



Convening notice •

Annual Shareholders' Meeting

Ordinary and Extraordinary



Wednesday May 22, 2019

at 9:30 a.m.

SOCIÉTÉ BIC Headquarters
14 rue Jeanne d'Asnières - 92 110 Clichy



WELCOME

To the SOCIÉTÉ BIC Annual Shareholders' Meeting

WEDNESDAY MAY 22ND, 2019

9:30 A.M.

14, RUE JEANNE D'ASNIÈRES
92110 CLICHY - FRANCE

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INFORMATION**



www.bicworld.com
actionnaires@bicworld.com





MESSAGE

SOCIÉTÉ BIC's Combined Extraordinary and Ordinary Shareholders' Meeting will take place on Wednesday, May 22nd, 2019, at 9:30 am at SOCIÉTÉ BIC's headquarters in Clichy (France).

The Annual Shareholders' Meeting is a special occasion dedicated to information disclosure, exchanges and discussions between BIC and all of its shareholders.

It is also the opportunity to express yourselves and to vote in order to play an active role in making major decisions for your Group, regardless of the number of shares you own.

We sincerely hope you will be able to participate, either by attending in person, by using the proxy form which allows you to vote directly or to be represented by the Chairman of the Meeting, or any other person of your choice. You can also participate via an electronic vote.

In the following pages, you will find instructions on how to participate in the Meeting, the agenda and the resolutions to be submitted for your approval together with detailed information provided for each of the resolutions.

On behalf of the Board of Directors, we wish to thank you for your trust and loyalty and we look forward to seeing you on May 22nd.

Pierre Vareille

Chairman of the Board of Directors

Gonzalve Bich

Chief Executive Officer



1. AGENDA

RESOLUTIONS WITHIN THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

1. Approval of the Statutory Financial Statements of fiscal year 2018;
2. Approval of the Consolidated Financial Statements of fiscal year 2018;
3. Appropriation of Earnings and Settings of Dividends;
4. Determination of the amount of the Directors' fees;
5. Authorization to be given to the Board of Directors to undertake operations with regard to the shares of the Company;
6. Renewal of Gonzalve Bich as Board Member;
7. Renewal of Elizabeth Bastoni as Board Member;
8. Appointment of Maëlys Castella as a new Board Member;
9. Appointment of Marie-Aimée Bich-Dufour as a new Board Member;
10. Approval of the compensation elements and benefits of any type paid or granted for 2018 to Bruno Bich, Chairman of the Board of Directors and Chief Executive Officer until May 16, 2018;
11. Approval of the compensation elements and benefits of any type paid or granted for 2018 to Pierre Vareille, Chairman of the Board of Directors since May 16, 2018;
12. Approval of the compensation elements and benefits of any type paid or granted for 2018 to Gonzalve Bich, Executive Vice-President then Chief Executive Officer since May 16, 2018;
13. Approval of the compensation elements and benefits of any type paid or granted for 2018 to James DiPietro, Executive Vice-President;
14. Approval of the compensation elements and benefits of any type paid or granted for 2018 to Marie-Aimée Bich-Dufour, Executive Vice-President;
15. Compensation policy applicable to the Chairman, Chief Executive Officer and Executive Vice-Presidents.

RESOLUTION WITHIN THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

16. Authorization to be given to the Board of Directors to reduce the share capital by cancellation of shares acquired in accordance with Article L. 225-209 of the French Commercial Code.

RESOLUTION WITHIN THE COMPETENCE OF THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

17. Authorization to perform formalities.

You will find in the following pages useful information about this Shareholders' Meeting, as well as instructions on how to participate. All documents which have to be published before Shareholders' Meetings, in compliance with applicable regulations, are available for Shareholders at the Company's headquarters. Documents, as prescribed by Article R. 225-73-1 of the French Commercial Code, will be available on our website www.bicworld.com from the 21st day before the Shareholders' meeting. You can also get documents prescribed by Article R. 225-83 of the French Commercial Code by filling the attached documentation request and send it back to us.



2. WAYS TO PARTICIPATE

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2.1. PRELIMINARY FORMALITIES TO PARTICIPATE IN THE SHAREHOLDERS' MEETING

All Shareholders, regardless of the number of shares held, can participate in the Shareholders' Meeting.

For this, you must provide evidence that you are a shareholder through registration of your shares in your name (or in the name of the bank or broker that manages your securities account) as of the second business day preceding the Meeting at 00:00, *i.e.* on **Monday May 20, 2019** at 00:00 (Paris time):

- either in the Shareholders' register kept for the Company by its agent, Société Générale Securities Services, or
- in a bearer share account held by the financial intermediary that manages your securities account.

