

- examine stock option plans for corporate officers and employees,
- make proposals for compensation and incentive systems for Group executives,
- submit to the Board of Directors the draft report required under the French Commercial Code on:
 - compensation and benefits of all kinds granted to the corporate officers by the company and controlled companies,
 - stock options granted to and exercised by the corporate officers and the ten company employees receiving the highest grants,
 - options granted to and exercised by employees of companies that are majority controlled by TF1.

The committee met twice in 2009 and once during the first two months of 2010. The attendance rate was 100%. In particular the committee prepared information for the Board concerning the compensation of the Chief Executive Officer as well as recommendations on granting options on TF1 shares in 2009. Minutes were taken of each Meeting and subsequently sent to the Directors.

SELECTION COMMITTEE

The Selection Committee was formed on February 24, 2003 with a remit to:

- periodically examine questions concerning the composition, organisation and operation of the Board of Directors and to make recommendations to the Board,
- examine:
 - possible candidates for directorships, ensuring that independent persons sit on the Board of Directors,
 - plans to create Board committees and proposals concerning their responsibilities and members,
 - all measures to be taken to fill any executive posts that become vacant.

The committee met twice in 2009 and once in the first two months of 2010, with a 100% attendance rate. It gave its position on the renewal of directorships. Minutes were taken of each Meeting and subsequently sent to the Directors.

ATTENDANCE AT BOARD MEETINGS IN 2009

Patricia Barbizet – 100%

Martin Bouygues – 100%

Olivier Bouygues – 100%

Philippe Marien (Bouygues) – 100%

Olivier Roussat* (SFPG) – 100%

Patrick Le Lay – 100%

Nonce Paolini – 100%

Gilles Pélisson – 72%

Jean-Pierre Pernaut – 72%

Céline Petton – 100%

Alain Pouyat – 100%

Haim Saban – 60%

* Attendance rate since appointment.

PROCEDURES FOR PARTICIPATION OF SHAREHOLDERS IN THE GENERAL MEETING

Detailed procedures for the participation of shareholders in the General Meeting are provided in Article 21 of the Articles of Incorporation. They are also published in Part 6, "Legal Information".

DISCLOSURES UNDER ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

In accordance with Article L. 225-100-3 of the French Commercial Code, matters likely to have an impact in the event of a public offer are set forth below:

- capital structure: the information is provided in Part 3, "Management Report", under the table presenting the ownership structure,
- legal restrictions on the exercise of voting rights: Articles 7 and 8 of the Articles of Incorporation, published in Part 6, "Legal Information",
- direct or indirect shareholdings of which TF1 has knowledge, as provided in Articles L. 233-7 and L. 233-12 of the French Commercial Code. The information is provided Part 3, "Management Report", under the table presenting the ownership structure,
- the powers of the Board of Directors regarding the issuance and buyback of shares: the information is provided in Part 3, "Management Report", under the heading "Capital".

COMPENSATION OF THE EXECUTIVE DIRECTOR OF TF1 IN 2009

Report on compensation in accordance with Article L. 225-102-1 and L. 225-37 paragraph 9 of the French Commercial Code.

This chapter contains the reports required by the Commercial Code and the tables recommended by the Code of Corporate Governance issued by AFEP / MEDEF in December 2008 Code and by the AMF's December 22, 2008 recommendation on compensation of corporate officers of listed companies.

PROCEDURES FOR DETERMINING COMPENSATION FOR TF1'S EXECUTIVE DIRECTOR FOR 2008

Following consultation with the Compensation Committee, which takes into account the AFEP / MEDEF recommendations on the compensation of executive Directors of listed companies, the Board of Directors determines the criteria for allocating the variable portion and decides on the amount of compensation to be paid to TF1's executive Director.

Fixed compensation and benefits in kind

Nonce Paolini

The fixed compensation paid to Nonce Paolini has not changed since his arrival at TF1 on May 22, 2007, i.e. €700,000.

