

EUROPCAR GROUPE

Limited Company with a share capital of 143,409,298 euros
Registered office: 2 rue René Caudron à Voisins-le-Bretonneux (78960)
Registered in the Versailles Trade and Companies register under no. 489 099 903
(the "Company")

ADDITIONAL MANAGEMENT BOARD REPORT OF FEBRUARY 24, 2017

ON THE USE OF THE THIRTEENTH AND FOURTEENTH RESOLUTIONS OF THE COMBINED GENERAL SHAREHOLDERS' MEETING OF MAY 10, 2016

WITHIN THE FRAMEWORK OF THE IMPLEMENTATION OF THE INTERNATIONAL EMPLOYEE SHARE OWNERSHIP PLAN-ESOP 2017

This additional report has been prepared pursuant to Article R. 225-116 of the French Commercial Code within the framework of the use of the thirteenth and fourteenth resolutions of the Company's Combined General Meeting of May 10, 2016, to establish an international employee share ownership plan "**ESOP 2017**".

I. Presentation of the ESOP 2017

In an effort to involve employees more closely in the group's activity and performance, Europcar Groupe has expressed the wish to offer them the possibility of investing in Europcar Groupe shares under an employee share ownership plan.

The Company's Management Board on August 31, 2016 agreed on the principle of implementing a share offering plan reserved for employees who are members of the Company's savings plan ("**ESOP 2017**").

At the meeting, the Management Board decided to use the thirteenth and fourteenth resolutions of the aforementioned Combined General Meeting and to (i) increase the Company's share capital with the cancellation of the pre-emptive subscription right, in favor of members of PEG (the group savings plan) and PEGI (the international group savings plan), either directly or through FCPE (mutual funds) under the "**FCPE Option**", and to (ii) increase the Company's share capital, with the cancellation of the pre-emptive subscription right, in favor of an *ad hoc* entity of a financial institution, with the sole purpose of subscribing, holding and selling the Company's shares as part of the implementation of the "**Stock + SAR Option**" and reached a decision on the main characteristics of the plan for employees. The Management Board set the total maximum number of shares that can be issued under the ESOP 2017 at 2% of the Company's share capital as of August 31, 2016, or 2,868,185 shares.

The main characteristics of the ESOP 2017 are as follows:

Beneficiaries of the ESOP 2017

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The ESOP 2017 was offered to employees of (i) the Company and its French subsidiaries, fully owned directly or indirectly, that are members of the Europcar group savings plan (**PEG**), and (ii) its subsidiaries fully owned directly or indirectly, in Germany, Australia, Belgium, Spain, the USA, Italy, New Zealand, Portugal and the UK, that are members of the Europcar international group savings plan (**PEGI**) (the "**Member Companies**").

More specifically, ESOP 2017 was offered to employees of Member Companies with an employment contract as of January 24, 2017 and having at least three years of seniority, whether continuous or not, between January 1, 2016 and January 24, 2017 (the **Beneficiaries**).

Subscription options available in the various countries covered by the ESOP 2017

On account of local legal and tax constraints, the ESOP 2017 is structured in the various countries as follows:

- **FCPE Option** in Germany, France, New-Zealand, Portugal and the UK: subscription through an FCPE that holds the Company's shares in the name and on behalf of subscribers, who enjoy a 15% discount on the Reference Price of the shares (as defined below) and benefit from a matching contribution from their employer and will receive after a five-year lock-in period, an amount corresponding to their initial investment (made up of their personal contribution and the employer's matching contribution, if any), as well as 4.55 times the average increase in the share price in relation to the Reference Price (calculated based on a protected monthly average); and

- **Stock + SAR Option** in Australia, Belgium, the USA, Italy and Spain: direct subscription of EUROPCAR GROUPE shares by subscribers, who enjoy a discount of 15% on the Reference Price of the shares (as defined below) and benefit from a matching contribution, complete with Stock Appreciation Right (SAR) granted by their employer, pursuant to which subscribers could receive, after a lock-in period, a bonus, the amount of which will be determined based on the performance of the Company's stock using a formula similar to the one provided for in the FCPE Option, or 3.2 times the average increase in the share price in relation to the Reference Price, calculated based on a protected monthly average.

Subscription price

The reference price was set by the Management Board on January 20, 2017, and corresponds to the average of the opening price for the Company's shares on the Paris Euronext stock exchange during the 20 trading sessions prior to January 20, 2017 (from December 22, 2016 to January 19, 2017 inclusive), or €9.40 per stock (the "**Reference Price**").

The subscription price was set by the same decision of the Management Board at €8 per stock, corresponding to the Reference Price after applying a discount of 15% and rounded up to the next highest euro cent (the "**Subscription Price**").

Matching contribution

Beneficiaries who subscribed under the ESOP 2017 got a 100% matching contribution, up to a gross amount of €1,000 per employee (or the equivalent in local currency for Australia, the USA, New Zealand and the UK) in accordance with the provisions of the PEG and PEGI.