Once you have requested an admission card, voted by post or granted a proxy, you may no longer choose another way to participate in the Meeting.

2.2. USE OF VOTACCESS SECURED WEBSITE

You can participate in the Shareholders' Meeting through VOTACCESS website, if you hold:

- **Registered shares:** you can connect to VOTACCESS through the internet website www.sharinbox.societegenerale.com using your usual user codes;
- **Bearer shares** and if your financial intermediary allows access to VOTACCESS website : you can connect to VOTACCESS through the internet portal of your financial intermediary using your usual user codes.

Following the on-screen instructions, you will be able to choose between the following ways to participate:

- Request an admission card to attend the Shareholders' Meeting. This card will be sent to you, at your option, either electronically or by post.

Should you not receive your admission card, please contact Société Générale Securities Services' call center, as explained on the following page.

On the day of the Meeting, you will have to provide proof of your identity.

- Vote the resolutions;
- Be represented by the Chairman of the Meeting. The Chairman will cast a vote in favor of the proposed resolutions presented by or approved by the Board of Directors and a vote against any other proposed resolutions;
- Be represented by any individual or legal entity of your choice. You may cancel your proxy. This cancellation must be done using the same forms and procedures as those used to appoint the proxy.

These formalities may be carried out on VOTACCESS website from 9:00 am on Friday May 3, 2019 until 3:00 pm (Paris time) on Tuesday May 21, 2019.

You are asked to place your vote as early as possible to avoid any congestion of the site during the final days, which could result in your vote not being recorded.



2.3. USE OF THE VOTING OR PROXY FORM

The form attached to this document allows you to choose among the different ways to participate. All you need to do is fill it out, date it and sign it, as indicated on the following pages.

If you wish to attend in person

If you hold registered shares, you must send the attached form to Société Générale Securities Services. To do so, please use the attached prepaid envelope:

- tick box A on the top left of the form
- date and sign the form at the bottom.

You will receive an admission card, which is required for you to be admitted to the Meeting and to vote.

If you hold bearer shares, you need to ask your financial intermediary to send to Société Générale Securities Services a certificate of ownership issued by the bank or broker that manages your securities account, attesting that you were a shareholder as of the second business day before the Meeting *i.e.* on Monday May 20, 2019 at 00:00 (Paris time). Société Générale Securities Services will send you your admission card, which is necessary for you to participate in the Shareholders' Meeting.

On the day of the Meeting, you will have to provide proof of your identity.

Should you not receive your admission card, please contact Société Générale Securities Services' call center, Monday to Friday (excluding holidays) from 8:30 am to 6:00 pm, at +33 (0) 825,315,315 (€0.15 per minute).

If you do not attend the Meeting

If you hold registered shares, use the attached form and prepaid envelope.

If you hold bearer shares, you need to ask the financial intermediary that manages your securities account to provide you with the form.

Your voting or proxy form (with your ownership certificate attesting that you were a shareholder as of the second business day before the Meeting, if you hold bearer shares) must be received by Société Générale Securities Services at the latest three calendar days prior to the Meeting, *i.e.* on **Friday May 17, 2019**.

REPRESENTATION

If you do not attend the Meeting in person, you can be represented:

- either **by the individual or legal entity of your choice**:
 - tick the box in the area "Je donne pouvoir/I hereby appoint" and, in the area reserved for it, write the name and address of your representative,
 - date and sign the form at the bottom;
- or by the **Chairman of the Meeting**, who will cast a vote in favor of the proposed resolutions presented by or approved

by the Board of Directors and a vote against any other proposed resolutions:

- tick the box in the area "Je donne pouvoir au Président de l'Assemblée Générale/I hereby give my proxy to the Chairman of the General Meeting",
- date and sign the form at the bottom.

A shareholder may cancel his or her proxy. This cancellation must be done using the same forms and procedures as those used to designate the proxy.

In order to be valid, your form, duly filled in and signed, must be received (accompanied by ownership certificate if you hold bearer shares) by Société Générale Securities Services (address below) no later than Friday May 17, 2019.

**Société Générale Securities Services - Service des Assemblées
SGSS/SBO/CIS/ISS/GMS
CS 30812
44308 Nantes Cedex 3 – France**

VOTING BY POST

If you do not attend the Meeting in person, you can vote by post:

- tick the box in the area "Je vote par correspondance/I vote by post"
- date and sign the form at the bottom.
- If you wish to vote "For" the resolutions presented to the Meeting by the Board, just leave the box blank;
- If you wish to vote "Against" or "Abstain" a resolution, blacken the appropriate box corresponding to the number of the resolution;
- If you wish to vote on any proposals not approved by the Board, blacken the box(es) that correspond to your choice;
- Finally, if amendments or new resolutions are proposed during the Meeting, blacken the corresponding box if you wish.

