

Report of the Board of Directors of



ADO Properties S.A.

Société anonyme

Registered office: L-2453, 20 rue Eugène Ruppert

Grand Duchy of Luxembourg

RCS Luxembourg: B-197554

(the "Company")

to the shareholders of the Company dated March 21, 2017 drawn up in accordance with article 32-3 (*5bis*) of the law of August 10, 1915 on commercial companies, as amended

The agenda on which shareholders of the Company will have to resolve on May 2, 2017 contains in agenda item 3. of the extraordinary general meeting a proposal to insert new paragraphs three and four into Article 5 (Share Capital) of the articles of association of the Company to authorise the Board of Directors to attribute existing shares or issue new shares free of charge to employees or officers of the Company or certain affiliated companies and determine the conditions and modalities of any such attribution or issue (including any required minimum holding period).

1. INTRODUCTION

This special report is drawn up for the purpose of justifying the proposal to authorise the Board of Directors to issue new shares free of charge to employees or officers of the Company and certain affiliated companies without granting preferential subscription rights to existing shareholders in accordance with article 32-3 (*5bis*) of the Law of August 10, 1915 on commercial companies (as amended) (the "Company Law").

2. RATIONALE

The Board of Directors intends to use such authorisation to increase the share capital of the Company in the context of the share-based incentive plans which are currently in place and any employee or management incentive schemes it may put in place in the future with the aim of incentivising the beneficiaries of such plans/schemes to increase their productivity and work more efficiently in the interests of the Company. Such beneficiaries would not normally expect to have to pay for shares in the Company issued to them for the purposes of such a plan/scheme given that the issue of such shares is usually considered as a form of bonus or remuneration in kind. The reason that the Board of Directors is asking for

this specific authorisation now (rather than when the existing share-based incentive plan was put in place) is because the Company Law was only recently amended to allow the possibility to issue free shares.

Pursuant to the Company Law, any authorisation granted by shareholders to the Board of Directors to issue shares free of charge pursuant to Article 32-3 (5bis), shall operate as a waiver by existing shareholders by operation of law of their preferential subscription rights for the benefit of the recipients of the shares allotted free of charge. The Board also seeks authorisation to withdraw or restrict the rights of new shareholders in case of the issue of new shares free of charge to employees/officers pursuant Article 32-3 (5bis) of the Company Law so as to avoid the rather complex, expensive and time consuming procedure to convene an extraordinary general meeting of shareholders to affect a capital increase. As the purpose of all incentive plans and schemes is to encourage the employees/officers to work more efficiently and ultimately to enhance productivity and contribute to the overall success of the Company, we believe that the requested authorisation is in the best interests of the Company and ultimately will benefit the shareholders.

In this context, it is to be noted that the Board of Directors has already been authorised to increase the capital of the Company up to an amount of EUR 750,000,000 pursuant to Article 5, paragraph 2 of the Company's articles of association and this authorisation has been granted for a period of five years from the publication of such authorisation in the official gazette of Luxembourg.

3. CONCLUSION

The Board of Directors therefore requests the shareholders to authorise the Board of Directors to issue new shares free of charge to employees or officers of the Company or its subsidiaries without granting preferential subscription rights to existing shareholders in accordance with article 32-3 (5bis) of the Law of August 10, 1915 on commercial companies (as amended).

Done in Luxembourg on March 21, 2017

Name:  Silvio Zohar

Title: Director

Name:  Robin Savion

Title: Director