Draft resolutions

Ordinary resolutions

Resolution One - Approval of the consolidated financial statements for the 2016 financial year;

Having reviewed the reports of the Board of Directors and the Statutory Auditors, the General Meeting approved the consolidated financial statements of Thales for the financial year ended 31 December 2016, as drawn up and presented thereto, and which show consolidated net profit (Group share) of €946.4 million.

Resolution Two - Approval of the Company’s financial statements for the 2016 financial year;

Having reviewed the reports of the Board of Directors and the Statutory Auditors, the General Meeting approved the parent company financial statements of Thales for the financial year ended 31 December 2016, as drawn up and presented thereto, and which show net profit of €431.1 million.

The General Meeting approved, in particular, the amount of non-deductible expenses (Article 39-4 of the French General Tax Code) stated in the Notes to these financial statements.

Resolution Three - Allocation of the parent company’s earnings and calculation of the dividend at €1.60 per share for 2016

The General Meeting noted that distributable earnings, made up of:

- net profit for the 2016 financial year: €431,143,252.66
- less allocation to the legal reserve: - €370,008.60
- plus the amount of the interim dividends of €0.40 paid on 9 December 2016 and taken from retained earnings: €84,560,890.80
- plus the credit balance brought forward at 31 December 2016: €1,523,814,297.85

Total (in euros): €2,039,148,432.71

The General Meeting resolved to allocate this profit as follows:

- Distribution of unitary dividend of €1.60 to 212,194,766 shares bearing rights as from 1 January 2016*: -€339,511,625.60
- Balance carried forward: €1,699,636,807.11

Total equal to distributed earnings (in euros): €2,039,148,432.71

* The General Meeting noted that, as an interim dividend of €0.40 per share was paid on 9 December 2016, the balance of the dividend to be paid amounts to €1.20 per share.

The ex-dividend date is 31 May 2017 and the balance of the dividend will be paid on 2 June 2017.

The amounts corresponding to dividends which, in accordance with the provisions of paragraph 4 of Article L. 225-210 of the French Commercial Code, were not paid on treasury shares, will be appropriated to retained earnings.

In accordance with Article 243 bis of the French General Tax Code, dividends distributed (interim and balance) to individuals domiciled in France are wholly eligible for the 40% reduction provided for in paragraph 2 of Article 158-3 of the French General Tax Code.
As required by law, information on the amount of dividends paid for the last three financial years is given below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per share</th>
<th>Total amount distributed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>€1.12 (1)</td>
<td>€227,643,552.81</td>
</tr>
<tr>
<td>2014</td>
<td>€1.12 (1)</td>
<td>€230,660,829.08</td>
</tr>
<tr>
<td>2015</td>
<td>€1.36 (1)</td>
<td>€285,659,762.04</td>
</tr>
</tbody>
</table>

(1) The dividend corresponds to the total amount of income distributed for the financial year. The whole dividend was eligible to the reduction provided for in paragraph 2 of Article 158-3 of the French General Tax Code.

Resolution Four - Ratification of the co-opting of Ms Delphine Geny-Stephann as a director appointed upon proposal of the Public Sector

The General Meeting ratified the co-opting, decided by the Board of Directors on 29 November 2016, of Ms Delphine GENY-STEPHANN as a director appointed upon proposal of the Public Sector and under the terms of the shareholders' agreement. She replaces Mr Thierry AULAGNON, who resigned, for the remainder of the term of office, i.e. until the end of the General Meeting called to approve the financial statements for the financial year ending 31 December 2017.

Resolution Five - Renewal of the term of office of Mr Philippe Lepinay as a director representing shareholder employees

The General Meeting renewed the term of office of Mr Philippe LEPINAY as director representing shareholder employees for a period of four years, ending after the General Meeting called to approve the financial statements for the 2020 financial year.

Resolution Six - Say on pay for Mr Patrice Caine, the sole company representative of Thales, for the 2016 financial year

Consulted pursuant to the recommendation set out in paragraph 26 of the AFEP-MEDEF Corporate Governance Code dated November 2016, which constitutes the Company’s reference code in accordance with Article L. 225-37 of the French Commercial Code, the General Meeting approved the details of compensation due or granted for the 2016 financial year to Mr Patrice CAINÉ, Chairman & Chief Executive Officer, the sole company representative, as set out in paragraph 3.5.1.1 of the 2016 Registration Document and in the meeting brochure for the Combined Annual and Extraordinary General Meeting of 17 May 2017.

Resolution Seven - Approval of principles and criteria for the determination, breakdown and allocation of fixed, variable and exceptional components of the total compensation and benefits of all types granted to the Chairman & Chief Executive Officer of Thales

Pursuant to Article L. 225-37-2 of the French Commercial Code, the General Meeting approved the principles and criteria for the determination, breakdown and allocation of fixed, variable and exceptional components of the total compensation and benefits of all types granted to the Chairman & Chief Executive Officer of Thales for the exercise of his office, as set out in the report accompanying the report referred to in Articles L. 225-100 and L. 225-102 of the French Commercial Code, presented in paragraph 3.5.1.2 of the 2016 Registration Document and in the meeting brochure for the Combined Annual and Extraordinary General Meeting of 17 May 2017.