In order to be valid, your form, duly filled in and signed, must be received (accompanied by ownership certificate if you hold bearer shares) by Société Générale Securities Services (address below) no later than Friday May 17, 2019.

**Société Générale Securities Services – service des Assemblées
SGSS/SBO/CIS/ISS/GMS
CS 30812
44308 Nantes Cedex 3 - France**

2.4. DESIGNATING AND REVOKING A REPRESENTATIVE BY ELECTRONIC MAIL

You can also designate and revoke a representative by email.

To do so, you must send an email at actionnaires@bicworld.com, stating the following information:

- your full name, address and complete account information;
- the full name of the representative being designated or revoked;
- You must request your bank or broker that manages your securities account to send a written confirmation of your

ownership to Société Générale Securities Services (Service des Assemblées - SGSS/SBO/CIS/ISS/GMS - CS 30812 - 44308 Nantes Cedex 3 - France).

You may cancel your proxy. This cancellation must be done using the same forms and procedures as those used to appoint the proxy.

In order to be valid, appointments or revocations of proxies made by e-mail must be duly completed and received no later than Friday May 17, 2019.

2.5. WRITTEN QUESTIONS

You may send **written questions** to the Chairman of the Board of Directors at the registered office by registered letter with request for notice of receipt or by email at the address

actionnaires@bicworld.com, no later than the 4th working day preceding General Assembly, *i.e.* Thursday May 16, 2019. These questions must be accompanied by a certificate of ownership.



3. 2018 PROFILE

BIC is a family-owned company listed on the Paris Stock Exchange and a world leader in Stationery, Lighters and Shavers. For more than 70 years, BIC has honored the tradition of providing high-quality, inventive and reliable choices for everyone, everywhere, every time.

Since the creation of the Company in 1944, BIC's corporate responsibility, operational and financial performances have relied on **several fundamental strategic pillars**:

€1,949.8 M
in Net Sales

€173.4 M
in Net Income
Group Share

At least 50 %
of BIC® products
offer one or more
environmental benefits

4 million
points of sale

32 million
BIC® products
bought every day
worldwide



OUR RESOURCES

And how we use them •

OUR TEAM MEMBERS BUILDING OUR SUCCESS

- **13,664** worldwide
- **5 shared values:** ethics, responsibility, team spirit, simplicity and ingenuity
- **€506M** in payroll costs
- **27,517** training days
- Development and internal promotion rate: **25%**

A CONTROLLED PRODUCTION LINE

- **26 factories** on **4 continents**
- **92%** of Net Sales realized with products manufactured in our own factories
- **2,000** suppliers
- **€998.7M** in purchases of raw materials, consumables and services

A GLOBAL DISTRIBUTION NETWORK

- **4 million** points of sale in **160 countries**
- Distribution methods tailored to emerging markets (individual kiosks and micro-shops) as well as mature markets (e-commerce)

A CULTURE OF INNOVATION ROOTED IN THE GROUP

- **70 years** of brand history
- **8 recognized brands:** BIC®, Cello®, Conté®, BIC Kids®, Tipp-Ex®, Wite-Out®, BIC Soleil® and BIC Shave Club®
- **€48.4M** in brand and patent assets
- **1.8%** of net sales invested in R&D
- **100%** of new Stationery products subject to eco-measurement

A HEALTHY FINANCIAL SITUATION

- **€1,638.1M** Shareholders' Equity
- **€149.8M** Cash Generation
- **€394.6M** Cash Flow from Operations

A SUSTAINABLE PROCUREMENT STRATEGY

- **€509.3M** in purchases of raw materials*
- On-going long-term progress in all factories: reducing water and energy consumption and waste production
- Taking action to optimize the transportation of products
- Material-saving at the heart of our product design and manufacturing processes

OUR SIMPLE, RESPONSIBLE, SUSTAINABLE AND VALUE-CREATING ECONOMIC MODEL



In order to achieve our mission to offer our consumers high quality products that respond to their everyday needs, we rely on our assets as well as on solid and diversified resources. Their unique combination allows us to create value and share it with our Shareholders, our Stakeholders and for the Society as a whole.