The in-kind benefits received by Nonce Paolini in 2009 remain unchanged, and consist of the use of a company car and the part-time assignment of a personal assistant and a chauffeur / bodyguard.

Variable compensation

Nonce Paolini

Nonce Paolini's variable compensation is based on the following indicators:

- a) the consolidated net profit (group share) of Bouygues,
- b) the consolidated net profit (group share) of TF1,
- c) qualitative criteria.

Depending on their nature, these bonuses are individually weighted and capped. Overall, the variable compensation corresponding to the aggregate value of these bonuses is capped at 150% of fixed compensation.

Nonce Paolini's variable compensation for 2009 amounted to €510,230.

Nonce Paolini's fixed and variable compensation for 2009 for his duties as Chairman and CEO of TF1 totalled €1,210,230, 3.3% less than in 2008.

Other information concerning compensation and supplementary pension

Nonce Paolini

In addition to his duties as Chairman and CEO of TF1, Nonce Paolini was given an additional assignment by Bouygues in 2009. The assignment, which began on July 1, 2009 consisted in studying technological convergence between the Internet, the media industries and fixed and mobile telephony, and developing strategies and proposals for managing this convergence. He was paid 145,000 for this assignment in 2009.

Under a policy governed by the French Insurance Code, Bouygues offers the members of its Executive Committee a supplementary pension set at 0.92% of the reference salary for each year of membership in the scheme. Nonce Paolini is a member of that committee. The supplementary pension is currently capped at eight times the upper earnings limit for social security contributions.

TABLE 1 – SUMMARY OF COMPENSATION, BENEFITS IN KIND AND STOCK OPTIONS GRANTED TO THE EXECUTIVE DIRECTOR IN 2009, IN EUROS

Paolini Nonce - Chairman and CEO since August 1, 2008 (in euros)	2009	2008
Compensation paid by TF1 for the year (details in Table 2)	1,271,386	1,308,707
Compensation paid by Bouygues for the year (details in Table 2)	145,000	0
Value of options awarded during the year (details in Table 4)	829,035	334,830
Value of performance shares awarded during the year (details in Table 6)	0	0
TOTAL	2,245,421	1,643,537

TABLE 2 – COMPENSATION OF THE EXECUTIVE DIRECTOR

Paolini Nonce – Chairman and CEO since August 1, 2008 (in euros)	2009		2008	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	700,000	700,000	700,000	700,000
Variable compensation	510,230 ⁽¹⁾	551,530	551,530 ⁽²⁾	96,515 ⁽³⁾
Other remuneration ⁽⁴⁾	145,000	145,000	0	0
Directors fees ⁽⁵⁾	55,696	55,696	52,140	52,140
Benefits in kind	5,460	5,460	5,037	5,037
TOTAL	1,416,386	1,457,686	1,308,707	853,692

(1) The variable compensation paid in March 2010 to Nonce Paolini for his service as CEO in 2009 was €510,230, 51.4% less than the maximum allowed (150% of fixed compensation), reflecting the performance of TF1 in 2009.

(2) As CEO of the TF1 Group from January 1, 2008 to July 31, 2008 and as Chairman and CEO from August 1, 2008 to December 3, 2008. The variable compensation paid in March 2009 was €551,530, 47.47% less than the maximum allowed (150% of fixed compensation), reflecting the performance of TF1 in 2008.

(3) This amount relates to the period from May 22, 2007 to December 31, 2007, during which Nonce Paolini was acting CEO of TF1. In 2007, the major part of variable compensation was funded by Bouygues Telecom, covering responsibilities undertaken between January 1, 2007 and May 22, 2007.

(4) Compensation paid for the assignment on technological convergence. This compensation is paid directly by Bouygues. The preceding information is provided in accordance with Article L. 225-102-1, paragraph 2 of the French Commercial Code (compensation paid by companies that exercise control or by controlled companies).

(5) In 2008, this included €21,650 for TF1, €18,294 for Bouygues and €12,196 for Bouygues Telecom. In 2009, this included €18,500 for TF1, €25,000 for Bouygues and €12,196 for Bouygues Telecom.

