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VIVENDI

Public limited company with a Management Board and a Supervisory Board (*Société anonyme à Directoire et Conseil de surveillance*)

Share capital: €7,184,288,078

Registered office: 42, avenue de Friedland - 75008 Paris - France

Registered in Paris under no. 343 134 763

**PROPOSED PLAN TO CONVERT VIVENDI INTO
A EUROPEAN COMPANY**

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REPORT OF THE MANAGEMENT BOARD

PROPOSED PLAN TO CONVERT VIVENDI INTO A EUROPEAN COMPANY

REPORT OF THE MANAGEMENT BOARD

This proposed conversion plan has been drawn up by the Management Board of Vivendi (hereinafter also referred to as “Vivendi” or the “Company”) in connection with the proposed plan to convert the Company into a European Company (a “European Company” also known as *Societas Europaea*, or “SE”), in accordance with Title II, Section 5 of Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (hereinafter referred to as the “SE Regulation”) and paragraph 2 of Article L. 225-245-1 of the French Commercial Code (*Code de commerce*).

The aim of this report is to explain and substantiate the legal and economic aspects of the Company’s conversion into an SE as well as the implications that such a conversion would have on the Company’s shareholders, employees and creditors.

The proposed conversion plan will be submitted for shareholder approval at Vivendi’s General Shareholders’ Meeting to be held on April 15, 2019.

1. DESCRIPTION OF THE PROPOSED CONVERSION PLAN

1.1. Identity and characteristics of the Company subject to the proposed conversion plan

1.1.1. Legal form – Registered office

Vivendi is a French public limited company with a Management Board and a Supervisory Board (*société anonyme à Directoire et Conseil de surveillance*). Its registered office is located at 42 avenue de Friedland, 75008 Paris, France.

1.1.2. Registration particulars – Governing law

The Company is registered with the Paris Trade and Companies Registry under number 343 134 763. It is governed by the laws and regulations applicable in France as well as by its by-laws.

1.1.3. Activity

Since 2014, Vivendi has worked on building a world-class content, media and communications European group. The clear and ambitious strategy that was set in motion four years ago has been successfully executed by the Management Board.

First, in content creation, the Group owns powerful, complementary assets in music (Universal Music Group), mobile games (Gameloft) and movies/series (Canal+ Group), which are the three most consumed forms of entertainment content in the world today.

Second, in the distribution market, Vivendi has acquired the Dailymotion platform and repositioned it to create a new digital showcase for its content. The Group has also joined forces with several telecom operators and platforms to maximize the reach of its distribution networks.

In 2017, communications became the third building block in this structure through Havas, which possesses unique creative expertise in promoting free content and producing short formats, now

increasingly viewed on mobile devices. In addition, through Vivendi Village, the Group is exploring new forms of business in live entertainment, franchises, ticketing and digital technology that are complementary to its core activities. Vivendi's various businesses work together cohesively as an integrated industrial group to create greater value.

Lastly, the Group's construction took a further step forward in January 2019 when Vivendi acquired the entire share capital of Editis, the second-largest French-language publishing group, which encompasses some fifty publishing houses. Vivendi and Editis share recognized expertise in developing and managing rights related to cultural works as well as the same passion for encouraging creativity and nurturing talent.

1.1.4. Term

The Company's term will expire on December 17, 2086, except if the Company is wound up in advance or if this term is extended by shareholders in an Extraordinary Shareholders' Meeting.

1.1.5. Share capital – Stock market listing

As of December 31, 2018, the Company's share capital amounted to €7,184,288,078, divided into 1,306,234,196 fully paid-up shares with a par value of €5.50 each. Vivendi's shares are admitted to trading on the regulated market of Euronext Paris.

1.2. Reasons for the conversion

In view of the Group's expansion in recent years, particularly in Europe, the Company's Management Board, with the support of the Supervisory Board, carried out a reflection process on the best way of reinforcing the integration of the Company's European subsidiaries and giving the Group greater cohesion and better visibility on a European scale.

The legal form of a European Company (SE) – which was introduced in the European Union in 2001 and transposed into French law in 2005 – would better reflect Vivendi's European and international dimension for its employees, shareholders and other stakeholders.

Vivendi's consolidated revenues totaled €13,932 million in 2018, of which 54% was generated in the European Economic Area (EEA). Following the Company's acquisition of the entire share capital of Editis – the second-largest French-language publishing group – the Vivendi group now has over 44,000 employees in nearly 80 countries, 53% of whom are based in the EEA.

The status of a European Company – which a number of major groups, particularly within the CAC 40, have already chosen to do – would convey a strong image in the vast majority of countries where the Group operates. It would give Vivendi a recognized status on a European scale and would provide greater consistency between the Company's legal framework and the Group's economic and cultural environment.

1.3. Prior conditions for the conversion

In accordance with the SE Regulation, an existing public limited-liability company that is formed in accordance with the law of an EU Member State and has its central administration structure based in the European Union can be converted into an SE if:

- it has had, for at least two years, a subsidiary governed by the law of another Member State; and
- its subscribed share capital amounts to at least €120,000.

Vivendi meets these two conditions.