* Raw materials, consumables used and change in inventory

** Per tons of products - between 2017 and 2018

VALUE CREATED

By the Group for itself, its Shareholders, its Stakeholders and for the society as a whole •

EMPLOYABILITY, WELL-BEING AND SAFETY AT WORK

- **84.3%** employee commitment rate •
- **2.09** rate of workplace accidents •
- **1.4%** rate of absenteeism •

RELIABLE AND HIGH-QUALITY PRODUCTS AT THE RIGHT PRICE SIMPLIFYING EVERYDAY LIFE

- **€1,949.8M** in Net Sales •
- **32 millions** of products bought every day worldwide •

A LEADER IN EACH OF ITS MARKETS N° 2 IN STATIONERY, N° 1 IN LIGHTERS, N° 2 IN ONE-PIECE SHAVERS

- **15-20 products** launched each year in Stationery and Shavers •

- **At least 50%** of products have an environmental benefit •

- **19 NF Environment** product references for Stationery

RESULTS DEDICATED TO LONG-TERM GROWTH

- **€173.4M** Net Income •
- **€125.4M** Capital Expenditure •
- **€157.8M** Ordinary Dividends •
- **€54.0M** Share Repurchase

PRODUCTS DESIGNED WITH WHAT IS JUST NECESSARY

- Water consumption **-2.6%**** •
- Energy consumption **+1.3%**** •
- Waste production **-1.9%**** •
- Greenhouse gas emissions **-1.9%**** •

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4. BIC IN 2018

4.1. OPERATIONS AND CONSOLIDATED RESULTS

THE GROUP IN 2018

2018 Key Events

October	In October 2018, BIC announced that it filed an infringement complaint with the European Commission for lack of surveillance of non-compliant Lighters in France and Germany. The complaint concerns non-compliant Lighters that are either imported or sold on these domestic markets, impacting the entire European Union due to the free movement of goods. While the issue has been resolved in many countries around the world, the lack of effective market surveillance in Europe poses a real threat to consumer safety and is a cause for concern. Since day one, BIC has made the quality and safety of its Lighters an absolute priority. By initiating these new proceedings with the European Union, BIC is acting in the interest of all consumers and is committed to assisting those in pursuit of genuine consumer protection.
December	On December 31, 2018, BIC announced the transfer of Haco Industries Kenya Ltd manufacturing facilities in Kenya and distribution of Stationery, Lighters, and Shavers in East Africa to BIC. This acquisition is in line with BIC's continued growth strategy in Africa, one of the most promising markets for BIC® products in the world.
December	On December 31, 2018, BIC completed the divestiture of BIC Sport, its water sports subsidiary, to Tahe Outdoors for a total Enterprise Value between 6 and 9 million euros, contingent upon BIC Sport's future financial results. Due to BIC Sport's divestiture and to the transfer of its current production activities located in Vannes to the BIC Écriture 2000-Marne la Vallée (France) and BIC Bizerte (Tunisia) sites, BIC's writing instrument manufacturing activities located at the Vannes' industrial site should be discontinued before end of the year. This project is consistent with BIC's Stationery Operational Excellence strategy, aimed at refocusing French factories on large-scale production and specializing the Bizerte factory for both high complexity production for the European market and on mass production for Africa and the Middle East.
January 2019	On January 16, 2019, BIC's Indian subsidiary BIC Cello, inaugurates a new writing instrument facility in Vapi (Gujarat state). This investment enhances the Group's manufacturing footprint in India, enabling BIC to meet consumer demand more effectively in this rapidly-growing market.

Full Year 2018 Net Sales were 1,949.8 million euros, down 4.5% as reported, up 0.9% at constant currency and up 1.5% on a comparative basis. The unfavorable impact of currency fluctuations (- 4.8%) was mainly due to the depreciation of the U.S. dollar and Brazilian real against the euro. Europe grew by 1.8%

while North America grew by 1.4%, and Developing Markets grew by 1.5% all on a comparative basis. The application of hyperinflation accounting in Argentina from July 1, 2018 and unfavorable evolution of the Argentinian pesos, had a negative impact of 0.6 points.