**TABLE 3 – DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED
BY NON EXECUTIVE DIRECTORS**

Directors' fees for 2009 were allocated as follows:

- to each Director: the theoretical Director's fee is €18,500 per year, of which half is allocated on the basis of the Director's responsibility, and half on the basis of the Director's attendance at Board Meetings,
- to committee members:

- Audit Committee: €2,250 per quarter to each member,
- Compensation Committee: €1,350 per quarter to each member,
- Selection Committee: €1,350 per quarter to each member,

Not all of the €350,000 available for Directors' fees was used in 2009.

Directors' fees totalling €255,587 were paid to Directors, as indicated below.

DIRECTORS' FEES PAID TO THE EXECUTIVE DIRECTOR

	Amounts paid in 2009 (in euros)	Amount paid in 2008 (in euros)
Nonce Paolini	55,696 ⁽¹⁾	52,140 ⁽²⁾
TOTAL	55,696	52,140

(1) Includes €18,500 paid by TF1, €25,000 paid by Bouygues and €12,196 paid by Bouygues Telecom.

(2) Includes €21,650 paid by TF1, €18,294 paid by Bouygues and €12,196 paid by Bouygues Telecom.

DIRECTORS' FEES AND OTHER COMPENSATION PAID TO NON-EXECUTIVE DIRECTORS (IN EUROS)

Non-executive Directors	Amount paid in 2009	Amount paid in 2008
Barbizet Patricia	32,900	32,900
Bouygues Martin	23,900	22,358
Bouygues Olivier	18,500	16,958
Pélisson Gilles	16,650	0
Le Lay Patrick	38,500 ⁽³⁾	95,846 ⁽²⁾
Marien Philippe	32,225	22,423
Roussat Olivier	15,250	0
Pernaut Jean Pierre ⁽¹⁾ (representing employees)	15,262	18,500
Petton Céline ⁽¹⁾ (representing employees)	18,500	18,500
Pouyat Alain	23,900	23,900
Saban Haïm	17,575	15,416
TOTAL	233,162	198,605

(1) Directors' fees due to employee representatives were paid to the trade unions CFTC (€15,262) and FO (€18,500).

(2) Includes €63,650 paid by TF1, €20,000 paid by Colas and €12,196 paid by Bouygues.

(3) Includes €18,500 paid by TF1 and €20,000 paid by Colas.

The compensation received in 2009 by Martin Bouygues and Olivier Bouygues is mentioned in Bouygues' registration document.

The salaried Directors, Jean-Pierre Pernaut and Céline Petton, received no exceptional compensation in consideration of their corporate office in TF1.

2010

As at February 17, 2010, Nonce Paolini is TF1's only executive Director.

At their February 17, 2010 Meeting, the Board of Directors decided that no increase in fixed remuneration would be granted in 2010. The theoretical level and the criteria for allocating variable compensation will remain unchanged.

**STOCK OPTIONS AND PERFORMANCE SHARES
IN 2009**

Presentation required by Articles L. 225-184 and L. 225-197-4 of the French Commercial Code

This chapter contains the reports required under the French Commercial Code. It also includes the tables recommended by the AFEP / MEDEF Corporate Governance Code of December 2008 and by the AMF Recommendation of December 22, 2008 on the information to be provided in registration documents concerning the remuneration of corporate officers.

PRINCIPLES AND RULES FOR GRANTING STOCK OPTIONS AND BONUS SHARES

The 29th resolution of the Combined General Meeting held on April 17, 2007 authorised the Board of Directors on one or more occasions to grant options conferring a right to subscribe for new shares or to purchase existing shares. This authorisation, granted for 26 months, requires the beneficiaries of these options to be employees and / or corporate officers of TF1 or of companies or economic interest groupings directly or indirectly associated with TF1. To that end, the General Meeting delegated powers to the Board of Directors to set rules for stock option grants.