Calendar

The calendar for the ESOP 2017 was as follows:

- reservation period: from December 5 to December 19, 2016 included for all countries in the consolidation scope, except for Portugal where, because the authorization from the Portugal

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market regulator (CMVM) was secured late, the reservation was made between December 16 and 26, 2016 included;

- period of 20 trading days for determining the Reference Price and the Subscription Price: from December 22, 2016 to January 19, 2017 included;
- decision of the Management Board setting the dates for the subscription/withdrawal period, the Reference Price and the Subscription Price: January 20, 2017;
- subscription/withdrawal period: from January 20 to 24, 2017 included; and
- capital increase: February 24, 2017.

Individual subscription ceiling

Beneficiaries were not able to invest more than a quarter of their gross annual pay for 2017, pursuant to the provisions of the PEG and PEGI and of Article L. 3332-10 of the French Labor Code.

Holding period for EUROPCAR GROUPE shares subscribed under the ESOP 2017

Beneficiaries who subscribed under the ESOP 2017 own shares either directly or through an FCPE and must lock in their investment by February 23, 2022 included. However, they can ask that their assets be released early in the following cases of early withdrawal provided for in Article R. 3324-22 of the French Labor Code:

- marriage or civil partnership contract of the employee;
- birth or adoption of a third child (or more);
- divorce, separation or dissolution of the civil partnership contract of the employee with at least one dependent child;
- creation or takeover of a company by the employee, the spouse or one of their children;
- purchase or expansion of the employee's principal residence;
- termination of the employee's employment contract;
- disability of the employee, their spouse, partner under a civil partnership contract, or one of their children;
- death of the employee, their spouse or their partner under a civil partnership contract;
- the employee is in serious debt.

In the United Kingdom, some cases of early withdrawal are not applicable because of local legal and tax constraints.

II. Framework for the share capital increases carried out under the ESOP 2017 and conditions for the use of authorizations

(a) Decisions of the Combined General Meeting of May 10, 2016

Under the 13th resolution, the Company's Combined General Meeting of May 10, 2016 delegated powers to the Management Board to carry out the capital increase, in one or several operations,

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reserved for members of a corporate savings plan with a discount of up to 20% (or 30% if the lock-in period under the plan is equal to or exceeds ten years).

The authority entails the cancellation of the shareholders' pre-emptive subscription right in favor of members of a corporate savings plan and capped at an overall nominal amount of 3% of the share capital as of the date of the decision. It is valid for 26 months effective from May 10, 2016.

Under the 14th resolution, the General Meeting also gave the Management Board the authority to increase the share capital with the cancellation of shareholders' pre-emptive subscription right, in one or several operations, reserved for an *ad hoc* entity of a financial institution with the sole purpose of subscribing, holding and selling shares for the implementation of structured options under Europcar Groupe's international employee stock ownership plan.

(b) Decisions of the Management Board meeting of August 31, 2016

In its decision dated August 31, 2016, the Management Board decided to use the 13th and 14th resolutions of the Combined General Shareholders' Meeting of May 10, 2016 to implement a capital increase reserved for members of the PEG and PEGI under the ESOP 2017, up to a maximum amount corresponding to 2% of the share capital. It defined the main characteristics of the ESOP 2017 as summed up in I. above.

Moreover, it laid down the rules for reduction in case of over-subscription so as to ensure that the overall ceiling of the above capital increase is respected.

(c) Decision of the Management Board meeting of January 20, 2017

Using the authorizations mentioned in II (a) above, the Management Board, in a decision dated January 20, 2017, set the dates of the subscription/withdrawal period, the Reference Price and the Subscription Price for the ESOP 2017 and decided to carry out a capital increase reserved for Eucar Employees Plan International, a simplified joint-stock company fully owned by Crédit Agricole Corporate Investment Bank.

(d) Decision of the Management Board meeting of February 24, 2017

Using the authorizations mentioned in II (a) above, in a decision dated February 24, 2017, the Management Board noted (i) the final completion of the capital increase with cancellation of the pre-emptive subscription right in favor of employees who are members of the PEG and PEGI under the ESOP 2017, for a total amount of €17,531,176, broken down into the nominal amount of €2,191,397 and €15,339,779 in issue premium to be recorded in the balance sheet and to which the rights of all new and old shareholders will relate and (ii) the final completion of the capital increase with the cancellation of the pre-emptive subscription right in favor of Eucar Employees Plan International, for a total amount of €4,256,136 broken down into the nominal amount of €532,017 and €3,724,119 in issue premium to be recorded in the balance sheet and to which the rights of all new and old shareholders will relate.