1.4. Legal framework of the conversion

The conversion referred to in this report would be governed by (i) the provisions of the SE Regulation (notably paragraphs 4 of Article 2 and Article 37 relating to the formation of a European Company by converting an existing company), (ii) Articles L. 225-245-1 and R. 229-20 to R. 229-22 of the French Commercial Code, and (iii) the provisions of Articles L. 2351-1 *et seq.* of the French Labor Code (*Code du travail*), which transposes into French law Council Directive 2001/86/EC of October 8, 2001 supplementing the Statute for a European Company with regard to the involvement of employees (hereinafter the “SE Directive”).

2. CONSEQUENCES OF THE PROPOSED CONVERSION PLAN

2.1. Legal consequences of the conversion

2.1.1. Company name after the conversion

Following the completion of the conversion, the Company will keep its name, “Vivendi”, but in all documents issued by the Company it will be followed by the words “Société Européenne” or the initials “SE”.

2.1.2. Registered office and central administration structure

The Company’s registered office and central administration structure will be located in France, at the address of its current registered office.

2.1.3. By-laws (draft attached as an Appendix hereto)

A draft of the by-laws that will govern Vivendi SE after the completion of the conversion (subject to shareholder approval of said by-laws at the Company’s General Shareholders’ Meeting to be held on April 15, 2019) is attached as an Appendix to this document. This draft was prepared simply by adapting the Company’s existing by-laws in line with its conversion into a European Company. The provisions of the new by-laws comply with the SE Regulation and the applicable French laws.

Vivendi will retain its two-tier governance structure in accordance with Articles 38 b) and 39 to 42 of the SE Regulation, and will continue to have a Management Board and a Supervisory Board.

2.1.4. Legal personality and Vivendi shares

Pursuant to paragraph 2 of Article 37 of the SE Regulation, the conversion will not result in the winding up of the Company or in the creation of a new legal entity. Once the conversion is completed and the Company has been registered with the Paris Trade and Companies Registry as a European Company, it will continue to conduct its usual business, in the form of a European Company.

The conversion will not affect the number of the Company's issued shares or their par value, and these shares will continue to be admitted to trading on the regulated market of Euronext Paris (Compartment A – ISIN Code FR0000127771).

2.1.5. Structure and governance of the SE

The SE Regulation sets out several specific rules on how an SE should be run, but most governance issues pertaining to SEs are covered by national rules. Vivendi's governance will therefore continue to be primarily governed by the provisions of the French Commercial Code applicable to the management and administration of public limited companies with a Management Board and a Supervisory Board, apart from where specific provisions in the SE Regulation apply.

Consequently, Vivendi SE will keep the same governance bodies as those that it currently has as a public limited company (*société anonyme*):

- General Shareholders' Meetings

The General Shareholders' Meeting will have the same powers as previously. In accordance with the SE Regulation, when calculating the majority for adopting resolutions at General Shareholders' Meetings of an SE, only "votes cast" are taken into consideration. Therefore, any votes attached to shares held by a shareholder who did not take part in the vote or who abstained are not taken into account for the purpose of calculating the majority.

- Governance

Vivendi SE will retain a two-tier governance structure consisting of a Management Board and a Supervisory Board, which will have the same roles and responsibilities as previously.

The Supervisory Board committees – the Audit Committee, the Corporate Governance, Nominations and Remuneration Committee and the CSR Committee – will all remain in place, with the same membership structure and the same roles and responsibilities.

In accordance with the SE Regulation, the calculation of the quorum for Supervisory Board meetings will include members who are present as well as those who are represented. Article 10 of the Company's by-laws will therefore be amended accordingly.

The SE Regulation provides that if a position on the Management Board falls vacant, the Supervisory Board may appoint one of its members to act as a member of the Management Board for a period of up to six months. However, as the Management Board currently has seven members, the Company does not intend to use this provision.

- Related-party agreements

In accordance with Article L. 229-7 of the French Commercial Code, Vivendi SE's by-laws must mention the procedure for related-party agreements by referring to the provisions that apply to French *sociétés*

anonymes. Consequently, a new article on related-party agreements will be added to the Company's current by-laws.

- Statutory Auditors

The completion of the conversion of Vivendi into a European Company will not affect the term of office of the Company's Statutory Auditors, which will continue until its scheduled expiration date in accordance with the original conditions.

2.2. Consequences for shareholders

The conversion will not have any impact on the rights attached to the shares held by the Company's shareholders and will not result in any additional shareholder obligations.

The number of shares issued by the Company will not be amended as a result of the conversion, which will have no impact on the value of Vivendi shares.

Pursuant to paragraph 1 of Article 55 of the SE Regulation, one or more shareholders who together hold at least 10% of the Company's subscribed capital may request the Company to convene a General Shareholders' Meeting and draw up the agenda therefor. In addition, in accordance with the French Commercial Code, if the relevant administrative body fails to call a General Shareholders' Meeting, such a meeting may be called by a representative appointed by a court of law, notably at the request of one or more shareholders holding at least 5% of the Company's share capital.

The conversion of the Company into a European Company is subject to the approval of both a General Shareholders' Meeting and, in accordance with the French Commercial Code, a General Meeting of the holders of the following outstanding bonds:

- ISIN FR 0013282571, 0.875%, issued on September 18, 2017 and maturing in September 2024¹.
- ISIN FR 0013220399, 1.125%, issued on November 24, 2016 and maturing in November 2023¹.
- ISIN FR 0013176302, 0.750%, issued on May 26, 2016 and maturing in May 2021¹.
- ISIN FR 0013176310, 1.875%, issued on May 26, 2016 and maturing in May 2026¹.
- ISIN FR 0010830034, 4.875%, issued on December 1, 2009 and maturing in December 2019².