CONDENSED PROFIT AND LOSS ACCOUNT

<i>(in million euros)</i>	FY 2017 (restated for IFRS 15)	FY 2018	As reported	On a comparative basis
Net sales	2,041.4	1,949.8	(4.5)%	+ 1.5%
Cost of goods	971.9	935.5		
Gross Profit	1,069.5	1,014.3		
Administrative & other operating expenses	694.6	755.5		
Income from operations	374.9	258.8		
Finance revenue/costs	21.8	2.8		
Income before tax	396.7	261.6		
Income tax expense	(102.6)	(88.2)		
Net Income From Continuing Operations	294.1	173.4		
Net Income From Discontinued Operations	(6.7)	-		
Net Income Group Share	287.3	173.4		
Earnings Per Share From Continuing Operations (in euros)	6.33	3.80		
Earnings Per Share From Discontinued Operations (in euros)	(0.15)	-		
Earnings per share Group share (in euros)	6.18	3.80		
Average number of shares outstanding (net of treasury shares)	46,475,249	45,598,109		

FY 2018 Gross Profit margin came in at 52.0%, compared to 52.4% for 2017.

FY 2018 Normalized IFO was 352.4 million euros (i.e., a Normalized IFO margin of 18.1%).

KEY COMPONENTS OF THE CHANGE IN NORMALIZED IFO MARGIN

<i>(in % points)</i>	Q4 2018 vs. Q4 2017	FY 2018 vs. FY 2017
• Change in cost of production ^(a)	(2.7)	(0.5)
• Total Brand Support ^(b)	(1.0)	(0.1)
• <i>Of which, promotions and investments related to consumer and business development support accounted for in Gross Profit Margin</i>	(0.2)	-
• <i>Of which, advertising, consumer and trade support</i>	(0.8)	(0.1)
• OPEX and other expenses	+ 1.0	(0.9)
Total change in Normalized IFO margin	(2.7)	(1.5)

(a) Gross Profit margin excluding promotions and investments related to consumer and business development support.

(b) Total Brand Support: consumer and business development support + advertising, and trade support.



NON-RECURRING ITEMS

<i>(in million euros)</i>	2017 (restated from IFRS 15)	2018
Income From Operations	374.9	258.8
As % of Net Sales	18.4%	13.3%
Restructuring costs related primarily to BIC Graphic	24.7	
Cello and Pimaco goodwill impairment	-	74.2
Restructuring expenses (Stationery and Lighters manufacturing reorganization, Organizational review, Haco Industries acquisition related costs)	-	15.4
BIC Sport Divestiture	-	4.9
Argentina hyperinflationary accounting (IAS 29)	-	(0.9)
Normalized IFO	399.6	352.4
As % of Net Sales	19.6%	18.1%

Cello goodwill impairment is explained by lower growth perspectives in both domestic and export sales.

Income before tax for 2018 was 261.6 million euros, compared to 396.7 million euros in 2017. Net income Group Share was 173.4 million euros, down 39.7% as reported. Net finance revenue was 2.8 million euros compared to 21.8 million euros in 2017. 2018 was negatively impacted by Argentina hyperinflation accounting for 5.9 million euros and 2017 benefited from 18.2 million euros related to the exchange difference on intercompany loan repayment following the sale of BIC Graphic.

The 2018 effective tax rate was 33.7% and 26.3% excluding Cello and Pimaco goodwill impairment compared to 25.9% in 2017 that included the favorable income related to the invalidation of 3% additional French Corporate income Tax on dividends, net of the French exceptional Corporate Income Tax contribution.

2018 EPS Group share was 3.80 euros, compared to 6.18 euros for the same period last year, down 38.5%. Normalized EPS Group share decreased to 5.87 euros, compared to 6.26 euros.

2018 GROUP PERFORMANCE BY CATEGORY

BIC GROUP NET SALES AND INCOME FROM OPERATIONS (IFO) BY PRODUCT CATEGORY 2017 (RESTATED FROM IFRS 15) - 2018

(in million euros)	Stationery		Lighters		Shavers		Other Products	
	Net Sales	IFO	Net Sales	IFO	Net Sales	IFO	Net Sales	IFO
2017	804.2	54.7	707.4	277.3	459.4	59.8	70.4	(17.0)
2018	771.9	(14.1)	685.8	242.5	438.0	43.7	54.0	(13.4)

BIC GROUP IFO AND NORMALIZED (A) IFO BY PRODUCT CATEGORY 2017 (RESTATED FROM IFRS 15) - 2018

(in million euros)	Stationery		Lighters		Shavers		Other Products	
	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO	Norm. IFO	IFO
2017	66.3	54.7	277.6	277.3	60.0	59.8	(4.4)	(17.0)
2018	62.8	(14.1)	247.0	242.5	45.4	43.7	(2.8)	(13.4)

(a) See glossary § 9.9 in 2018 Registration Document

BIC GROUP IFO AND NORMALIZED (A) IFO MARGINS BY PRODUCT CATEGORY 2017 (RESTATED FROM IFRS 15) - 2018

(in %)	Stationery		Lighters		Shavers	
	Norm. IFO margin	IFO margin	Norm. IFO margin	IFO margin	Norm. IFO margin	IFO margin
2017	8.3	6.8	39.2	39.2	13.1	13.0
2018	8.1	(1.8)	36.0	35.4	10.4	10.0

(a) See glossary § 9.9 in 2018 Registration Document

Stationery

Stationery Full Year 2018 Net Sales decreased by 4.0% as reported and increased by 1.7% on a comparative basis. Full Year 2018 volumes were relatively flat.