The 15th resolution of the Combined General Meeting on April 17, 2008 also authorised the Board of Directors on one or more occasions to allot bonus shares, whether in existence or to be issued in the future. This authorisation was given for a period of thirty-eight months and requires the beneficiaries of these shares to be employees and / or corporate officers of TF1 or of companies or economic interest groupings directly or indirectly associated with TF1. To that end, the General Meeting delegated powers to the Board of Directors to set rules for grants of bonus shares.

General rules applicable to grants of stock options and bonus shares

It should be noted that:

- stock options or bonus shares are granted to attract senior executives and employees and thereby to secure their loyalty, reward them and give them a medium- and long-term interest in the company's development, in the light of their contribution to value creation,
- more than 150 employees are beneficiaries under each plan. The beneficiaries are selected and individual grants are decided upon in accordance with each beneficiary's responsibility and performance, with particular attention paid to potential high-flyers,
- no discount is applied to grants of options and shares,
- a rule specifies the periods during which employees are prohibited from exercising their options. Options may not be exercised in the fifteen calendar days leading up to the quarterly, half year and full year earnings reports, and in the two trading days following each of these releases.

Specific rules applicable to corporate officers

The Board of Directors has incorporated the following AFEP / MEDEF recommendations into its rules of procedure:

- stock options or bonus shares shall not be granted to senior executives leaving the company,
- hedging the risk relating to the exercise of stock options or the sale of bonus shares is forbidden,
- executives are obliged to retain a certain number of bonus shares or option shares until their term of office expires.

This provision was applied for the first time to stock options granted in 2009. The Board decided to set the proportion of option shares that Directors would be required to retain throughout their term of office at 25% (after selling the number of shares necessary to cover the costs of option exercise and paying any related taxes or social charges).

General information: characteristics of stock options

All the stock options granted by the Board of Directors have the following characteristics:

- exercise price: average of the opening prices quoted on the 20 trading days prior to the option grant, with no discount,
- validity period: seven years as from the date the stock options are granted,
- lock-up period: three years following the date the stock options are granted (negotiable from the fourth anniversary),
- exercise period: the four years after expiry of the lock-up,
- automatic cancellation if the employment contract or the appointment as corporate officer is terminated, unless given special authorisation or in the event of disability, departure or retirement.

STOCK OPTIONS GRANTED TO OR EXERCISED BY THE EXECUTIVE DIRECTOR AND SALARIED DIRECTORS IN 2009

On February 18, 2009 the Board of Directors decided that 50,000 stock options would be granted to Nonce Paolini on March 20, 2009.

TABLE 4 – OPTIONS ALLOCATED TO EACH EXECUTIVE DIRECTOR

**OPTIONS TO SUBSCRIBE OR PURCHASE SHARES EXERCISED DURING THE YEAR TO EACH EXECUTIVE DIRECTOR BY THE ISSUER
AND BY ANY GROUP COMPANY**

Name of executive Director	Plan number and date	Nature of option (purchase or subscription)	Valuation of options according to method used in consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
Paolini Nonce	TF1 plan no. 11 Date of Board Meeting February 18, 2009 Vesting date March 20, 2009	Subscription	0.86	50,000	€5.98	from March 20, 2012 to March 20, 2016
Paolini Nonce	Bouygues Plan Date of Board Meeting February 3, 2009 Vesting date April 1, 2009	Subscription	5.24	150,000	€25.95	from April 1, 2013 to September 16, 2016
TOTAL				200,000		

TABLE 5 – OPTIONS EXERCISED BY EACH EXECUTIVE DIRECTOR OF TF1 IN 2009

No options were exercised by the executive director of TF1 in 2009.

PERFORMANCE SHARES

TABLE 6 – PERFORMANCES SHARES ALLOTTED TO EACH EXECUTIVE DIRECTOR

No performance shares were granted by the company in 2009.