Resolution Eight - Authorisation granted to the Board of Directors to allow the Company to trade in its own shares (with a maximum purchase price of €120 per share)
Having reviewed the report of the Board of Directors and the description of the share buy-back programme provided for in Articles 241-1 et seq. of the AMF General Regulations, the General Meeting authorised, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, and Regulation no. 596/2014 of the European Parliament and the Council dated 16 April 2014, the Board of Directors to trade in the Company’s shares with a maximum purchase price of €120 per share.

In the event of capital transactions, in particular through a capital increase by capitalisation of reserves and a free allocation of shares, or through a stock split or reverse stock split, the above-mentioned maximum purchase price will be adjusted accordingly.

The number of shares that may be acquired under this authorisation cannot exceed 10% of the shares comprising the Company’s share capital as of the repurchase date. Moreover, the Company cannot at any time hold more than 10% of its share capital.

As an indicator and taking into account the number of shares making up the share capital at 31 December 2016, the maximum amount of the transaction, pursuant to Article R. 225-151 of the French Commercial Code, would stand at €2,546,337,120 (i.e. a maximum of 21,219,476 shares acquired), which would correspond to 10% of the share capital at the maximum purchase price of €120 per share.

This authorisation is intended to enable the Company, in decreasing order of priority:

- to sell or allocate shares or rights attached to securities, particularly when share purchase options are exercised or existing free shares are allocated, or when shares are sold and/or supplemented under an employee shareholding scheme transaction on existing shares, or in the event of allocations in any shape or form, to employees and executives of the Company and/or related companies, and to the Company’s representative, under the conditions defined by the applicable legal provisions in force;
- to retain shares for later use in connection with external growth transactions, or a merger, demerger or contribution;
- to ensure trading in the shares through a liquidity contract prepared in accordance with a Code of Conduct approved by the AMF;
- to cancel shares in accordance with a General Meeting resolution in force; and
- more generally, to conduct any other transaction that complies with the regulations in effect.

Shares may at any moment, except during public offering periods, and within the limits set by regulations in force, be acquired, sold, exchanged or transferred, either on the market, over the counter or otherwise, by any means, and in particular through the use of all derivative financial instruments, including the use of options or warrants, and with no special limit for blocks.

To ensure the execution of this authorisation, all powers are given to the Board of Directors, with the right to delegate said powers, to place any stock market orders, enter into any agreements, make all declarations, carry out all other formalities, and generally to do whatever is necessary.

This authorisation, which cancels the authorisation given under resolution ten of the General Meeting of 18 May 2016, is granted for a period of 18 months from the date of this General Meeting.

Extraordinary resolution

Resolution Nine - Authorisation granted to the Board of Directors to cancel shares acquired as part of a share buy-back programme

Having reviewed the reports of the Board of Directors and the Statutory Auditors, the General Meeting authorised the Board of Directors, with the right to sub-delegate said powers, to cancel, on one or more occasions, up to a limit of 10% of the share capital as of the date of its decision, all or part of the shares that the Company holds as part of the successive authorisations to buy back its own shares.

This authorisation, which replaces the authorisation granted by the General Meeting of 13 May 2015 and which expired without being used, is granted for a period of twenty four months from this General Meeting.
The General Meeting granted the Board of Directors all powers to implement this authorisation, amend the articles of the association, apply the difference between the book value of the cancelled shares and their par value against any reserve or premium account and, with the right to sub-delegate said powers, to carry out the required formalities to implement a capital reduction decided upon pursuant to this resolution.

Ordinary resolutions

Resolution Ten - Powers to carry out formalities

The General Meeting granted full powers to the bearer of a copy or extract of the minutes documenting its deliberations to carry out all publication and filing formalities set forth in current legal and regulatory provisions.

Resolution Eleven - Appointment of a director upon proposal of the Public Sector (Ms Laurence Broseta)

After noting the resignation of Ms Laurence Broseta from the office of director as of the date of this General Meeting, the General Meeting decided to nominate Ms Laurence Broseta as a director upon proposal of the Public Sector and under the terms of a shareholders' agreement, for a period of four years, i.e. until the end of the General Meeting called to approve the financial statements for the financial year ending 31 December 2020.

Resolution Twelve - Appointment of a director upon proposal of the Public Sector (Ms Delphine Geny-Stephann)

After noting the resignation of Ms Delphine Geny-Stephann from the office of director as of the date of this General Meeting, the General Meeting decided to nominate Ms Delphine Geny-Stephann, as a director upon proposal of the Public Sector and under the terms of the shareholders' agreement, for a period of four years, i.e. until the end of the General Meeting called to approve the financial statements for the financial year ending 31 December 2020.

Resolution Thirteen - Appointment of a director upon proposal of the Public Sector (Mr Laurent Collet-Billon)

After noting the immediate and full end of the term of office of Mr Laurent Collet-Billon as a director upon implementation by the Company, at the date of this General Meeting, of Order n° 2014-948 dated 20 August 2014 applicable to public shareholding companies, the General Meeting decided to nominate Mr Laurent Collet-Billon as a director upon proposal of the Public Sector and under the terms of the shareholders' agreement, for a period of four years, i.e. until the end of the General Meeting called to approve the financial statements for the financial year ending 31 December 2020.