KPMG Audit
Département de KPMG S.A

ERNST & YOUNG et Autres

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Vivendi

Annual Shareholders' Meeting to approve the financial statements for the year ended December 31, 2016

Statutory auditors' report on related party agreements and commitments

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Membre de la compagnie
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Vivendi

Annual Shareholders' Meeting to approve the financial statements for the year ended December 31, 2016

Statutory auditors' report on related party agreements and commitments

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report on certain related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons why they benefit the Company. We are not required to comment as to whether they are beneficial or appropriate or to ascertain the existence of any such agreements and commitments. It is your responsibility, in accordance with article R. 225-58 of the French Commercial Code (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to inform you in accordance with article R. 225-58 of the French Commercial Code (*Code de commerce*) concerning the implementation, during the year, of the agreements and commitments already approved by the Annual Shareholders' Meeting.

We performed those procedures which we considered necessary to comply with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and commitments submitted for approval by the Annual Shareholders' Meeting

We inform you that we have not been advised of any related party agreements and commitments which received prior authorization from your Supervisory Board during the year to submit for approval by the Annual Shareholders' Meeting in accordance with article L. 225-86 of the French Commercial Code (*Code de commerce*).

Agreements and commitments already approved by the Annual Shareholders' Meeting

Agreements and commitments approved in prior years

a) with implementation during the year

In accordance with article R. 225-57 of the French Commercial Code (*Code de commerce*), we have been advised of the following agreements and commitments implemented during the year, approved by the Annual Shareholders' Meeting in prior years.

Service agreement between your Company and Mr Dominique Delport

Person concerned: Dominique Delport, member of the Supervisory Board since April 17, 2015.

At its meeting of September 2, 2015, your Supervisory Board authorized upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, the signature of the service agreement between your Company and Mr Dominique Delport for five years starting October 1, 2015, under which Mr Dominique Delport provides assistance and advice in the field of creation and use of new digital content through the development of Vivendi Content and Dailymotion.

The maximum annual amount of fees under this service contract is € 500,000 (fixed rate of € 300,000 plus a variable amount of up to € 200,000).

The amount recorded in the 2016 financial statements for this agreement as at December 31, 2016, equals to € 300,000 as the fixed rate. No variable amount has been paid.

Under this contract, Mr Dominique Delport has a long-term incentive plan indexed to the growth of Dailymotion's enterprise value compared to its acquisition value (€ 271.25 million) as it will be amounting to as at June 30, 2020, based on an independent report. Assuming an increase in Dailymotion's value, the amount of his remuneration under the incentive plan would be capped at 1% of this increase.

b) without implementation during the year

In addition, we have been advised that the following agreements and commitments, which were approved by the Annual Shareholders' Meeting in prior years, continued without impact during the year.

1. Agreement on the additional retirement benefits

Persons concerned: Arnaud de Puyfontaine, Frédéric Crépin, Simon Gillham, Hervé Philippe and Stéphane Roussel, members of the Management Board.

At its meeting of March 9, 2005, your Supervisory Board authorized the implementation of an additional pension plan for senior executives, including the current members of the Management Board holding an employment contract with your company, governed by French law, which has been approved by the Annual Shareholders' Meeting of April 20, 2006. The Chairman of the Management Board, who waived his employment contract, is eligible to the additional pension plan.

In addition, at its meeting of November 10, 2015, your Supervisory Board nominated Mr Frédéric Crépin and Mr Simon Gillham as new members of the Management Board (Directoire) for a period expiring on June 23, 2018, date corresponding to the renewal of the Management Board, and decided to maintain their defined benefits from the additional pension plan, implemented in December 2005 and approved by the Annual Shareholders' Meeting of April 20, 2006.

The main terms and conditions of the additional pension plan are as follows: a minimum of three years in office, progressive acquisition of rights according to seniority (over a period of twenty years) following a decreasing rate limited to 2.5% per annum, gradually cut to 1%; a reference salary for the calculation of the pension equal to the average of the last three years; dual upper limit; reference salary capped at 60 times the social security limit, acquisition of rights limited to 30% of the reference salary; rights maintained in the event of retirement at the initiative of the employer after the age of 55; and payment of 60% in the event of the beneficiary's death. The benefits are lost in the event of a departure from the company, for any reason, before the age of 55.

In accordance with article L. 225-90-1 of the French Commercial Code (*Code de commerce*), amended by the law of August 6, 2015 for growth, activity and equality of economic opportunity, named « Loi Macron », your Supervisory Board decided to submit supplementary conditional rights of new members of the Management Board under the additional pension plan with defined benefits, which they are entitled to, the following criteria, assessed each year: no further compensation would be payable if, under the relevant year, the Group's financial results (adjusted net income and cash flow from operations) were less than 80% of the budget and if Vivendi's stock performance was less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro STOXX Media (50%)). The Supervisory Board decided to apply in advance the same criteria for the calculation of progressive acquisition of rights according to seniority, to the members of the Management Board active before August 6, 2015.

The provision recorded in the 2016 financial statements for the additional retirement benefits of the members of the Management Board in office as at December 31, 2016, amounts to € 6,419,985.

2. Conditional severance payment to the Chairman of the Management Board upon termination of employment at the initiative of the Company

Member of the Management concerned: Arnaud de Puyfontaine.

At its meeting of February 27, 2015, your Supervisory Board, after noting that Mr Arnaud de Puyfontaine no longer benefited from his employment contract which was waived following his appointment as Chairman of the Management Board on June 24, 2014, or any possibility of compensation in the event of its termination at the initiative of the Company decided, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee and in accordance with the provisions of Article L.225-90-1 of the French Commercial Code (*Code de commerce*), that in the event of the termination of his employment at the initiative of the Company, he would be entitled, except in the case of gross negligence, to compensation, subject to performance conditions.

This severance compensation would be capped at a gross amount equal to eighteen months of target compensation (based on the amount of his last fixed compensation and his latest annual bonus earned over a full year).

If the bonus paid during the reference period (the twelve-month period preceding notification of departure) was higher than the target bonus, the calculation of compensation will only take into account the amount of the target bonus. If the bonus paid was lower than the target bonus, the amount of compensation will in any event be capped at two years' of net take-home pay, and may not result in the payment of more than eighteen months of target income.

This compensation would not be payable if the Group's financial results (adjusted net income and cash flow from operations) were less than 80% of the budget over the two years prior to departure and if Vivendi's stock performance was less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro STOXX Media (50%)) over the last twenty-four months.

The Supervisory Board also decided that in the event of Mr. de Puyfontaine's departure under the conditions set forth above (entitling him to compensation), all rights to performance shares not yet acquired by him on the date of his departure would be maintained, subject to the satisfaction of the related performance conditions.

This severance payment would not be payable in the event of resignation or retirement.

3. Counter-guarantee related to Maroc Telecom between your Company and SFR

Members of the Management Board concerned: Hervé Philippe and Stéphane Roussel.

At its meeting of November 14, 2014, your Supervisory Board authorized your Management Board to enable your Company to counter-guarantee SFR for guarantees granted jointly by SFR and your Company to Etisalat as part of the disposal of Maroc Telecom. This commitment is capped at the selling price of Maroc Telecom (€ 4,187 million) and will expire on May 14, 2018.

Paris-La Défense, February 23, 2017

The Statutory Auditors
French original signed by

KPMG Audit
Département de KPMG S.A

ERNST & YOUNG et Autres

Baudouin Griton

Jacques Pierres