



ENGIE EPS S.A.

**Société Anonyme with a Board of Directors
with a share capital of 2,553,372 euros
Registered office : 28, rue de Londres, 75009
Paris 808 631 691 R.C.S. Paris**

(the “Company”)

**REPORT OF THE BOARD OF DIRECTORS
SUBMITTED TO THE ANNUAL ORDINARY AND EXTRAORDINARY
GENERAL SHAREHOLDERS’ MEETING
DATED 1 JULY 2020**

(the “Report”)

Dear Shareholders,

We have convened this annual mixed shareholders’ meeting, pursuant to the provisions of the French Commercial Code and the Company’s articles of association, to deliberate on the following matters:

I. RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY MEETING OF SHAREHOLDERS

- Approval of the individual financial statements of the Company for the financial year ended on 31 December 2019 and discharge to the members of the Board of Directors (Resolution n°1);
- Approval of the consolidated financial statements of the Company for the financial year ended on 31 December 2019 (Resolution n°2);
- Allocation of the results of the financial year ended on 31 December 2019 (Resolution n°3);
- Regulated agreements referred to under Articles L.225-38 et seq. of the French Commercial Code (Resolution n°4);
- Approval of the expenses and charges referred to under Article 39-4 of the French General Tax Code (Resolution n°5);
- Determination of the attendance fees (Resolution n°6);
- Ratification of the co-opting of a Director, Mrs. Alice Tagger (Resolution n°7);
- Non-renewal of the Board mandate of Mrs. Cristina Tomassini (Resolution n°8);
- Non-renewal of the Board mandate of Mrs. Csilla Kohalmi-Monfils (Resolution n°9);
- Renewal of the Board mandate of Mr. Massimo Prelz Oltramonti (Resolution n°10);
- Ratification of the resignation of Mr. Jean Rappe as Director (Resolution n°11);
- Appointment of a new Director, Mrs. Carly Wishart (Resolution n°12);
- Appointment of a new Director, Mrs. Mireille Van Staeyen (Resolution n°13);
- Appointment of a new Directors, Mr. Luigi Michi (Resolution n°14);
- Approval of the compensation policy applicable to the corporate officers (*mandataires sociaux*) for the 2020 financial year (Resolution n°15);
- Approval of the compensation policy applicable to the Chairman of the Board of Directors for the 2020 financial year (Resolution n°16);

- Approval of the compensation policy applicable to the Chief Executive Officer for the 2020 financial year (Resolution n°17);
- Approval of the compensation policy applicable to the members of the Board of Directors for the 2020 financial year (Resolution n°18);
- Approval of the overall compensation and benefits of all kind granted to the corporate officers (*mandataires sociaux*) for the 2019 financial year (Resolution n°19);
- Approval of the overall compensation and benefits of all kind granted to the Chief Executive Officer for the 2019 financial year (Resolution n°20);
- Appointment of Deloitte & Associés as principal Statutory Auditor (Resolution n°21);
- Ratification of the transfer of the registered office (Resolution n°22);
- Authorization to be given to the Board of Directors for the purchase by the Company of its own shares (Resolution n°23).

II. RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY MEETING OF SHAREHOLDERS

- Delegation of authority to the Board of Directors for the purpose of reducing the share capital through share cancellation as part of the authorization to purchase its own shares (Resolution n°24);
- Powers for formalities (Resolution n°25).

Our report, the auditors' reports, the financial statements and consolidated financial statements have been made available to you in accordance with conditions and deadlines set forth by the Company's articles of association and applicable legal provisions.

I. RESOLUTIONS TO BE SUBMITTED AT THE ORDINARY SHAREHOLDERS' MEETING

1. Approval of the financial statements and allocation of earnings for the financial year ended 31 December 2019 (Resolutions n°1 to 3 and 5)

(a) Financial statements for the financial year ended 31 December 2019

The inventory and financial statements submitted for your approval, under resolution n°1, namely the balance sheet, income statement, statement of cash flows and statement of changes in equity and the annex as at 31 December 2019, have been prepared in accordance with the presentation rules and evaluation methods set forth by the regulations in force in France.