- **In Europe**, while markets remained soft, BIC's Net Sales grew low-single digit, fueled by a robust Back-to-School season across most European countries, notably in France and in the UK where BIC outperformed the market gaining 0.7 points in value share (Year-to-date December 2018). This was driven by the ongoing success of BIC® Gelocity Illusion erasable pen, BIC® 4-Color Shine pen in Western Europe and the BIC® Round Stic in Eastern Europe.
- **North America's** Net Sales grew mid-single digit, fueled by a strong Back-to-School season where BIC outperformed the market. Our focus towards more value-added products was successful thanks to the performances of the BIC® Gelocity® Quick Dry gel. This resulted in 0.8 points value share gains (Year-to-date December 2018) in the gel segment, the fastest growing segment in Stationery. Growth drivers also included e-commerce sales where BIC outperformed the online market, gaining 0.8 points value share (Year-to-date December 2018)

- **In Latin America**, Net Sales increased mid-single digit driven by a robust Back-to-School season in Mexico, with strong performance in both Ball Pen and in Coloring segments. This more than offset the challenging year for Brazil as we faced on-going inventory adjustments by customers, negative impacts from the transportation strike as well as strong competitive pressure.
- The **Middle-East and Africa region** Net Sales were stable. Growth drivers included market share gains in South Africa, thanks to a good in-store visibility and strong Back-to-School sell-in. This was offset by importation legislation issues in North Africa.
- **In India**, Cello Pens' Domestic Net Sales increased low-single digit as Cello continued its strategy of portfolio streamlining and focused on its champion brands such as Butterflow™ and Butter Gel, allowing BIC to gain 0.8 points value share (Year-to-date December 2018, Market Pulse)

Full Year 2018 Stationery normalized IFO margin was 8.1% compared to 8.3% in 2017 as a result of an increase in raw material costs and operating expenses, only partially offset by lower brand support.



Lighters

Full Year 2018 Lighters Net Sales were down by 3.1% as reported and up 2.4% on a comparative basis. Full Year 2018 volumes were up by 1.6%.

- **In Europe**, Net Sales increased mid-single digit, driven by both Western and Eastern Europe (mainly Russia), gaining further distribution. In the fourth quarter, more specifically, Net Sales were favorably impacted by customers' buy-in ahead of the price adjustment implemented in January 2019.
- **In North America**, in a slightly declining market (down by 0.8% in value Year-to-date December 2018, IRI), BIC continued to outperform, gaining 0.2 points in value. Net Sales grew low single digit, as a result of continued growth of our added-value sleeve designs as well as increased distribution.
- **Latin America** posted mid-single digit growth with continued solid performance in Mexico, fueled by further distribution gains. In Brazil, Net Sales were negatively impacted by inventory adjustments by customers, as well as by the transportation strike in May.

Full Year 2018 Normalized IFO margin for Lighters was 36.0% compared to 39.2% in 2017, due to higher costs of production and higher investments in brand support and in operating expenses.

Shavers

Full Year 2018 Shavers Net Sales decreased by 4.7% as reported and up 1.7% on a constant currency basis. Full Year 2018 volumes were down by 3.4%.

- **Europe's** Net sales increased mid-single digit, driven by Eastern Europe's strong route-to-market execution, largely led by Russia where we outperformed the wet shave market, gaining 5.9% in value share (year-to-date December 2018 – Nielsen) thanks to enlarged distribution, the success of the BIC® Flex 3 Hybrid and the launch in the second half of BIC® Flex 5 Hybrid. In Western Europe, we gained market share by 0.3 points in a declining market (down 0.3% in value Year-to-date December 2018 – EU10) for the one-piece segment.
- **In North America**, Net Sales were relatively flat. In a challenging competitive environment, performance was

driven by a positive impact from change in brand support strategy, orders coming in from 2019 pipeline of new products, as well as the success of our 2018 product launches: BIC® Soleil® Balance, BIC® Soleil® Bella Click and BIC® Flex 3 Hybrid.