2.3. Consequences of the proposed conversion plan for creditors

The conversion will not affect the rights of the Company's creditors. Creditors existing prior to the conversion will retain all of their rights vis-à-vis the Company after the completion of the conversion.

2.4. Consequences of the proposed conversion plan for employees – Information on the procedures related to employees within the EEA

After the applicable consultation process, Vivendi's Works Council issued a unanimous favorable opinion on the proposed conversion plan.

¹Bonds listed on Euronext Paris.

²Bonds listed in Luxembourg.

The individual and collective rights of the employees of the Company and its subsidiaries and establishments located in the EEA will remain unchanged:

- The individual relations between each employee and their employer will continue in accordance with the national rules applicable in each country concerned.
- The same will apply for collective relations.

The Management Board is required to set up an employee representative body or a procedure concerning the involvement of employees in the European Company, in addition to those that already exist in the countries concerned.

Consequently, in accordance with Article L. 2352-1 of the French Labor Code, following the publication of the conversion plan, the Management Board will carry out, directly or indirectly, the necessary formalities to create a Special Negotiation Group (SNG), which will have a legal personality and whose members will represent all of the employees of the Company and its subsidiaries and establishments located in the EEA. The seats on the SNG will be allocated between the representatives of employees working in the EEA Member States in proportion to the respective size of the headcount in each of the countries concerned. The employee representatives on the SNG will be appointed in accordance with the applicable national laws.

Pursuant to Article L. 2352-16 of the French Labor Code, the purpose of the negotiations between the Company and the SNG will be to enter into an agreement that sets out, *inter alia*:

- The participating company (Vivendi) and the subsidiaries and establishments covered by the agreement.
- The membership structure of and the number of members and allocation of seats for the representative body that will liaise with the management team of the European Company for the information and consultation process with the employees of the European Company and its subsidiaries and establishments.
- The roles and responsibilities of each party and the planned procedure for informing and consulting with the employee representative body.
- The frequency of meetings of the employee representative body.
- The financial and other resources to be allocated to the employee representative body.
- The terms and conditions applicable for implementing information and consultation procedures, if such procedures have been set up, by agreement between the parties, in lieu and place of an employee representative body.
- The effective date of the agreement, its duration, the circumstances in which the agreement must be renegotiated and the applicable renegotiation procedure.

The level of information, consultation and participation – as these terms are defined in Articles L. 2351-4 *et seq.* of the French Labor Code – will be at least equivalent to the level currently applicable within Vivendi SA.

The members of the SNG will be invited to meet with each other and may be assisted by specialists.

The negotiations may last for an initial period of six months as from the date of the first SNG meeting. They may then be extended, if required, for a second period of six months, but the overall duration of the negotiations may not exceed one year (the “Compulsory Negotiation Period”).

The negotiations will terminate if and when:

- (i) A written agreement is entered into before the end of the Compulsory Negotiation Period, setting out the terms and conditions of employee involvement in the European Company following a decision taken by an absolute majority of the members of the SNG (a majority which must also represent an absolute majority of all of the employees of the Company and its subsidiaries and establishments located in the EEA).
- (ii) No agreement is reached by the end of the Compulsory Negotiation Period and after the creation of a Works Council for the European Company, in accordance with the provisions of Articles L. 2353-1 *et seq.* of the French Labor Code. In this case, the same terms and conditions for employee participation in the Supervisory Board will continue to apply within Vivendi SE as those that previously applied within Vivendi SA pursuant to Article L. 2353-28 of the French Labor Code.

2.5. Tax aspects of the conversion

Vivendi’s conversion into a European Company will not have any impact in terms of corporate income tax as it will not result in the creation of a new legal person or in any change in the Company’s tax regime (Vivendi will continue to be subject to the same tax regime as a *société anonyme*).

The conversion will need to be registered with the tax authorities after it is approved at the General Shareholders' Meeting on April 15, 2019. The conversion will not result in the payment of any transfer taxes but it will be subject to the lump-sum duty on innominate transactions (*droit fixe des actes innommés*) provided for in Article 680 of the French Tax Code (*Code général des impôts*).

3. PROCEDURE

3.1. Conversion appraisers

Pursuant to paragraph 6 of Article 37 of the SE Regulation and Article L. 225-245-1 of the French Commercial Code, one or more conversion appraisers will be appointed by the President of the Paris Commercial Court at the Company’s request.

In accordance with Article R. 229-21 of the French Commercial Code, the conversion appraiser(s) will be chosen from among the Statutory Auditors included in the list provided for in Article L. 822-1 of the French Commercial Code or from among the independent experts included in one of the lists drawn up by the courts.

The role of the conversion appraiser(s) will be to draw up a report for the shareholders, stating, in accordance with Article L. 225-245-1 of the French Commercial Code, that the Company has net assets at least equivalent to the amount of its share capital plus the amount of reserves that are unavailable for distribution pursuant to the law or the Company's by-laws.

3.2. Specific benefits

Vivendi's conversion into a European Company will not confer any specific benefits on the members of the Management Board or the Supervisory Board.

The conversion appraiser(s) will be paid by the Company following the completion of their engagement.

