

**CNOVA N.V.**  
**EXPLANATORY NOTES TO THE AGENDA**

Explanatory notes to the agenda for the annual general meeting of shareholders of **Cnova N.V.** (the "**Company**") to be held on Tuesday, May 23, 2017, at 4.30 p.m. CEST, at Hilton Amsterdam Airport Schiphol Hotel located at Schiphol Boulevard 701, 1118 BN, Schiphol Airport, the Netherlands (the "**AGM**").

**Agenda item 2: Board report for the financial year 2016 (discussion item)**

Dutch law requires the board of directors of the Company (the "**Board**") to annually prepare a board report, which must give a true and fair view of the position on the balance sheet date of the annual accounts, the developments during the financial year and the results of the Company and its group companies of which the financial information has been included in the annual accounts. Under Dutch law, the board report must also be discussed at the annual general meeting of shareholders. The contents of such board report are subject to Dutch law and the Dutch Corporate Governance Code.

In its meeting held on October 30, 2014 (the "**2014 EGM**"), the general meeting of shareholders of the Company (the "**General Meeting**") approved the use of the English language for the annual board report, in accordance with section 2:391(1) of the Dutch Civil Code ("**DCC**"), and for the balance sheet items in the annual accounts, in accordance with section 2:362(7) DCC. As such, and due to the international nature of the Company's business, the board report for the financial year 2016 (the "**Board Report**") and the balance sheet items in the annual accounts for the financial year 2016 (the "**Annual Accounts**") have been prepared in the English language

**Agenda item 3: Disclosure of remuneration in the Board report and the annual accounts for the financial year 2016 (discussion item)**

Dutch law requires a discussion of the Company's disclosure pursuant to sections 2:383c through 2:383e DCC regarding the remuneration of the current and former Board members and employees of the Company. This discussion must constitute a separate item on the agenda prior to the proposal to adopt the Annual Accounts. For purposes of such discussion, reference is made to the relevant paragraphs of the Board Report and Annual Accounts.

**Agenda item 4: Allocation of results and dividend policy (discussion item)**

The Dutch Corporate Governance Code recommends that the Company's dividend policy (the level and purpose of the addition to the reserves, the amount of the dividend and the type of dividend) be discussed at the AGM.

For the financial year 2016, although the Company's Annual Accounts show a profit on a standalone basis, on a consolidated basis the Company's did not realize any profits. In view of the losses on a consolidated basis, the Board did not see any reason to reconsider its policy of not paying any dividends and resolved to add the profits shown on a standalone basis in the Company's Annual Accounts to the Company's profit reserves, while charging the losses shown in the Annual Accounts against the profit reserves on a consolidated basis.

**Agenda item 5: Adoption of the annual accounts for the financial year 2016 (voting item)**

Dutch law requires the Board to annually prepare annual accounts, consisting of a balance sheet and a profit and loss account with respect to the preceding financial year, as well as consolidated accounts and explanatory notes thereto. The Board has drawn up the Annual Accounts, which were signed by all members of the Board. Dutch law provides that the general meeting of shareholders is the corporate body authorized to formally adopt the Annual Accounts.

As indicated above, the Company has finalized the Annual Accounts, and therefore it is now proposed to the General Meeting to adopt the Annual Accounts.

***Proposed resolution***

*In accordance with and further to the explanatory notes to the agenda for the 2017 annual general meeting of shareholders, to adopt the Annual Accounts drawn up by the Board and signed by all members of the Board.*

**Agenda item 6: Release from liability of the members of the Board with respect to the performance of their duties during the financial year 2016 (voting item)**

In accordance with Dutch law, if the General Meeting adopts the Annual Accounts, such adoption does not automatically release the members of the Board from liability with respect to the performance of their duties during the financial year 2016. Instead, such proposal should be made separate from the proposal to adopt the Annual Accounts. Consequently, it is now proposed to the General Meeting to release the members of the Board from liability with respect to the performance of their duties during the financial year 2016.

In principle, this proposed release from liability only extends to matters that are disclosed in the Annual Accounts or have otherwise been disclosed to the General Meeting.

***Proposed resolution***

*In accordance with and further to the explanatory notes to the agenda for the 2017 annual general meeting of shareholders, to release the members of the Board from liability with respect to the performance of their duties during the financial year 2016.*

**Agenda item 7:            Instruction to Ernst & Young Audit for the external audit of the Company's annual accounts for the financial year 2017  
(voting item)**

Under Dutch law, the general meeting of shareholders is, in principle, the corporate body authorized to annually appoint the external independent auditor for the audit of the Company's annual accounts. In the 2016 annual general meeting of shareholders of the Company (the "**2016 AGM**"), Ernst & Young Audit was appointed as the external independent auditor for the audit of the annual accounts for the financial year 2017.