- At the end of December 2018 ⁽¹⁾, the U.S. one-piece segment was down 3.8% in value in a continued disruptive market. BIC's market share declined by 0.5 points, due to increasing competitive pressure on price and promotions. However, we continued to gain market share in the added-value segment reaching 37.8% share for the Men's 5 blade one-piece market segment and gaining 6.5 points value share in the Female's 5 blade one-piece market segment compared to last year.
- **Latin America** delivered mid-single-digit growth. BIC outperformed by far the overall market, growing value share in all major countries thanks to an enlarged distribution network and product mix. In Brazil, despite a declining one-piece market (down 3.4% in value ⁽²⁾), BIC gained 2.0 points in value with sales boosted by positive mix behind higher volumes of triple blades, such as the BIC® 3 and BIC® Comfort 3. In Mexico, the one-piece market grew 5.0% in value and BIC outperformed gaining 0.3 points in value with continued expansion in convenience stores.
- **In the Middle-East and Africa**, Net Sales declined high-single digit as the year's performance was overall negatively impacted by unfavorable importation legislation in North Africa.

Full Year 2018 Normalized IFO margin for Shavers was 10.4% compared to 13.1% in 2017 due to an increase in raw material costs and higher operating expenses, in spite of slightly lower brand support investments.

Other Products

Full Year 2018 Net Sales of Other Products decreased by 23.3% as reported (down 11.6% on a comparative basis). BIC Sport registered a low double-digit decline in its Full Year Net Sales on a constant currency basis.

Full Year 2018 Normalized IFO for Other Products was a negative 2.8 million euros, compared to a negative 4.4 million euros in 2017.

(1) Source: IRI total market Year-to-date ending December 2018 – in value terms.

(2) Source: Nielsen 62% Coverage Year-to-date ending December 2018



2018 GROUP PERFORMANCE BY GEOGRAPHICAL AREA

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA

<i>(in million euros)</i>	FY 2017 (restated for IFRS 15)	FY 2018	Change as reported	Change on a comparative basis
Group				
Net Sales	2,041.4	1,949.8	(4.5)%	+ 1.5%
Europe				
Net Sales	570.0	559.7	(1.8)%	+ 1.8%
North America				
Net Sales	786.7	765.6	(2.7)%	+ 1.4%
Developing markets				
Net Sales	684.7	624.5	(8.8)%	+ 1.5%

IMPACT OF CHANGE IN PERIMETER AND CURRENCY FLUCTUATIONS ON NET SALES

<i>(in %)</i>	FY 2017	FY 2018
Perimeter	(0.9)	(0.6)
Currencies	(0.8)	(4.8)
• Of which USD	(0.7)	(1.5)
• Of which BRL	+ 0.4	(1.5)
• Of which MXN	(0.1)	(0.4)
• Of which RUB and UAH	+ 0.1	(0.2)
• Of which INR	-	(0.3)

SENSITIVITY OF NET SALES TO KEY CURRENCY CHANGES

<i>(in %)</i>	2017	2018
+/-5% change in USD	+/- 1.8	+/- 1.8
+/-5% change in BRL	+/- 0.5	+/- 0.4
+/-5% change in MXN	+/- 0.3	+/- 0.3



Europe

The Europe region includes Western and Eastern Europe. In 2018, Net Sales in Europe reached 559.7 million euros, a year-on-year increase of 1.8% on a comparative basis.

Europe registered a good performance in 2018 across all consumer categories and all regions, especially in Eastern European countries.

- **In Stationery:** BIC delivered low-single digit growth in a soft market. The Back-to-School season was good both in Western and Eastern Europe, notably in France where BIC gained share for the 15th consecutive year and in the UK where BIC also gained significant share. This was driven by the continuous success of the BIC® Gelocity Illusion erasable pen, the BIC® 4-Color Shine and the BIC® Round Stic.
- **In Lighters:** Net Sales increased mid-single digit, driven by both Western and Eastern Europe (mainly Russia), gaining further distribution.
- **In Shavers:** Net sales increased mid-single digit, driven by Eastern Europe's strong route-to-market execution, largely led by Russia where we outperformed the wet shave market, gaining 5.9% in value (year-to-date December 2018 – Nielsen) thanks to enlarged distribution, the success of the BIC® Flex 3 Hybrid and the launch in the second half of BIC® Flex 5 Hybrid. In Western Europe, we gained market share by 0.3 points during the year in a declining market (down 0.3% in value Year-to-date December 2018 – EU10) for the one-piece segment.