3.3. Publication of the proposed conversion plan

The proposed conversion plan will be filed with the clerk of the Paris Commercial Court, which is the competent court for the area in which Vivendi is registered, and a notice will be published in a French legal gazette as well as France's official legal journal (Bulletin des Annonces Légales Obligatoires, or BALO), all at least one month before the date of the first General Shareholders' Meeting to be called to approve the conversion.

3.4. Approval of the proposed conversion plan and the by-laws of Vivendi SE

Pursuant to paragraph 7 of Article 37 of the SE Regulation and Article L. 225-245-1 of the French Commercial Code, the Company's shareholders will vote on the proposed conversion plan and Vivendi SE's by-laws in an Extraordinary Shareholders' Meeting in accordance with the quorum and majority conditions required to amend the by-laws of a *société anonyme*, in compliance with Article L. 225-96 of the French Commercial Code.

3.5. Effective date of the conversion

Pursuant to paragraph 2 of Article 12 of the SE Regulation, a European Company may not be registered until the negotiation procedure concerning employee involvement has been completed.

Consequently, provided it is approved by the Company's shareholders in an Extraordinary Shareholders' Meeting, the conversion of Vivendi into a European Company will take effect on completion of the negotiations with the SNG, once it has been registered as a European Company with the Trade and Companies Registry. Notice of the conversion will be published in the Official Journal of the European Union.

Paris, February 11, 2019

The Management Board

APPENDIX TO THE EUROPEAN COMPANY PROPOSED CONVERSION

DRAFT BY-LAWS

Part I

LEGAL FORM – PURPOSE – REGISTERED OFFICE

Article 1 – LEGAL FORM – CORPORATE NAME – LEGISLATION – TERM

The Company, which is called Vivendi, was first established in Paris on December 11, 1987 in the form of a public limited company with a Management Board and a Supervisory Board (*Société Anonyme à Directoire et Conseil de surveillance*) and incorporated under French law by decision of the Shareholders' Meeting of April 28, 2005. Pursuant to the decision of the Shareholders' Meeting of April 15, 2019, Vivendi has adopted the form of public limited company with a Management Board and a Supervisory Board incorporated under European law.

The Company is governed by Council Regulation (EC) No. 2157/2001 of October 8, 2001 on the Statute for a European company (SE), the provisions of Council Directive No. 2001/86/EC of October 8, 2001, the provisions of the French Commercial Code (*Code de commerce*) currently in force or which may come into force in the future relating to companies in general and to European companies in particular and by these by-laws.

The term of the Company shall expire on December 17, 2086, except in the event of an early dissolution or an extension to be decided by an Extraordinary Shareholders' Meeting.

Article 2 – PURPOSE

The Company's main purpose is, directly and indirectly, in France and in all countries:

- to provide any direct or indirect telecommunications and media/entertainment activities, and any interactive services, to individual, business and public sector customers;
- to market any products and services related to the foregoing;
- to carry out any commercial, industrial, financial, stock, share and real-estate transactions directly or indirectly related to the aforementioned purpose or to any similar or related purposes, or contributing to the fulfillment of these purposes;

and, more generally, the management and acquisition, by way of subscription, purchase, contribution, exchange or through any other means, of shares, bonds and any other securities of companies already existing or to be formed and the right to sell such securities.

Article 3 – REGISTERED OFFICE

The Company's registered office is located at 42, avenue de Friedland, 75008 Paris, France.

The registered office may be transferred to any other place in accordance with the legislative and regulatory provisions in force.

Part II

SHARE CAPITAL – SHARES

Article 4 – SHARE CAPITAL

The Company's share capital is 7,184,288,078.00 euros, divided into 1,306,234,196 fully paid-up shares with a par value of 5.50 euros.

The share capital may be increased, reduced, amortized or divided by decision of the competent Shareholders' Meeting.

Article 5 - SHARES

1. The shares may take the form of registered shares or bearer shares, unless provided otherwise by law or regulation.

2. The Company may at any time, in accordance with applicable law and regulations, request from the central institution responsible for keeping the Company's share issuance account any information relating to shares of the Company which confer a voting right at its Shareholders' Meetings, whether immediately or in the future.

Failure by shareholders or intermediaries to comply with their obligation to provide the aforementioned information may lead to the suspension or suppression of dividend and/or voting rights, as permitted by law.

3. Any person, acting alone or in concert, who directly or indirectly holds a fraction of the share capital, voting rights or securities subsequently convertible into shares of the Company, which is equal to or in excess of 0.5% or a multiple of this fraction, shall notify the Company, by registered letter with acknowledgment of receipt, within fifteen days of exceeding any of these thresholds, of the total number of shares, voting rights or securities subsequently convertible into shares, which that person directly or indirectly holds, whether alone or in concert.

Failure to comply with this provision shall be penalized in accordance with legal provisions, at the request, recorded in the minutes of the Shareholders' Meeting, of one or more Shareholders holding at least 0.5% of the Company's share capital.

Any person, acting alone or in concert, shall also inform the Company within fifteen days if the percentage of share capital or voting rights that it holds falls below any of the thresholds mentioned in the first sub-paragraph of this paragraph 3.