The Board of Directors presents this set of accounts for your approval.

The financial statements highlight a net loss of 13,831,595 Euros under the financial year ended 31 December 2019, against a net loss of 2,386,604 Euros under the financial year ended 31 December 2018.

For comments on these financial statements, please refer to the Management Report of the Board of Directors which has been made available to you in accordance with the regulations in force.

(b) Amount of non-deductible expenses

In accordance with articles 223 *quarter* and 223 *quinquies* of the French General Tax Code, it is required that you acknowledge, by adopting resolution n°5, that (i) the Company has not incurred non-deductible tax expenses referred to under Article 39-4 of this Code, during the past financial year and (ii) the Company has not incurred general expenses referred to under Article 39-5 of the French General Tax Code.

(c) Consolidated financial statements for the financial year ended 31 December 2019

The consolidated financial statements submitted for your approval, under resolution n°2, namely the balance sheet, income statement, statement of cash flows and statement of changes in equity and the annex as at 31 December 2019, have been prepared in accordance with the IFRS standards.

The Board of Directors presents this set of accounts for your approval.

The consolidated financial statements highlight a net loss of 14,644,285 Euros under the financial year ended 31 December 2019, against a net loss of 8,734,638 Euros under the financial year ended 31 December 2018.

For comments on these consolidated financial statements, please refer to the Management Report of the Board of Directors and to the financial annual report which have been made available to you in accordance with the regulations in force as well as chapters 7 and 8 of the 2019 Universal Registration Document of the Company filed with the French *Autorité des marchés financiers* on 30 April 2020 under number D.20-0439.

(d) Proposition as regards the allocation of earnings

The profit of the financial year highlights, in light of the financial statements, a net loss of 13,831,595 Euros, which we propose you to allocate to "Retained Earnings" under resolution n°3. After allocation of this result, the "Retained Earnings" account will represent a loss of 24,184,421 Euros. There will be no declaration of dividends under the financial year ended 31 December 2019.

In addition, we remind you that, pursuant to Article 243 *bis* of the French General Tax Code, no dividends have been declared in the preceding three financial years.

2. Related-party transactions (Resolution n°4)

We propose under resolution n°4 that you approve the agreements falling within the scope of articles L.225-38 *et seq.* of the French Commercial Code, as well as any previously authorized and concluded agreements performed during the 2019 financial year.

The agreements referred to under Article L.225-38 of the French Commercial Code that have been duly entered into during the financial year ended 2019 are set out in paragraph 6 “Significant Agreements Concluded with Regulated Parties” of the Corporate Governance Report annexed to the present Report (Annex 1 – Corporate Governance Report 2019).

3. Attendance fees (Resolution n°6)

We invite you in resolution n°6 to vote on the allocation of a maximum amount of 120,000 Euros attendance fees for the benefit of members of the Board of Directors in the 2020 financial year. The amount of attendance fees proposed remains unchanged in comparison to the amount proposed in the previous financial year.

The Board of Directors will allocate all or part of this amount amongst its members based on a calculation pertaining to their level of participation during meetings and their responsibility in the different committees. The terms and conditions for allocating these attendance fees for the financial year 2020 and the details regarding the allocation of these fees in the financial year 2019 are indicated in the Corporate Governance Report annexed to the present Report (Annex 1 – Corporate Governance Report 2019).

4. Membership of the Board of Directors (Resolutions n°7 to 14)

Mrs. Alice Tagger has been co-opted during the Board of Directors’ meeting held on 19 March 2020, in replacement (and for the remaining time of the mandate) of Mrs. Elise Collange (nominated during the shareholders’ meeting held on 25 June 2019 until the shareholders’ meeting held in 2021 to be called to approve the financial statements for the year ending 31 December 2020) and who herself resigned. The resignation of Mrs. Elise Collange became effective on 10 March 2020. Pursuant to article L. 225-24 paragraph 5 of the French Commercial Code, such co-optation must be ratified. This is the purpose of the resolution n° 7.

