

ESI GROUP
French Limited Company
with a share capital of €18,055,476
Registered office: 100/102, avenue de Suffren,
75015 Paris – France Paris
Trade and Company Register (RCS) number:
381 080 225

**REPORT OF THE BOARD OF DIRECTORS ON
THE DRAFT PROPOSED RESOLUTIONS
TO THE EXTRAORDINARY SHAREHOLDERS' MEETING
OF OCTOBER 21, 2020**

Ladies and gentlemen,

We have invited you to participate to an Extraordinary shareholders' meeting to approve the draft resolutions relating to the following points:

FIRST RESOLUTION - CREATION OF THE FUNCTION AS OBSERVER

In order to allow the company to benefit from expertise in specialized fields, it is proposed to the shareholders' meeting to insert an article 16 in the articles of association, setting out the possibility for the Board of Directors or the ordinary shareholders' meeting to appoint a maximum of four observers for a maximum duration of one year. The observers will have a general and permanent mission of advice and supervision, they will be able to participate, as necessary and without voting rights, in the meetings of the Board of Directors and its committees, to provide the necessary information, their expertise and their knowledge of the various businesses of the Company, without however interfering in the management of the Company, nor replacing the legal bodies. This function could be used as a way to organize a transition with a view to appoint a new director or to maintain an outgoing director as an observer because of his expertise.

SECOND RESOLUTION — AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The shareholders' meeting is requested to amend article 15 of the of the articles of association "Remuneration of directors", in order to comply with the French law "Pacte" n ° 2019-486 dated May 22, 2019. This law has removed the reference to the notion of "attendance fees". This is a purely material change. The reference to the notion of attendance fees is deleted, the rest of the article remains unchanged.

THIRD RESOLUTION - POWERS TO CARRY OUT FORMALITIES

This resolution is intended to grant the powers necessary to carry out formalities subsequent to the shareholders' meeting.

We hope that the various proposals set out in this report will receive your approval and that you will vote in favor of them.

THE BOARD OF DIRECTORS