Article 6 – RIGHTS AND OBLIGATIONS ATTACHED TO SHARES

1. Each share carries a right of ownership of the Company's assets and liquidation surplus in proportion to the fraction of the authorized share capital that it represents.
2. Whenever a certain number of shares is necessary to exercise a right, shareholders who do not own the said number of shares shall be responsible, if necessary, for grouping the shares corresponding to the required quantity.
3. Subscription rights attached to shares belong to the holder of the usufruct rights (*usufruitier*).
4. Ownership of a share implies acceptance of these by-laws and of decisions made by the Shareholders' Meeting and by the Management Board acting on powers delegated by the Shareholders' Meeting.

Part III

SUPERVISORY BOARD

Article 7 - COMPOSITION OF THE SUPERVISORY BOARD

1. The Supervisory Board is composed of a minimum of three members, and a maximum of 18 members, subject to the temporary exception set forth by law in the event of a merger.

The members are appointed by the Ordinary Shareholders' Meeting, which may dismiss them at any time.

2. Each member of the Supervisory Board must hold at least 1,000 shares in the Company.
3. The members of the Supervisory Board are appointed for a four-year term, expiring at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the year ended, and which is held the year during which the term of office expires. They may be re-elected for additional terms.

At the end of each Annual Shareholders' Meeting, the number of members of the Supervisory Board who have reached the legally defined age on the closing date of the financial year whose financial statements are approved by the meeting, shall not be more than one-third of the number of members in office. When this limit is exceeded, the oldest members shall be deemed to have resigned at the end of the said Shareholders' Meeting until the requirement set forth herein is met.

In the event of a vacancy of one or more board seats due to death or resignation, and provided that the number of members of the Supervisory Board does not fall below the minimum set forth in the first paragraph of this Article 7, the Supervisory Board may make provisional appointments between two Shareholders' Meetings which shall be subject to ratification by the next Ordinary Shareholders' Meeting.

Article 8 – MEMBERS OF THE SUPERVISORY BOARD REPRESENTING EMPLOYEE SHAREHOLDERS

I. Members of the Supervisory Board representing employee shareholders

1. If the percentage of share capital held by employees and retired employees of the Company and its subsidiaries under the Group's Savings Plan established by the Company, represents more than 3% of the Company's share capital, a member of the Supervisory Board of the Company shall be elected from among the employees who are members of the supervisory boards of the Company's mutual funds of which at least 90% of the assets comprise Company shares. The member of the Supervisory Board representing the employee shareholders shall not be taken into account when calculating the maximum number of members of the Supervisory Board set forth in Article 7.

An employees' representative may be elected as a member of the Supervisory Board by an Ordinary Shareholders' Meeting, upon proposal from the Chairman of the Management Board, provided that his or her mandate ends automatically upon the election of a member of the Supervisory Board pursuant to the provisions of the previous sub-paragraph.

2. If, for any reason, the member of the Supervisory Board elected by the Shareholders' Meeting under sub-paragraph 1 above ceases to be an employee of the Company or one of its subsidiaries, said member shall be deemed to have resigned one month from the date of his or her termination of employment.

3. Prior to the Ordinary Shareholders' Meeting held to elect a member of the Supervisory Board representing the employee shareholders pursuant to sub-paragraph 1, said member shall be appointed according to the following procedure:

- the candidate shall be elected by the members of the supervisory boards of the Company's mutual funds representing the employees holding units of such funds. Voters shall comprise unit holders of funds and employees holding shares through direct subscription in connection with employee savings mechanisms;

- the election shall be recorded in the meeting minutes, which shall list the number of votes cast in favor of each candidate as well as the name of the candidate elected by the abovementioned conditions who received the highest number of votes.

4. Each member of the Supervisory Board representing employee shareholders shall be the owner of one share through a mutual fund as described in sub-paragraph 1 of this Article 8, or of an equivalent number of units of said fund. If the member does not hold one share or an equivalent number of units of the fund on the date of his or her appointment, or if he or she ceases to do so during his or her term of office, he or she shall be deemed to have resigned notwithstanding the fact that he or she remains an employee of the Company.

II. Members of the Supervisory Board representing employees

1. The members representing employees are appointed by the Company's Works Council.
2. To the extent that the Company meets the legal requirements, the Supervisory Board shall include either one or two employees, as appropriate:

- If, on the date of appointment of members representing employees, the number of members of the Supervisory Board elected by the Ordinary Shareholders' Meeting, except those designated pursuant to section I of Article 8 hereof, is greater than twelve, two members representing employees shall be appointed.

In the event that the number of members of the Supervisory Board elected by the Ordinary Shareholders' Meeting, except those designated pursuant to section I of Article 8 hereof, becomes equal to or less than twelve, the number of members of the Supervisory Board representing employees in accordance with the preceding paragraph shall be reduced to one.

- If, on the date of appointment of members representing employees, the number of members of the Supervisory Board elected by the Ordinary Shareholders' Meeting, except those designated pursuant to section I of Article 8 of these by-laws, is equal to or less than twelve, only one member representing employees shall be appointed.
3. As an exception to the obligation under Article 7 paragraph 2 of these by-laws, the members representing employees are not required to be shareholders of the Company.
 4. The term of office of members of the Supervisory Board representing employees shall be three years.

The term of office of members of the Supervisory Board representing employees terminates early pursuant to certain legal conditions. The position is subject to incompatibility rules provided by law.

In case of the vacancy of a member of the Supervisory Board representing employees, said vacancy shall be filled by a new appointment at the first regular meeting of the Company's Works Council following the acknowledgment by the Supervisory Board of the vacancy.