III. Use of the 13th and 14th resolutions of the Combined General Meeting of May 10, 2016

Within the framework of the use of the 13th and 14th resolutions of the Combined General Meeting of May 10, 2016, in a decision dated February 24, 2017, the Management Board took due note of the final completion of the capital increases reserved under the ESOP 2017 amounting to €21,787,312 through the creation of 2,723,414 new shares with a par value of €1 each, broken down as follows:

- 2,132,284 new shares for the "EUROPCAR MULTIPLE 2017" mutual fund and 59,113 shares for the Group's employees who directly subscribe to the Company's shares; and

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- 532,017 new shares for Eucar Employees Plan International.

The new shares carry dividend rights from January 1, 2017 and are fully comparable to existing shares.

IV. Impact of the capital increases resulting from the use of the 13th and 14th resolutions of the Combined General Meeting of May 10, 2016 on the situation of shareholders

On account of a subscription corresponding to 2,723,414 new shares pursuant to the 13th and 14th resolutions of the Combined General Meeting of May 10, 2016, the impact of the capital increase on the ownership stake of a shareholder holding 1% of the Company's capital before the capital increase (in which they are not involved), calculated based on the number of shares that make up the capital as of the date of this report (i.e., 143,409,298 shares) is as follows:

	Shareholder's stake (as a % of capital)	
	Non-diluted basis	Diluted basis ^(*)
Before issue of new shares	1%	0.998%
After issue of 2,723,414 new shares	0.981%	0.979%

() In case of conversion of the 8,086 C and D preferred shares not converted as of February 24, 2017 and in case of the purchase of 285,711 preferred shares awarded to beneficiaries of the AGA Top 13 Plan and corresponding to 50% of Tranche 1.*

V. Theoretical Impact of the capital increases resulting from the use of the 13th and 14th resolutions of the Combined General Meeting of May 10, 2016 on the portion of consolidated shareholders' equity for the holder of one share

Based on the Company's shareholders' equity as of September 30, 2016 (or €772,469,000) and the number of shares that make up the share capital as of September 30, 2016 (or 143,409,298 shares), the impact on the portion of consolidated shareholders' equity for the holder of one share of the Company from the issue of 2,723,414 new shares under the 13th and 14th resolutions of the Combined Shareholders' General Meeting of May 10, 2016, would, as of September 30, 2016, be as follows: 6

	Portion of shareholders' equity	
	Non-diluted basis	Diluted basis ^(*)
Before issue of new shares	€5.39	€5.37
After issue of 2,723,414 new shares	€5.29	€5.27

() In case of conversion of the 8,086 C and D preferred shares not converted as of September 30, 2016 and in case of the purchase of 285,711 preferred shares awarded to beneficiaries of the AGA Top 13 Plan and corresponding to 50% of Tranche 1.*

Based on the Company's consolidated shareholders' equity - Group share (excluding non-controlling interests) as of September 30, 2016 (or €604,177,000) and the number of shares that make up the share capital as of September 30, 2016 (or 143,409,298 shares), the impact on the portion of consolidated shareholders' equity for the holder of one share of the Company from the issue of 2,723,414 new shares under the 13th and 14th resolutions of the Combined Shareholders' General Meeting of May 10, 2016, would, as of September 30, 2016, be as follows:

	Portion of consolidated shareholders' equity	
	Non-diluted basis	Diluted basis ^(*)
Before issue of new shares	€4.21	€4.20
After issue of 2,723,414 new shares	€4.13	€4.12

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(*) In case of conversion of the 8,086 C and D preferred shares not converted as of September 30, 2016 and in case of the purchase of 285,711 preferred shares awarded to beneficiaries of the AGA Top 13 Plan and corresponding to 50% of Tranche 1.

VI. **Theoretical impact of the capital increases resulting from the use of the 13th and 14th resolutions of the Combined General Meeting of May 10, 2016 on the share market value**

The theoretical impact of the issue of 2,723,414 new shares at €8 per share on the share market value is calculated as follows:

Share price before the transaction = average of the opening price for the Company's shares before February 24, 2017 (calculated as the average of the opening prices quoted for the share between January 27, 2017 and February 23, 2017). The price is €9.75.

Theoretical share price after the transaction: [(average of the last 20 opening prices of the share before the transaction x number of shares before the transaction) + (issue price x number of new shares)] / (number of shares before the transaction + number of new shares).

	Non-diluted basis	Diluted basis
Average of the last 20 opening prices	€9.75	€9.75
Number of shares before the transaction	143,409,298	143,748,626
Issue price	€8.00	€8.00
Number of new shares	2,723,414	2,723,414
Share price after the transaction	€9.716	€9.716

(*) In case of conversion of the 8,086 C and D preferred shares not converted as of February 24, 2017 and in case of the purchase of 285,711 preferred shares awarded to beneficiaries of the AGA Top 13 Plan and corresponding to 50% of Tranche 1.

It is specified that this theoretical approach is provided as a guide and does not prejudice in any way the future changes in the share price.

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This report and the Company auditors' additional report will be made available to shareholders at the Company's registered office and brought to their knowledge at the next General Meeting.

The Management Board