It is now proposed to appoint Ernst & Young Audit as the external independent auditor for the audit of the Company's annual accounts for the financial year 2017.

***Proposed resolution***

*In accordance with and further to the explanatory notes to the agenda for the 2017 annual general meeting of shareholders, to appoint Ernst & Young Audit as the external independent auditor for the audit of the Company's annual accounts for the financial year 2017.*

**Agenda item 8:            Reappointment of Mr. Ronaldo Iabrudi dos Santos Pereira as Non-Executive Director (voting item)**

In the 2014 EGM, the General Meeting reappointed Mr. Ronaldo Iabrudi dos Santos Pereira as Non-Executive Director of the Company for a period ending at the third annual general meeting of shareholders of the Company following completion of the Company's initial public offering (the "**IPO**"), being this AGM. It is now proposed that Mr. Iabrudi will be reappointed as Non-Executive Director for a period ending at the end of the annual general meeting of shareholders to be held in 2020.

Mr. Iabrudi has served as one of our directors since July 24, 2014. Mr. Iabrudi has served as Chief Executive Officer of CBD, as chairman of the board of directors of Via Varejo and as a member of the executive committee of Casino since 2014, and as a member of the board of directors of GPA, since 2013. Mr. Iabrudi is also a partner of Viaw, a telecommunications cost reduction services company. Previously, Mr. Iabrudi was chairman of the board of directors of Lupatech S.A., a member of the board of directors of Estácio Participações S.A., a member of the board of direc-

tors of Cemar, chief executive officer of Magnesita S.A. from 2007 to 2011, chief executive officer of Telemar Group from 1999 to 2006, chairman of the board of directors of Telemar Operadora and a member of the board of directors of other subsidiaries of the Telemar Group, chief executive officer of Ferrovia Centro-Atlântica from 1996 to 1999 and chairman of the board of directors of Porto de Angra and an executive officer and financial officer of Gerdau Group from 1984 to 1996. Mr. Iabrudi holds a bachelor's degree from Pontifícia Universidade Católica de Minas Gerais, a master's degree in organizational development from Université Paris I Pantheon-Sorbonne and a master's degree in management of changes from Université Paris IX Dauphine.

***Proposed resolution***

*In accordance with and further to the explanatory notes to the agenda for the 2017 annual general meeting of shareholders, to reappoint Mr. Ronaldo Iabrudi dos Santos Pereira as Non-Executive Director for a period ending at the end of the annual general meeting of shareholders to be held in 2020.*

**Agenda item 9: Reappointment of Mr. Arnaud Strasser as Non-Executive Director (voting item)**

In the 2014 EGM, the General Meeting reappointed Mr. Arnaud Strasser as Non-Executive Director of the Company for a period ending at the third annual general meeting of shareholders of the Company following completion of the IPO, being this AGM. It is now proposed that Mr. Strasser will be reappointed as Non-Executive Director for a period ending at the end of the annual general meeting of shareholders to be held in 2020.

Mr. Strasser has served as one of our directors since May 30, 2014. Mr. Strasser has served as Director, Corporate Development and Holdings of Casino and a member of the Casino Management Board since 2010. He has also served as a member of the board of directors of Éxito since 2010 (member of the Good Governance Code Assessment, Follow-up and Compensation Committee), member of the board of directors of CBD since 2010 and Vice Chairman since 2012 (member of the Human Resources and Compensation Committee), and a member of the board of directors and Vice Chairman of Via Varejo since 2012 and 2013, respectively (member of the Human Resources and Compensation Committee). Mr. Strasser also served as a member of the board of directors of Big C Supercenter until 2014. Mr. Strasser joined Casino in 2007 and served until 2009 as Advisor to the Chairman for International Development of Casino. Mr. Strasser is a graduate from the École Nationale d'Administration (ENA), he also holds a master's degree from the Hautes Études Commerciales (HEC), and a master's degree from the Institut d'Études Politiques de Paris.

***Proposed resolution***

*In accordance with and further to the explanatory notes to the agenda for the 2017 annual general meeting of shareholders, to reappoint Mr. Arnaud Strasser as Non-Executive Director for a period ending at the end of the annual general meeting of shareholders to be held in 2020.*

**Agenda item 10: Authorization of the Board to acquire ordinary shares in the capital of the Company (voting item)**

Under Article 10 of the Articles of Association and Dutch law, the Company may, subject to certain statutory Dutch law provisions, acquire for consideration and hold, hold as pledgee and/or hold through its subsidiaries, up to fifty percent (50%) of the Company's issued share capital. Any acquisition of shares in the Company's own capital for consideration is subject to the authorization of the General Meeting, which authorization shall be valid for no more than eighteen (18) months.