5. In the event that the Company no longer meets the legal requirements, the terms of office of members of the Supervisory Board representing employees shall expire at the conclusion of the meeting of the Management Board noting the inapplicability of the law.

Article 9 – MISSION OF THE SUPERVISORY BOARD

1. The Supervisory Board continuously monitors the Company's management by the Management Board as required by law. At any time of the year, it may carry out any verifications or controls which it deems necessary and may request any documents it deems useful to the fulfillment of its mission.

In addition, the Supervisory Board grants the Management Board permission to carry out the operations stated in Article 13, for which its prior authorization is required.

2. The Supervisory Board may decide to create committees to study questions submitted by the Supervisory Board or its Chairman; the Supervisory Board shall define their composition, their terms of reference and, if applicable, the compensation of their members.

Article 10 – ORGANIZATION OF THE SUPERVISORY BOARD

1. From among its members, the Supervisory Board shall elect a Chairman and a Vice-Chairman who must be natural persons and who shall be responsible for convening the Supervisory Board and chairing its debates. The Supervisory Board shall set the terms of office of the Chairman and Vice-Chairman, which shall not exceed their terms as members of the Supervisory Board.

The Supervisory Board appoints a Secretary who is also the secretary of the Management Board.

2. The Supervisory Board shall meet as often as the Company's interests require.

The Supervisory Board may be convened by the Chairman or the Vice-Chairman by any means, even verbally. The meetings shall be held either at the Company's registered office or in any other place indicated in the notice of meeting.

The Chairman shall convene the Supervisory Board within fifteen days of a request being made to this effect by at least one member of the Management Board or by at least one-third of the members of the Supervisory Board. Should this request remain without effect, its authors may themselves convene the Supervisory Board, stating the meeting's agenda.

3. A register of attendance shall be kept, which shall be signed by the members of the Supervisory Board attending the meeting.

4. Pursuant to law, the Board is required to have at least half of its members present or represented at its meetings in order for decisions to be valid.

Decisions are made by majority vote of the members present or represented, each member present or represented having one vote and each member present having only one proxy granted in writing and transmitted by any means. The session Chairman shall have the casting vote in the event of a tie.

To the extent provided by law, members who attend the meetings by way of videoconference, telecommunication or by any other means allowed by law, shall be deemed to be present for the purposes of calculating the quorum and majority.

5. The deliberations of the Supervisory Board are recorded in minutes drawn up by the secretary of the Supervisory Board in a special register kept at the Company's registered office.

6. The Supervisory Board may appoint one or two non-voting directors (*Censeurs*). The non-voting directors attend and participate, with consultative votes only, in the meetings of the Supervisory Board. They may be appointed as members of one or more of the committees created by the Supervisory Board. They are appointed for a limited period of time which cannot exceed four years and may receive compensation if so determined by the Supervisory Board.

Article 11 – COMPENSATION OF MEMBERS OF THE SUPERVISORY BOARD

1. To the members of the Supervisory Board, the Shareholders' Meeting may award a total annual sum as directors' fees.

The Supervisory Board shall distribute the overall sum awarded among its members.

The compensation of the Chairman and Vice-Chairman is also determined by the Supervisory Board.

2. The Supervisory Board may award exceptional compensation for specific assignments or mandates entrusted to the Chairman, to the Vice-Chairman or to any one of the members of the Supervisory Board. In this case, the said compensation shall be paid independently of the directors' fees, and pursuant to the conditions set forth by law.

Part IV

MANAGEMENT BOARD

Article 12 – COMPOSITION OF THE MANAGEMENT BOARD

1. The Company is managed by a Management Board composed of a minimum of two members and a maximum of seven members.

Members of the Management Board, who must be natural persons, are not required to be shareholders.

They are appointed for a four-year term by the Supervisory Board, which also appoints one of them Chairman. The Supervisory Board determines their compensation.

If a seat becomes vacant, the Supervisory Board shall, within two months, either fill it or simply take note of said vacancy.

Any member of the Management Board may be reappointed. He or she may be dismissed at any time either by the Supervisory Board or by the Shareholders' Meeting.

2. The Chairman of the Management Board represents the Company in its relations with third parties.

The Supervisory Board may appoint, from among the members of the Management Board, one or more members with power of representation in relation to third parties.

3. The term of a member of the Management Board shall expire no later than the close of the Shareholders' Meeting called to approve the financial statements for the financial year in which they reach the age of 68. However, when a member of the Management Board reaches that age, the Supervisory Board may, on one or more occasions, prolong his or her term for a total period that may not exceed two years.

Article 13 – POWERS AND OBLIGATIONS OF THE MANAGEMENT BOARD

1. The Management Board shall be invested, with respect to third parties, with the broadest powers to act in all circumstances on behalf of the Company, subject to the powers specifically granted by law to the Supervisory Board and to Shareholders' Meetings and within the limitations of the Company's purpose and the matters that require the prior authorization of the Supervisory Board, as set forth below.

2. With the authorization of the Supervisory Board, the members of the Management Board may allocate management tasks amongst themselves. In this case, such an allocation of tasks shall not exempt the Management Board from meeting and deliberating on major issues relating to the Company's management, nor shall it be invoked as grounds for exemption from the obligation to supervise the general conduct of corporate activities, which is incumbent on each member of the Management Board, and for which the members have joint and several liability.