The terms of office as directors of Mr. Massimo Prezz Oltramonti and Mses. Csilla Kohalmi-Monfils and Cristina Tomassini, expire at the end of the present shareholders’ meeting.

Furthermore, Mr. Jean Rappe, whose mandate normally expires at the shareholders’ meeting held in 2021 to be called to approve the financial statements for the year ending 31 December 2020, has informed the Company of his decision to resign from his duties effective at the present shareholders’ meeting.

Finally, the ENGIE group, which holds (through its subsidiary GDF International) 60.48% of the share capital and voting rights of the Company, indicated its wish to see Mrs. Carly Wishart and Mrs. Mireille Van Staeyen joining the Board of Directors as member of the Board of Directors.

At the 25 June 2019 the shareholders had approved the nomination of certain board members for shorter terms than the standard three-year one, so as to have a “staggered” Board. To maintain this structure, Mr. Massimo Prezz Oltramonti whose term expire at this shareholders’ meeting and whose term is proposed to be renewed, would be appointed for a three-year term.

Similarly, Mrs. Carly Wishart, who would be appointed in replacement of Mrs. Cristina Tomassini, and Mrs. Mireille Van Staeyen, who would be appointed in replacement of Mrs. Csilla Kohalmi-Monfils, would be appointed for three years. Finally, Mr. Luigi Michi would be appointed as an additional independent Board member for a term of 3 years.

Hence, if resolutions n°8 to n°14 are adopted, the Board of Directors will be composed as follow, with the following staggered terms:

#	Criteria	Current Board Composition	Status at		Mandate Duration			
			AGM 2020	New Board members	AGM 2020	AGM 2021	AGM 2022	AGM 2023
1		Thierry Kalfon Chairman / Managing Director GBL Renouvelables at ENGIE	Will expire in 2022		██			
2		Carlaiberto Guglielminotti CEO and Executive Board Member	Will expire in 2021		██			
3	./	Jean Rappe Board Member (Engie Solar)	Resigned	Luigi Michi Independent Board Member	██			
4		Giuseppe Artizzu Executive Board Member (Engie Eps)	Will expire in 2021		██			
5	./	Massimo Prezl Oltramonti Independent Board Member	Renewed		██			
6	./	Romualdo Cirillo Independent Board Member	Will expire in 2022		██			
7	./	Cristina Tomassini Non-executive Board Member (Engie Italy)	Expired	Carly Wishart Non-executive Board Member (Engie Asia-Pacific)	██			
8	./	Csilla Kohalmi-Monfils Non-executive Board Member (Engie SA)	Expired	Mireille Van Staeyen Non-executive Board Member (Engie Generation Europe)	██			
9	./	Anne Harvengt Non-executive Board Member (Tractebel)	Will expire in 2022		██			
10	./	Alice Tagger Non-executive Board Member (Engie Solar)	Will expire in 2021		██			
		40% Women						
		30% Independent Board Members						

5. Approval of the compensation policy applicable to the corporate officers (*mandataires sociaux*), the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board Directors for the 2020 fiscal year (*ex ante*) and the 2019 fiscal year (*ex post*) (Resolutions n°15 to 20)

(a) Compensation policy applicable to the corporate officers (*mandataires sociaux*), the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board of Directors for the 2020 financial year (Resolutions n°15 to 18)

The Board of Directors invites you, in resolutions n° 15 to 18, to approve the compensation policy applicable to the corporate officers (*mandataires sociaux*), to Mr. Thierry Kalfon, Chairman of the Board of Directors, to Mr. Carlalberto Guglielminotti, Chief Executive Officer (“**CEO**”) and to the members of the Board of Directors of the Company for the 2020 financial year.

