

DELOITTE & ASSOCIES  
6, place de la Pyramide  
92908 Paris – La Défense cedex

ERNST & YOUNG ET AUTRES  
1, place des Saisons  
92400 Courbevoie

# VIVENDI

Société anonyme

42, avenue de Friedland  
75008 PARIS

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## **Statutory Auditors' special report on regulated agreements and commitments**

Shareholders' Meeting held to approve the financial statements for  
the year ended December 31, 2018

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*This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.*

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such commitments and agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code (Code de commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-58 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We performed the procedures that we considered necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These procedures consisted in agreeing the information provided to us with the relevant source documents.

## **AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING**

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### **Agreements and commitments authorized and concluded during the year**

We hereby inform you that we have not been advised of any agreement or commitment authorized and concluded during the year to be submitted to the approval of the Shareholders' Meeting pursuant to Article L.225-86 of the French Commercial Code.

### **Agreements and commitments authorized and concluded since the year-end**

We have been advised of the following agreements and commitments authorized and concluded since the year-end, previously authorized by your Supervisory Board.

#### ***Amendment to the severance payment to the Management Board Chairman on termination of employment at the Company's initiative***

On February 14, 2019, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, your Supervisory Board decided to raise from 80% to 90% the level for fulfillment of the performance conditions governing the severance payment to the Management Board Chairman on termination of employment at the Company's initiative, under the conditions described hereinafter in part 2 of the section "Agreements and commitments approved in prior years without effect during the year."

Henceforth, this compensation will only be payable if the Group's financial results (adjusted net income and cash flow from operations) exceed 90% of the budget over the two years prior to departure and if Vivendi's stock performance exceeds 90% of the average performance of a composite index (CAC 40 (50%) and Euro STOXX Media (50%)) over the previous twenty-four months.

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Furthermore, the Supervisory Board also decided to cancel the option of maintaining all rights to performance shares on termination of employment under the conditions granting entitlement to severance pay. Where necessary, these rights may be maintained pro rata to the duration of the Management Board Chairman's presence over the 3-year vesting period, subject to the fulfillment of the related performance conditions.

Executive concerned: Mr. Arnaud de Puyfontaine  
Management Board Chairman

Reason justifying that the agreement is in the Company's interest:

The Supervisory Board reiterated that the principle of conditional severance paid on termination of employment of the Management Board Chairman at the Company's initiative, except in the case of gross negligence, was justified by the Management Board Chairman's waiver in 2014 of his employment contract, pursuant to the AFEP-MEDEF Code, and by the impossibility of compensation.

**AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING**

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**Agreements and commitments approved in prior years**

***a) with continuing effect during the year***

Pursuant to Article R. 225-57 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

***Service agreement between Vivendi and Mr. Dominique Delport***

On September 2, 2015, upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, your Supervisory Board authorized the signature of a 5-year service agreement between Vivendi and Mr. Dominique Delport starting October 1, 2015, under which Mr. Dominique Delport provides assistance and advice in the creation and use of new digital content for the development of Vivendi Content and Dailymotion.

The maximum annual fixed fee amount for this service agreement totaled €300,000.

On March 26, 2018, Mr. Dominique Delpont ceased working for the Havas Group, and Vivendi agreed to terminate the aforementioned service agreement on the same date.

The amount paid under this service agreement for the year ended December 31, 2018 was €75,000, prorata temporis.

Under the same contract, Mr. Dominique Delpont benefited from a long-term incentive plan indexed to the growth in the enterprise value of Dailymotion in relation to its acquisition value (€271.25 million), as it would appear as of June 30, 2020 based on an independent expert's valuation. Assuming an increase in Dailymotion's value, the amount of his remuneration under the incentive plan would have been capped at 1% of this increase.

Mr. Dominique Delpont no longer benefits from this incentive plan.

Executive concerned: Mr. Dominique Delpont  
Member of the Supervisory Board

#### ***b) without effect during the year***

In addition, we have been informed of the following commitments and agreements, previously approved by Shareholders' Meetings of prior years, which had no effect during the year.

