €10 million.

The scope of this authorization is the same as that of the 17th resolution adopted during the General Meeting of 12 May 2016. This delegation of authority would thus repeal and replace the 17th resolution adopted during the General Meeting of 12 May 2016.

This delegation of authority would be granted for a period of 26 months period as from the date of this General Meeting.

Fourth resolution: *Delegation of authority granted to the Board of Directors to conduct capital increases reserved for a category of beneficiaries with no preferential subscription rights of the shareholders*

The inclusion of this resolution on the agenda of the General Meeting would permit, should the transactions carried out under the 1st and 2nd resolutions here above trigger the obligation to implement an offer reserved for the employees (“**ORE**”) in accordance with Article 31-2 of the Ordinance n°2014-948 of August 20, 2014, to offer Company shares to the employees complying with the aforementioned requirements, who are legally eligible to such ORE.

It is proposed to delegate to the Board of Directors the authority to carry out capital increases reserved notably for the employees of the Company, those of the subsidiaries in which the Company holds, directly or indirectly, more than 50% of the share capital, as well as former employees who signed a contract or who had a paid activity for at least a five-year period, within the Company or its subsidiaries, who are part of a company savings plan, but who would not be eligible to participate in a transaction carried out under the 3rd resolution.

It is proposed to the General Meeting to set the discount at 20% of the average of the first quoted prices of the Company’s shares on the Euronext Paris market during the twenty trading sessions preceding the date of the decision setting the opening date for the subscription period, it being specified that the Board of Directors would have the power to reduce or cancel such discount if it deems it appropriate.

The nominal global value of the capital increase resulting from all the issuances carried out under this resolution shall not exceed a maximum of €10 million of nominal value, it being specified that this amount shall be impacted on the Limit (as provided in the 1st resolution).

This delegation of authority would be granted for a period of 18 months from the date of this General Meeting.

Fifth resolution: *Regularization, as necessary, of the combined Shareholders’ Meeting of the Company dated May 12, 2016 and therefore, of the decisions taken and the resolutions adopted, excluding the 10th resolution (Delegation of authority granted to the Board of Directors to issue ordinary shares or securities giving access to the capital of the Company, maintaining the shareholders’ preferential subscription rights)*

The Company having noted that a publication formality has not been complied with for the purpose of convening the shareholders to the General Meeting of May 12, 2016, you are invited, as may be necessary, to regularize the combined General Meeting of the Company dated May 12, 2016 and therefore all the decisions taken and the approval of the resolutions adopted during such General Meeting, with the exception of the 10th resolution submitted to the General Meeting of 12 May 2016 which is repealed and replaced by the 1st resolution submitted to this General Meeting.

Sixth resolution: *Powers for the completion of formalities*