The General Meeting has most recently granted such authorization, subject to certain limitations, in the 2016 AGM, which authorization was effective as of, and for a period of eighteen months from, the date of the 2016 AGM. In Dutch corporate practice, an annual renewal of the authorization is customary.

It is now proposed to authorize the Board to perform acquisitions by the Company of up to 50% of the issued share capital of the Company from time to time, by any means, including through derivative products, purchases on any stock exchange, through any private purchase or block trade, or otherwise, for a price or value that is between nil and an amount which is not higher than 110% of the average market price of such ordinary shares on Euronext Paris (such average market price being the average of the closing prices on each of the 10 consecutive trading days preceding the second day prior to the date the acquisition is agreed upon by the Company), for a period of eighteen (18) months with effect from the AGM, exclusive of any fees, commissions or other expenses related to such acquisitions, all subject to the limitations provided for in Article 10 of the Articles of Association and Dutch law.

***Proposed resolution***

*In accordance with and further to the explanatory notes to the agenda for the 2017 annual general meeting of shareholders, to authorize the board of directors to perform acquisitions by the Company for a period of eighteen (18) months with effect from the 2017 annual general meeting of shareholders. The number of ordinary shares to be acquired pursuant to this authorization, the manner in which such shares may be acquired and the limits within which the price must be set have been specified in the explanatory notes to the agenda.*

**Agenda item 11: Delegation of the authority to issue ordinary shares and special voting shares and to grant rights to subscribe for such shares (voting item)**

Under Article 6 of the Articles of Association and Dutch law, the General Meeting may delegate to the Board the authority to resolve upon the issuance of ordinary shares and special voting shares and to grant rights to subscribe for such shares. Such delegation shall only be valid for a specified period of not more than five (5) years and may from time to time be extended by the General Meeting with a period of not more than five (5) years.

The General Meeting has most recently delegated the authority to resolve upon the issuance of ordinary shares and special voting shares and to grant rights to subscribe for such shares, in the 2016 AGM. In Dutch corporate practice, an annual renewal of the authorization is customary.

It is now proposed to delegate to the Board the authority to resolve on the issuance of ordinary shares and special voting shares up to the maximum number allowed to be issued under the Company's authorized share capital as stipulated in the Articles of Association from time to time, and to grant rights to subscribe for such ordinary shares and special voting shares up to such maximum number, for a period of five (5) years with effect from this AGM, which delegation shall include the authority to determine the price and further terms and conditions of any such share issuance or grant.

***Proposed resolution***

*In accordance with and further to the explanatory notes to the agenda for the 2017 annual general meeting of shareholders, to delegate to the board of directors the authority to resolve on the issuance of ordinary shares and special voting shares up to the maximum number allowed to be issued under the Company's authorized share capital as stipulated in the articles of association of the Company from time to time, and to grant rights to subscribe for such ordinary shares and special voting shares up to such maximum number, for a period of five (5) years with effect from the 2017 annual general meeting of shareholders, which delegation shall include the authority to determine the price and further terms and conditions of any such share issuance or grant.*

**Agenda item 12: Delegation of the authority to limit and exclude pre-emption rights in respect of any issue of ordinary shares or any granting of rights to subscribe for such shares (voting item)**

Under Article 7 of the Articles of Association and Dutch law, the General Meeting may delegate to the Board the authority to limit or exclude the pre-emption rights in respect of any issue of ordinary shares or granting of rights to subscribe for such ordinary shares.

The General Meeting has most recently delegated the authority to limit or exclude the pre-emption rights in respect of any issue of ordinary shares or granting of rights to subscribe for such ordinary shares, in the 2016 AGM. In Dutch corporate practice, an annual renewal of the authorization is customary.

It is now proposed to delegate to the Board the authority to limit or exclude the pre-emption rights in respect of any issue of ordinary shares or granting of rights to subscribe for such ordinary shares, for a period of five (5) years, with effect from the AGM.

***Proposed resolution***

*In accordance with and further to the explanatory notes to the agenda for the 2017 annual general meeting of shareholders, to delegate to the board of directors the authority to limit or exclude the pre-emption rights in respect of any issue of ordinary shares or granting of rights to subscribe for such ordinary shares, for a period of five (5) years, with effect from the 2017 annual general meeting of shareholders.*

The Board of Directors  
April 11, 2017