Pursuant to article L.225-37-2 II of the French Commercial Code, the Corporate Governance Report, annexed to the present Report (Annex 1 – Corporate Governance Report 2019), sets out the principles and criteria of the compensation policy to be applicable to:

- (i) the corporate officers (*mandataires sociaux*) of the Company as a whole for the 2020 financial year (paragraph 3.1 “Compensation policy applicable to the management: principles and criteria for determining, allocating and granting”). These items are also laid out in paragraph 13.1 of the 2019 Universal Registration Document;
- (ii) to the Chairman of the Board of Directors (paragraph 3.1.1 “Compensation policy applicable to the Chairman of the Board of Directors”). These items are also laid out in paragraph 13.1.1 of the 2019 Universal Registration Document;
- (iii) to the CEO (paragraph 3.1.3 “Compensation policy applicable to the Chief Executive Officer (CEO)”). These items are also laid out in paragraph 13.1.3 of the 2019 Universal Registration Document; and
- (iv) to the members of the Board of Directors (paragraph 3.1.2 “Compensation policy applicable to the members of the Board of Directors”). These items are also laid out in paragraph 13.1.2 of the 2019 Universal Registration Document.

This information is submitted for your approval.

It is to be noted that the overall compensation policy for the corporate officers (*mandataires sociaux*) for 2020 financial year is subject to resolution n°15 and that your vote on that resolution is made without prejudice on the result of your vote on individual resolutions regarding the Chairman of the Board of Directors (resolution n°16), the Chief Executive Officer (resolution n°17) and the members of the Board of Directors (resolution n°18).

(b) Overall compensation and benefits of all kind granted to the corporate officers (*mandataires sociaux*) and to the Chief Executive Officer for the 2019 financial year (Resolutions n°19 to 20)

The Board of Directors invites you to approve the overall compensation and benefits of all kind granted to the corporate officers (*mandataires sociaux*) and to Mr. Carlalberto Guglielminotti, Chief Executive Officer, for the 2019 financial year.

Pursuant to Article L.225-100 II of the French Commercial Code, the Corporate Governance Report, annexed to the present Report (Annex 1 – Corporate Governance Report 2019), sets out the fixed, variable and extraordinary components of overall compensation and benefits of all kind granted during

the 2019 financial year, because of their mandates, to

- (i) the corporate officers (*mandataires sociaux*) as a whole for the 2019 financial year (components of the total compensation paid or awarded during the financial year 2019 (overall *ex-post* vote)). These items are also laid out in paragraph 13.2.1 of the 2019 Universal Registration Document; and
- (ii) to the Chief Executive Officer (paragraph 3.2.5 “Components of the compensation paid or awarded during financial year 2019 to the Chief Executive Officer (individual *ex-post* vote)”). These items are also laid out in paragraph 13.2.5 of the 2019 Universal Registration Document.

These information are submitted to your approval.

Furthermore, for the 2019 financial year, Mr. Thierry Kalfon, Chairman of the Board of Directors since 25 June 2019, did not receive any fixed or variable compensation. Therefore, there will be no “*ex post*” resolution regarding Mr. Thierry Kalfon at the shareholders’ meeting.

6. Statutory Auditors of the Company (Resolution n°21)

During the Board of Directors meeting held on 19 March 2019, the Board of Directors acknowledged the expiration of the mandate of BDO Paris Audit & Advisory as principal Statutory Auditor of the Company and having acknowledged the Remuneration and Nomination Committee proposal, decided to appoint Deloitte & Associés, Tour Majunga, 6 Place de la Pyramide, 92908 Paris-la-Défense Cedex Puteaux, France, as new principal Statutory Auditor of the Company for a term of 6 years, expiring at the end of the shareholders’ meeting held in 2026 to be called to approve the financial statements for the year ending 31 December 2025.

This information is subject to your approval.