The Management Board may appoint one or more of its members, or any person chosen from outside its ranks, to effect any permanent or temporary special missions, which it may determine, delegating to such persons, for one or more specific purposes, any powers it may deem appropriate, with or without the right to further delegate such powers.

3. Within the limit of an overall sum which it shall define, the Supervisory Board may authorize the Management Board to grant deposits, sureties or guarantees on behalf of the Company. The term of such an authorization may not exceed one year, regardless of the term of the commitments guaranteed. The Management Board may be authorized to give deposits, sureties or guarantees of an unlimited amount to the tax or customs authorities on behalf of the Company.

If any deposits, sureties or guarantees are given, in a total amount in excess of the limit previously determined for the current period, the amount of any excess portion may not be used to avoid payment obligations due to third parties who were not aware of the applicable limitation.

4. The Management Board may not take the following actions without the prior authorization of the Supervisory Board:

- any transactions that could substantially affect the Group's scope of activity;
- the admission of the Company's securities to trading on a regulated market;
- any investment commitments or acquisitions of assets exceeding the amounts set by the Supervisory Board;
- the issuance of marketable securities of any kind as authorized by the Extraordinary Shareholders' Meeting in accordance with Articles L.225-129-2 *et seq.* of the French Commercial Code;
- the issuance of bond loans as provided for in Article L.228-40 of the French Commercial Code, or credit facilities, for a term or for a sum exceeding those laid down by the Supervisory Board;
- the issuance of stock options, or the grant of restricted stock or any similar product, to employees or certain categories of employees;

- the signature of any agreements and transactions, arbitrations, and the acceptance of any settlements exceeding the sums set by the Supervisory Board;
- the signature of any draft agreements relating to a merger, a spin-off or a partial transfer of assets exceeding the thresholds set by the Supervisory Board.

Where a transaction exceeds the limits or the amount determined, the authorization of the Supervisory Board shall be required in each case.

Article 14 – ORGANIZATION OF THE MANAGEMENT BOARD

1. The Management Board shall meet as often as the Company's interests require, upon convocation by its Chairman or by a minimum of 50% of its members, either at the Company's registered office, or in any other place specified in the notice of meeting. Meetings may be convened by any means, even verbally.

The Management Board appoints a Secretary who is also the Secretary of the Supervisory Board.

2. For decisions to be valid, the attendance of a minimum of 50% of the members is required. If the Management Board is composed of only two members, the attendance of both members is required.

3. Decisions shall be made by majority vote. Votes may not be cast by proxy within the Management Board. In the event of a tie, the casting vote shall be decided by the Chairman of the Management Board, or by a session Chairman appointed by the Chairman of the Management Board in the event of his or her absence or incapacity.

Members who attend the meetings by way of videoconference, telecommunication or by any other means allowed by law, shall be deemed to be present for the purposes of calculating the quorum and majority.

4. The Management Board shall submit a written report to or meet with the Supervisory Board on a regular basis and at least quarterly, to review the major issues or events that occurred in connection with the management of the Company.

Within three months of the closing of each fiscal year, the Management Board shall be responsible for the closing of the accounts and the preparation of the financial statements and shall submit them to the Supervisory Board for verification and audit. The Management Board shall also propose the allocation of earnings for the prior fiscal year.

The Management Board shall examine and present the quarterly and interim financial statements to the Supervisory Board.

5. The deliberations are to be recorded in the minutes signed by the Chairman of the Board.

The minutes are to be recorded in a special register. Copies and excerpts of these minutes are certified by the Chairman of the Management Board, one of its members, the Secretary of the Management Board or by any other person designated by the Management Board.

Part V

AUDITING OF THE COMPANY

Article 15 - STATUTORY AUDITORS

The Company is audited by Statutory Auditors who are appointed and fulfill their duties in accordance with applicable law.

Part VI

SHAREHOLDERS' MEETINGS

Article 16 – SHAREHOLDERS' MEETINGS

1. Shareholders' Meetings are convened and held in accordance with applicable law.
2. Shareholders' meetings shall take place at the Company's registered office, or in any other location specified in the notice of meeting. When convening the meetings, the Management Board may decide to publicly broadcast the Shareholders' meeting in full, via videoconference and/or remote transmission. If applicable, this decision shall be indicated in the meeting notice and convening notice.
3. The Works Council may also appoint two of its members to attend Shareholders' Meetings. The Chairman of the Management Board or any other authorized person shall notify the Works Council, by any means, of the date and location of any Shareholders' Meeting that has been convened.
4. Regardless of the number of shares held, any shareholder has the right to take part in Shareholders' Meetings upon proof of his or her identity and capacity, and providing they are listed as holders of record on the second business day prior to the Shareholders' Meeting at midnight, Paris time:
 - for shares held in registered form: shares must be held in the name of the shareholders in a registered share account; or
 - for shares held in bearer form: shares must be held in the name of the financial intermediary acting as holder of record;

and, if necessary, they are able to provide the Company with any identification documents required in accordance with applicable law.

The registration or census of holders of record in the bearer shares register on file with the authorized intermediary is authenticated by a certificate furnished by the financial intermediary in accordance with legal and statutory provisions.

