

BEAS

AUDITEX

SoLocal Group

Extraordinary Shareholders' Meeting of December 15, 2016

Seventh resolution

Statutory Auditors' report on the issue of new shares and share subscription warrants, whether or not attached to the shares, with waiver of preferential subscription rights

BEAS
195, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex
S.A.S. [Simplified joint-stock
company] with a capital of €960

Statutory Auditor
Member of the *Compagnie
Régionale de Versailles*
[Regional Association of Versailles]

AUDITEX
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
S.A.S. with a variable capital

Statutory Auditor
Member of the *Compagnie
Régionale de Versailles*

SoLocal Group

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Seventh resolution

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To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to the engagement set forth in Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposed delegation to the Board of Directors of the authority to decide on the issue of new shares with waiver of preferential subscription rights and share subscription warrants, whether or not attached to the shares, reserved for financial creditors holding debts against the Company under the loan agreement dated October 24, 2006, as amended (the "Loan Agreement"), a transaction on which you are being asked to vote.

Your Board of Directors, when it uses this delegation of authority, may choose between issuing to subscribers (i) new shares with share subscription warrants attached or (ii) new shares in the Company with the simultaneous remittance of the Company's share subscription warrants.

This transaction will give rise to the issue of a number of new shares (the "Creditor Shares") which will be determined based on the total amount of cash subscriptions collected by the Company as part of the share capital increase with retention of shareholders' preferential subscription rights carried out pursuant to the second and third resolutions of this Shareholders' Meeting and by applying the formula contained in the Board of Directors' additional report, without the total par value amount of the increase in capital that may result from this issue (excluding the share capital increase resulting from exercise of the share subscription warrants issued within the scope of this resolution) being able to exceed €8,200,000.

The subscription price of the Creditor Shares combined with the share subscription warrants (the "Creditor Share Subscription Warrants") (regardless of whether such Creditor Share Subscription Warrants are attached to the Creditor Shares or remitted simultaneously) will be determined based on the formula contained in the Board of Directors' additional report and may not be less than €2.14 (or €2.12 if the total principal amount of borrowings outstanding under the Loan Agreement is higher than €1,164,000,000), taking into account the share capital decrease set forth in the first resolution and subject to its completion.

The total number of Creditor Share Subscription Warrants to be issued, regardless of whether or not they are attached to the Creditor Shares, will be determined based on the formula described in the Board of Directors' additional report, it being stipulated that the total number of Creditor Share Subscription Warrants to be issued to each subscriber will be determined *pro rata* to the total amount of its debt against the Company under the Loan Agreement on the same date, in relation to the total amount of Company debt outstanding under the Loan Agreement on that same date, rounded down to the nearest whole number of Creditor Share Subscription Warrants. For a period of five years, each Creditor Share Subscription Warrant will grant the right to subscribe for one ordinary new share at the exercise price of €2.00, i.e. par value of €0.10 and issue premium of €1.90. The total number of shares to which the Creditor Share Subscription Warrants will grant the right to subscribe may not exceed 46,000,000, i.e. an increase in share capital for a maximum par value amount of €4,600,000.

The issue of Creditor Shares and Creditor Share Subscription Warrants set forth in this resolution may only be carried out if (i) the issue of Company shares, with retention of the shareholders' preferential subscription rights, set forth in the second resolution of this Shareholders' Meeting and (ii) the issue and free allocation of the Company's new shares, set forth in the fourth resolution of this Shareholders' Meeting, have been completed. Moreover, this delegation may only be used after, and subject to, the prior completion of the share capital decrease proposed to you in the first resolution.

Based on its report, your Board of Directors proposes that you confer on it, for a period of 12 months as from the date of this Shareholders' Meeting, the authority to decide on an issue and to waive your preferential subscription rights to the shares and marketable securities to be issued. If applicable, it shall determine the final issue conditions of this transaction.

It is the Board of Directors' responsibility to prepare a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. Our role is to express an opinion on the fairness of the quantified data extracted from the financial statements, on the proposed waiver of preferential subscription rights and on certain other information pertaining to the issue as presented in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the content of the Board of Directors' report and additional report as it relates to this transaction and the terms and conditions in which the issue price of the equity securities to be issued was determined.

We have the following observations on the Board of Directors' report and additional report : the methods for determining the issue price of the Creditor Shares to be issued, as well as the choice of calculation items taken into consideration to set the issue price of the shares to be issued and the amount thereof, at the time of exercise of the Creditor Share Subscription Warrants, are based, on the date of preparing this report, on the discussions held with the group of creditors, with whom an agreement in principle had been reached on August 1, 2016 and amended by the agreement in principle of November 3, 2016.

Consequently, we cannot give our opinion on the methods for determining the issue price of the Creditor Shares to be issued, or on the choice of calculation items used to set the issue price of the shares to be issued and the amount thereof, at the time of exercise of the Creditor Share Subscription Warrants.

As the final terms and conditions under which the issues will be carried out have not yet been set, we express no opinion on them and, consequently, on the proposed waiver of the preferential subscription rights on which you are being asked to vote.

In accordance with Article R. 225-116 of the French Commercial Code, we will issue a supplementary report, where necessary, when this delegation of authority is used by your Board of Directors.

Neuilly-sur-Seine and Paris-La Défense, November 24, 2016

The Statutory Auditors

BEAS

AUDITEX

Member of the Ernst & Young
Global Limited network

[Signature]
Joël Assayah

[Signature]
Vincent de la Bachelerie

This is a free translation into English of the Statutory Auditor's report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.