TABLE 7 – PERFORMANCE SHARES THAT BECAME AVAILABLE TO EACH EXECUTIVE DIRECTOR DURING THE YEAR

The company has not granted performance shares to Nonce Paolini. Regarding the performance shares granted to previous corporate officers, no such shares became available in 2009.

Since none of the performance criteria had been attained as at April 1, 2009, the performance-related shares granted under plan no. 9 are null and void.

TABLE 8 - STOCK OPTION ALLOCATION HISTORY

	Plan no. 7	Plan no. 8	Plan no. 10	Plan no. 11
Date of General Meeting	23/04/2002	23/04/2002	17/04/2007	17/04/2007
Date of the Board Meeting	24/02/2003	31/08/2004	20/02/2008	18/02/2009
Date of allotment	12/03/2003	16/09/2004	20/03/2008	20/03/2009
Total number of options available for subscription or purchase:	2,300,500	1,008,000	2,000,000	1,880,897
<i>to corporate officers</i>	<i>310,000</i>	<i>0</i>	<i>56,000</i>	<i>56,000</i>
PAOLINI Nonce	0	0	50,000	50,000
LE LAY Patrick	300,000	0	0	0
PERNAUT Jean-Pierre	10,000	0	6,000	6,000
<i>to the 10 employees receiving the highest grants</i>	<i>390,000</i>	<i>100,000</i>	<i>340,000</i>	<i>340,000</i>
Options exercisable beginning	12/03/2006	16/09/2007	20/03/2011	20/03/2012
Expiry date	12/03/2010	16/09/2011	20/03/2015	20/03/2016
Subscription or purchase price	€20.20 or €21.26 ⁽¹⁾	€23.46	€15.35	€5.98
Exercise procedures (when the plan includes several tranches)		Exercisable on 3 rd anniversary. Negotiable on 4 th anniversary		
Number of shares subscribed as of 31/12/2009	524,900	0	0	0
Total number of cancelled or lapsed options	118,000	122,500	84,500	0
Options outstanding at the end of the year	1,657,600	885,500	1,915,500	1,880,897

(1) The 5% discount was not applied to stock options awarded to executive Directors.

The above options and bonus shares are currently the only instruments issued by TF1 that have a potentially dilutive effect.

In view of the average TF1 share price in 2009, no dilutive impact has been taken into account.

Earlier matured plans:

- plan no. 1 lapsed on October 10, 2002,
- plan no. 2 lapsed on April 8, 2004,
- plan no. 3 lapsed on March 18, 2005,
- plan no. 4 lapsed on September 20, 2006,
- plan no. 5 lapsed on December 6, 2007,
- plan no. 6 lapsed on December 11, 2008.

PLAN NO. 9: CONSIDERATION-FREE SHARE ALLOTMENT PLAN

■ Date of General Meeting	April 12, 2005	- subject to performance-related and market-related conditions	254,700
■ Date of Board Meeting	February 21, 2006		
■ Provisional allotment date	March 8, 2006	■ Number of shares allotted:	176,400
■ Vesting date	March 31, 2008	- with no conditions other than being a Group employee on March 31, 2008	176,400
■ End of lock-up period for shares acquired under the plan	March 31, 2010	<i>number of which can be subscribed or purchased by executive Directors</i>	<i>82,500</i>
Nature of share/existing share:		<i>to 10 employees receiving the most shares</i>	<i>42,375</i>
■ Number of consideration-free shares allotted on inception:	445,725	- subject to performance-related and market-related conditions	0
- with no conditions other than being a Group employee on March 31, 2008	191,025		

The vesting period ran from March 8, 2006 to March 31, 2008 and the holding period from April 1, 2008 to March 31, 2010. Grantees can sell their shares as from April 1, 2010.