##### ***1. Conditional commitments under the supplemental defined-benefit pension plan benefiting members of the Management Board***

On March 9, 2005, your Supervisory Board authorized the implementation of a supplemental pension plan for senior executives, including the current members of the Management Board holding an employment contract with your company. This plan was approved by the Combined Shareholders' Meeting of April 20, 2006. The Management Board Chairman, who waived his employment contract, is eligible for the supplemental pension plan.

The main terms and conditions of this supplemental pension plan are as follows: a minimum of three years with the company; progressive vesting of rights based on seniority and capped at twenty years, calculated at a declining rate not exceeding 2.5% per annum and gradually reduced to 1%; base salary for the calculation of the pension equal to the average of the fixed and variable salaries for the preceding three years, with a dual upper limit: reference salary capped at 60 times the social security limit and vesting of rights limited to 30% of the base salary; 60% pension for the surviving spouse in the event of the beneficiary's death; rights maintained in the event of retirement at the initiative of the employer after the age

of 55, and without resumption of professional activity; benefits lost in the event of 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, the rate of increase in the pension is calculated subject to the following criteria, assessed annually: no further increase if, in the relevant year, the Group's financial results (adjusted net income and cash flow from operations) are less than 80% of the budget and if Vivendi's stock performance is less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro STOXX Media (50%)).

An amount of €7,008,630 was recorded in liabilities in the financial statements in respect of the supplemental pension plan benefiting members of the Management Board in office as of December 31, 2018.

## **2. Severance payment to the Management Board Chairman on termination of employment at the Company's initiative**

On February 27, 2015, after duly noting Mr. Arnaud de Puyfontaine's waiver of his employment contract following his appointment as Management Board Chairman on June 24, 2014, and the impossibility of compensation in the event of his termination at the Company's initiative, and upon the recommendation of the Corporate Governance, Nominations and Remuneration Committee, your Supervisory Board decided that in the event of the termination of his employment at the Company's initiative, Mr. Arnaud de Puyfontaine would be entitled, except in the case of gross negligence, to compensation, subject to the following performance conditions:

- gross severance compensation equal to eighteen months of remuneration (based on the amount of his last fixed remuneration 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) is (i) higher than the target bonus, the compensation calculation will only take into account the amount of the target bonus (ii) lower than the target bonus, the compensation amount 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 remuneration;
- this compensation will not be payable if the Group's financial results (adjusted net income and cash flow from operations) are less than 80% of the budget over the two years prior to departure and if Vivendi's stock performance is less than 80% of the average performance of a composite index (CAC 40 (50%) and Euro STOXX Media (50%)) over the previous twenty-four months.

The Supervisory Board also decided that in the event of the Management Board Chairman's departure under the conditions set forth above (entitling him to compensation), all performance shares

not yet vested at the date of his departure could be maintained, subject to the fulfillment of the related performance conditions.

Some of the aforementioned conditions were amended by the Supervisory Board on February 14, 2019, as shown above in the section "Agreements and commitments authorized and concluded since the year-end."

Executive concerned: Mr. Arnaud de Puyfontaine  
Management Board Chairman

**3. Counter-guarantee agreement between Vivendi and SFR in respect of Maroc Telecom and concerning guarantees granted jointly to Etisalat by SFR and Vivendi on the sale of Maroc Telecom**

On November 14, 2014, your Supervisory Board authorized your Management Board to counter-guarantee, on your Company's behalf, guarantees granted jointly by SFR and your Company to Etisalat on the sale of Maroc Telecom.

This counter-guarantee, capped at the Maroc Telecom sale price (€4.187 billion) expired on May 14, 2018. No amounts were paid out.

Executives concerned: Mr. Hervé Philippe  
Member of the Management Board  
Mr. Stéphane Roussel  
Member of the Management Board

Paris-La Défense, March 6, 2019

The Statutory Auditors

Deloitte & Associés

Ernst & Young et Autres

Jean Paul Séguret

Jacques Pierres