7. Transferred of the registered office (Resolution n°22)

The Board of Directors invites you to ratify the transfer of the registered office of the Company made by decision of the Board of Directors on 30 September 2019, from 115, rue Réaumur, 75002 Paris, to 28, rue de Londres, 75009 Paris, and the related amendment made to the first paragraph of Article 4 of the Company’s Articles of Association (Annex 2 – “Updated Company’s Articles of Association as at 1 October 2019”).

8. Company share repurchase program (Resolution n°23)

We propose under resolution n°23 that you authorize the Board of Directors, in accordance with the provisions of articles L.225-209 *et seq.* of the French Commercial Code, for a period of 18 months, to purchase the Company’s shares at a maximum purchase price which shall not exceed 15.00 Euros as part of the implementation of a share repurchase program.

The maximum amount that the Company would be able to allocate to the repurchase program of its own shares may not exceed the amount of 1,500,000 Euros.

This authorization is intended to allow the Board of Directors to acquire a maximum number of Company shares representing up to 10% of the share capital of the Company, in order to:

- retain the Company’s shares that would have been purchased and ultimately use them in exchange or as payment within the context of potential external growth transactions, in accordance with stock market regulations;
- give shares during the exercise of the rights attached to securities giving access to the share capital of the Company;

- allot shares to employees or officers of the Company, and its subsidiaries in accordance with terms and conditions set forth by law, in particular in respect of the allocation of free shares, participation in the profits resulting from the expansion of the business, stock options plans or via a company savings plan;
- ensure liquidity and promote the secondary market for the Company's securities, which would be accomplished by an investment services provider acting under a liquidity contract in compliance with the ethics charter recognised by the French *Autorité des marchés financiers*;
- cancel all or part of the repurchased securities, provided resolution n°24 is adopted; and
- accomplish all other authorized goals or goals that could become authorized by law or recognised or that would be recognised as market practice by the French *Autorité des marchés financiers*, in which case the Company would inform its shareholders by way of a press release.

These purchase, assignment, exchange or transfer transactions may be carried out in any manner, in one or several instalments, or on a regulated market, on a multilateral trading facility, through a systematic internaliser or through an over-the-counter transaction, such as an acquisition or block trades, or by resorting to financial instruments.

It is specified that these transactions may not occur during public tender offers initiated by the Company or aimed at its securities.

No share repurchase program has been implemented during the financial year.

Please see paragraph II.1 "Delegation of authority to the Board of Directors for the purpose of reducing the share capital through share cancellation as part of the authorization to purchase its own shares (Resolution n°24)" of the present Report for a description of the resolution related to the shares cancellation.

II. RESOLUTIONS TO BE SUBMITTED AT THE EXTRAORDINARY SHAREHOLDERS' MEETING

1. Delegation of authority to the Board of Directors for the purpose of reducing the share capital through share cancellation as part of the authorization to purchase its own shares (Resolution n°24)

Among the objectives of the shares repurchase program, that is the object of the resolution n° 23, there is the cancellation of the shares acquired.

For this purpose, we will ask you, by adopting the resolution n° 24, to grant authorization to the Board of Directors, for a period of 18 months, to reduce the share capital, in one or more instalments, up to the 10% limit of the existing share capital at the date of the cancellation decision by 24-month period, by the cancellation of all or part of the ordinary shares that the Company holds or may hold following redemption through a shares repurchase program.

2. Powers to complete formalities (Resolution n°25)

It is proposed that the shareholders' meeting grants full powers to the holder of an original, a copy, or an excerpt of the minutes of the shareholders' meeting of 1 July 2020 for the purpose of completing legal formalities.

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The reading of the special report of the auditors will be given to you.

We hope that you will approve these operations, which are in line with the Company's interests, and we ask you to vote in favor of all the resolutions proposed.

Paris, 19 May 2020

The Board of Directors

Annex 1:
Corporate Governance Report 2019

Annex 2:
Updated Company's Articles of Association
as at 1 October 2019