



**KPMG Audit**  
Tour EQHO  
2, avenue Gambetta  
CS 60055  
92066 Paris La Défense Cedex  
France

**ERNST & YOUNG et Autres**  
1/2, place des Saisons  
92400 Courbevoie  
Paris La Défense 1  
France

# JCDecaux SA

## Statutory Auditors' Report on Related Party Agreements and Commitments

*This is a free translation into English of the original report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, professional guidelines applicable in France.*

Annual General Meeting  
held to approve the financial statements for the year  
ended  
31 December 2016  
JCDecaux SA  
17, rue Soyer – 92200 Neuilly-sur-Seine  
*This report comprises 6 pages*



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## **JCDecaux SA**

Registered Office: 17, rue Soyer - 92200 Neuilly-sur-Seine  
Share Capital: €3,240,270.51

### Statutory Auditors' Report on Related Party Agreements and Commitments

Annual General Meeting held to approve the financial statements for the year ended 31 December 2016

To the Shareholders,

As Statutory Auditors of your Company, we hereby present our report on related party agreements and commitments.

It is our responsibility to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were informed or encountered during our assignment. It is not our role to determine whether they are beneficial or appropriate or to ascertain whether any other related party agreements or commitments exist. It is your responsibility, under the terms of Article R.225-58 of the French Commercial Code, to assess the merit of these agreements and commitments with a view to approving them.

In addition, it is our responsibility to inform you, pursuant to Article R.225-58 of the French Commercial Code, of any agreements and commitments that continued to apply during the year, which were approved at previous Annual General Meetings.

We conducted the work we deemed necessary in accordance with professional standards issued by the French institute of statutory auditors relating to this engagement. Those standards require that we plan and perform our work to verify that the information provided to us is consistent with the documents from which it was derived.

## **RELATED PARTY AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL AT THE ANNUAL GENERAL MEETING**

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### **Agreements and commitments authorised during the financial year**

In accordance with Article L.225-86 of the French Commercial Code, we hereby inform you that we were not advised of any related party agreements and commitments authorised during the year that were submitted for approval at the annual general meeting.

## **RELATED PARTY AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED AT THE ANNUAL GENERAL MEETING**

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### **Related party agreements and commitments approved during previous financial years**

#### ***a) which continued to apply during the financial year***

In accordance with Article R.225-57 of the French Commercial Code, we have been informed of the following related party agreements and commitments, which were approved at the Annual General Meeting in previous years and continued to apply in financial year 2016.

#### **Retirement benefits**

- *Person concerned*

Mr Daniel Hofer, member of the Executive Board since 1 September 2014.

- *Nature and purpose*

On 30 July 2014, the Supervisory Board authorised the Company to contribute to the retirement benefits granted to Mr Daniel Hofer subject to performance conditions.

- *Terms and conditions*

The Company has agreed to make an annual contribution to Mr Daniel Hofer's pension fund representing 16% of his fixed salary plus variable remuneration. As specified in his employment contract, the contribution base is capped at CHF 110,140.

In accordance with the French Commercial Code, payments of contributions to pension funds are subject to performance conditions:

- ✓ 50% of the contribution shall be paid on condition that the Group's consolidated revenue and operating margin, as reported by JCDecaux SA, both increase by at least 3% in at least one of the three financial years preceding the year in which the contribution is paid; and,
- ✓ 50% of the contribution shall be paid to reward his involvement in the achievement of strategic or specific targets set by Jean-François Decaux relating to the countries under his responsibility during the year.

On 7 December 2016, based on the proposal of the Compensation Committee, the Supervisory Board authorised payment of the full retirement benefit amount to which Mr Daniel Hofer is contractually entitled. Your Company recognised an expense of €0.1 million for financial year 2016 for this purpose.

***b) not implemented during the financial year***

In addition, we have been informed of the following agreements and commitments approved at the Annual General Meeting in previous financial years, which continued to apply but were not implemented in financial year 2016.

**Non-compete indemnity paid in the event of employment contract termination**

- *Person concerned*

Mr David Bourg, Member of the Executive Board since 15 January 2015.

- *Nature and purpose*

At their meeting on 4 December 2014, the Supervisory Board decided to authorise the amount paid by the Company to Mr David Bourg in the event of the effective termination of his employment contract under the non-compete clause.

- *Terms and conditions*

Since 15 January 2015, a non-compete clause has applied to Mr David Bourg with the following characteristics:

- ✓ Clause duration: 2 years as of contract termination.
- ✓ Countries concerned: France, European Union countries, United States, China.
- ✓ Financial consideration: for a two-year period, Mr David Bourg will receive a gross monthly indemnity corresponding to 33% of gross salary received (fixed + variable), calculated based on the average salary for the twelve-month period preceding the contract termination date.

No payment was made under this agreement for the year ended 31 December 2016.

#### **Non-compete indemnity paid in the event of employment contract termination**

- *Person concerned*

Mr Emmanuel Bastide, Member of the Executive Board since 1 September 2014.

- *Nature and purpose*

At their meeting on 30 July 2014 the Supervisory Board decided to authorise the amount that would be paid by the Company to Mr Emmanuel Bastide in the event of the effective termination of his employment contract under the non-compete clause.

- *Terms and conditions*

Since 1 September 2014, a non-compete clause has applied to Mr Emmanuel Bastide with the following characteristics:

- ✓ Clause duration: 2 years as of contract termination.
- ✓ Countries concerned: France, European Union countries, United States, China.
- ✓ Financial consideration: for a two-year period, Mr Emmanuel Bastide will receive a gross monthly indemnity corresponding to 33% of gross salary received (fixed + variable) calculated based on the average salary for the twelve-month period preceding the contract termination date.

**JCDecaux SA**  
*Statutory Auditor's Report on Related Party Agreements and Commitments*

No payment was made under this agreement for the year ended 31 December 2016.

Paris La Défense, 1 March 2017

The Statutory Auditors,

KPMG Audit  
*Division of KPMG S.A.*

ERNST & YOUNG et Autres

Jacques Pierre  
*Partner*

Gilles Puissochet  
*Partner*