TABLE 9 – STOCK OPTIONS GRANTED TO OR EXERCISED BY THE TEN TF1 EMPLOYEES (NON-CORPORATE OFFICERS) RECEIVING THE HIGHEST GRANTS IN 2009

The ten TF1 employees (non-corporate-officers) who received the highest stock options grants in 2009 are the following:

Beneficiary	Number of options granted	Exercise price	Expiration date
Philippe DENERY	40,000	€5.98	March 20, 2016
Jean-François LANCELIER	40,000	€5.98	March 20, 2016
Jean-Pierre ROUSSEAU	40,000	€5.98	March 20, 2016
Laurent STORCH	40,000	€5.98	March 20, 2016
Arnaud BOSOM	30,000	€5.98	March 20, 2016
Pierre BROSSARD	30,000	€5.98	March 20, 2016
Jean-Michel COUNILLON	30,000	€5.98	March 20, 2016
Martine HOLLINGER	30,000	€5.98	March 20, 2016
Benoît LOUVET	30,000	€5.98	March 20, 2016
Gilles MAUGARS	30,000	€5.98	March 20, 2016

No options were exercised in 2009.

TABLE 10 – OTHER INFORMATION CONCERNING EACH EXECUTIVE DIRECTOR

	Employment contract ⁽¹⁾		Supplementary pension plan (see §1.3) ⁽²⁾		Compensation or benefits due or likely to be due in connection with relinquishing or changing post ⁽³⁾		Compensation related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
	PAOLINI Nonce – Chairman and CEO since August 1, 2008	X		X			X	

(1) Nonce Paolini has an employment contract with Bouygues SA, not TF1 SA.

(2) The supplementary pension is currently capped at eight times the annual upper limit for social security contributions.

(3) Golden parachutes: neither the company nor its subsidiaries have made any commitment or promise to allocate departure compensation either for the executive Director or for salaried Directors.

The executive Director who has an employment contract with the parent company is subject to the collective bargaining agreement for construction company executives in the Paris region. Nonce Paolini is

entitled to the compensation provided for under that agreement if his employment contract is terminated.

2.2.2 Chairman's report on internal control procedures

INTRODUCTION

BACKGROUND

The purpose of this report is to describe the internal control procedures set up by the company. It covers TF1 SA as producer and broadcaster of the TF1 channel, and also its role in coordinating and participating in the oversight mechanisms of the subsidiaries over which it exercises exclusive or majority control.

TF1 monitors the harmonisation of the main financial procedures of the entire Group while respecting the specific characteristics of each business to preserve appropriate analysis and responsive decision-making. It also implements risk identification procedures across its scope of responsibility in order to establish appropriate procedures and controls for each business-critical cycle. The TF1 Group is particularly sensitive to the importance of internal controls, especially concerning accounting or financial matters, where reliability of information is crucial.

This report is compiled from information and analyses performed in cooperation with the various contributors to internal control in TF1 and its subsidiaries, resulting in a factual description of the control environment and the procedures in place.

Coordinated by the Internal Control Department, the report has been subjected to an approval process by the Finance and Legal Affairs Divisions. It was also sent to the Statutory Auditors and subsequently presented by the Chairman to the Audit Committee and to the Board for approval.

INTERNAL CONTROL OBJECTIVES

To analyse its internal control system and prepare its report on internal control procedures, TF1 has used since 2007 the internal control framework published on January 22, 2007 subsequent to the work carried out by the task force set up by the French securities regulator, the AMF.

According to that framework, which is compatible with the benchmark of the committee of Sponsoring Organizations of the Treadway Commission (COSO) used by TF1 in previous years, internal controls are defined as a method to ensure:

- compliance with laws and regulations,
- enforcement of the instructions and policies of governance bodies,
- the proper functioning of the company's internal processes, particularly those concerned with safeguarding assets,
- the reliability of financial reporting (details of key controls can be found in the "Application Guide on Control of Accounting and Financial Information Published by Issuers").

This system should also contribute to monitoring the activity, effectiveness of operations and efficient use of the company's resources. However, no such system can provide an absolute guarantee of achieving targets and overall control of the risks to which the Group might be exposed.

The TF1 Group is committed to a process of continuously and dynamically adapting its internal control system to its activities, with the ultimate aim of assessing the system's appropriateness and efficiency.