5. Shareholders' Meetings shall be chaired by the Chairman of the Supervisory Board or, in his or her absence, by the Vice-Chairman. In the absence of both, meetings shall be chaired by a member of the Supervisory Board specially delegated to do so by the Chairman of the Supervisory Board. Failing this, the Shareholders' Meeting itself shall elect a Chairman.

The two members of the Shareholders' Meeting who accept and represent the largest number of votes shall act as returning officers.

6. The Presiding Committee of the Shareholders' Meeting shall appoint the Secretary, who is not required to be a shareholder. A register of attendance shall be kept in accordance with applicable law.

7. Copies or excerpts from the minutes of Shareholders' Meetings are validly certified and available upon request, in accordance with applicable law.

Article 17 – VOTING RIGHTS

1. Voting rights shall belong to the usufruct holder (*usufruitier*) in Ordinary Shareholders' Meetings and to the legal owner of title (*nu-proprétaire*) in Extraordinary Shareholders' Meetings, unless otherwise agreed between both parties and provided that the Company is notified of such an agreement.

2. In accordance with applicable law and regulations, shareholders shall be entitled to send their proxy and voting forms for any Shareholders' Meeting, whether in paper form or, by decision of the Management Board published in the notice of meeting, by remote transmission. Proxy or voting forms sent by post must be received by the Company by 3:00 p.m. (Paris time) on the day preceding the Shareholders' Meeting.

The proxy or voting form may, if necessary, contain the shareholder's electronic signature, authenticated by a reliable and secure process, enabling identification of the shareholder as well as authentication of his or her vote.

The Management Board may also decide that shareholders may participate and vote in any Shareholders' Meetings by videoconference and/or remote transmission, in accordance with applicable law. In this case, shareholders participating in the Shareholders' Meeting by videoconference or by any other means of telecommunication, in accordance with applicable law, shall be deemed to be present for the purposes of calculating the quorum and majority.

3. Each shareholder is entitled to a number of votes at all Shareholders' Meetings equal to the number of shares he or she owns or represents. In accordance with legal provisions, double voting rights are automatic for all shares that have been registered in the name of the same owner for more than two years.

Article 18 – REGULATED AGREEMENTS

In accordance with Article L.229-7, paragraph 6, of the French Commercial Code, the provisions of Articles L.225-86 *et seq.* of the French Commercial Code are applicable to the agreements entered into by the Company.

Part VII

FINANCIAL STATEMENTS – ALLOCATION AND DISTRIBUTION OF NET INCOME

Article 19 – ANNUAL FINANCIAL STATEMENTS

1. The Company's fiscal year shall commence on January 1 and end on December 31.
2. At the end of each fiscal year, the Management Board shall be responsible for the closing of the accounts and the preparation of the annual financial statements as required by law.

Article 20 – ALLOCATION AND DISTRIBUTION OF NET INCOME

1. The statement of income shows revenues and expenses for the fiscal year, expressing net income for the year as the difference between the two, after deducting amortization, depreciation and provisions.

Where applicable, at least 5% of the Group's financial year's earnings, less any deferred losses, are withheld for allocation to statutory reserves. This ceases to be mandatory when the statutory reserves reach an amount equal to 10% of the share capital, and enters into effect again, if, for any reason, the same statutory reserves fall below this percentage.

The Shareholders' Meeting may set aside such sums as the Management Board deems appropriate for transfer to contingency funds, ordinary or extraordinary reserves, retained earnings, or for distribution.

2. In accordance with applicable law and Vivendi's by-laws, distributable earnings are equal to earnings for the financial year, less losses carried forward and allocations to reserves, plus earnings carried forward from previous financial years.

Dividends are first paid out of current earnings.

Except in the event of a reduction in share capital, no dividends may be distributed to shareholders when shareholders' equity is, or would become as a result of such distribution, less than the amount of the share capital plus reserves, the distribution of which is not permitted by applicable law or these by-laws.

Revaluation surpluses may not be distributed, but may be capitalized in full or in part.

The Shareholders' Meeting may decide to distribute amounts deducted from available reserves by indicating the reserve items from which the amounts shall be deducted.

The terms of payment of dividends shall be determined by the Shareholders' Meeting or, failing that, by the Management Board. Dividends must be paid no later than nine months after the end of the fiscal year, unless an extension is granted by court order.

The General Meeting of Shareholders has the right to grant each shareholder the option to receive all or part of the annual dividend or interim dividend distributed in the form of cash, shares, or payment in kind.

Dividends remaining unclaimed for a term of five years after the declaration date are no longer distributable under applicable statutes of limitation.

Part VIII

EXTENSION – DISSOLUTION – DISPUTES

Article 21 – EXTENSION – DISSOLUTION – LIQUIDATION

1. No later than one year before the end of the term of the Company, the Management Board shall convene an Extraordinary Shareholders' Meeting in order to decide whether the term of the Company is to be extended.
2. Except in the event of judicial dissolution prescribed by law, the Company shall be dissolved upon the expiration of the term set forth by the Company's by-laws or by decision of the Shareholders' Meeting.
3. The Shareholders' Meeting shall determine the liquidation procedures and shall appoint one or more liquidators whose powers it shall determine.

Article 22 - DISPUTES

All disputes which may arise during the term of the Company or during its liquidation, whether between the Shareholders and the Company or between Shareholders themselves, in respect of corporate matters, shall be subject to the jurisdiction of the competent courts.