North America

The North America region includes the U.S. and Canada. In 2018, Net Sales in North America reached 765.6 million euros, up 1.4% on a comparative basis.

- **In Stationery:** Net Sales increased mid-single digit as BIC delivered strong growth in e-commerce and during Back-to-School. The introduction of the BIC® Gelocity® Quick Dry pen has been a strong driver of growth.
- **In Lighters:** in a slightly declining market, BIC continued to outperform the market. Net Sales grew low single digit, as a result of continued growth of our added-value sleeve designs as well as increased distribution.
- **In Shavers:** Net Sales were relatively flat. In a challenging competitive environment, performance was driven by a positive impact from change in brand support strategy, orders

coming in from 2019 pipeline of new products, as well as the success of our 2018 product launches: BIC® Soleil® Balance, BIC® Soleil® Bella Click and BIC® Flex 3 Hybrid. At the end of December 2018, the U.S. one-piece segment was down 3.8% in value in a continued disruptive market. BIC's market share declined by 0.5 points, due to increasing competitive pressure on price and promotions. However, we continued to gain market share in the added-value segment reaching 37.8% share for the Men's 5 blade one-piece market segment and gaining 6.5 points value share in the Female's 5 blade one-piece market segment compared to last year.

Developing markets

Developing markets include Latin America (Mexico, Central America, the Caribbean and South America), the Middle-East, Africa, Oceania and Asia. In 2018, Net Sales reached 624.5 million euros, up 1.5% on a comparative basis.

Latin America

Despite a challenging environment in 2018 caused by the transportation strike in May and on-going inventory adjustments from our customers in Brazil, Latin America Net Sales increased mid-single digit on a comparative basis.

- **In Stationery:** Net Sales increased mid-single digit driven by a robust Back-to-School season in Mexico, with strong performance in both Ball Pen and in Coloring segments. This more than offset the challenging year for Brazil as we faced on-going inventory adjustments by customers, negative impacts from the transportation strike as well as strong competitive pressure.
- **In Lighters:** Net Sales rose mid-single digit with continued solid performance in Mexico, fueled by further distribution gains. In Brazil, Net Sales were negatively impacted by inventory adjustments by customers, as well as by the transportation strike in May.
- **In Shavers:** Net Sales increased mid-single digit and grew value share in all major countries propelled by an enlarged distribution network and product mix. In a declining Brazilian one-piece market, BIC gained share driven by positive mix behind higher volumes of triple blades such as the BIC® 3 and BIC® Comfort 3. In Mexico, BIC outperformed a growing one-piece market with continued expansion in convenience stores.

Middle-East and Africa/India

BIC continued to deploy the proximity strategy first rolled out in 2012. During the year, we continued to work closely with distributors and customers to reinforce our presence, leverage the BIC® brand and increase Net Sales by focusing on distribution gains and improved in-store visibility.

- **Stationery:** Net sales were stable. Issues with importation legislation in North Africa were offset by market share gains in South Africa where BIC delivered solid back-to-school sell-in along with increased in-store visibility. In India, Cello Pens' Domestic Net Sales increased low single digit as Cello continued its strategy of Portfolio streamlining and focus on its champion brands such as Butterflow™ and Butter Gel.
- **Lighters:** BIC continued to focus on our strategy, aimed at gaining distribution and improving in-store visibility with a "BIC seen is a BIC sold".
- **Shavers:** BIC net sales declined high-single digit largely caused by unfavorable importation legislation in North Africa.

Asia-Pacific

- **Stationery:** The region suffered from a slow Back to School season.
- **Lighters:** BIC maintained its leadership position in Oceania while taking advantage of increased distribution gains across Asia.
- **Shavers:** BIC delivered solid results in the region notably Oceania driven by new products launches.



4.2. FINANCIAL SITUATION AND CASH

At the end of 2018, **Net Cash from operating activities** was 303.9 million euros, including 394.6 million euros in Operating Cash Flow. The Net Cash Position was also impacted by investments in CAPEX, dividend payments and share buy-backs as

well as the acquisition of Haco Industries, proceeds from the sale of BIC Sport and from the 2017 disposal of BIC Graphic North America and Asian Sourcing.

MAIN BALANCE SHEET ITEMS

<i>(in million euros)</i>	December 31, 2017 (restated for IFRS 15)	December 31, 2018
Shareholders' equity	1,702.2	1,638.1
Current borrowings and bank overdrafts	4.9	22.6
Non-current borrowings	0.2	32.0
Cash and cash equivalents – Assets	188.6	157.5
Other current financial assets and derivative instruments	45.0	18.1
Net cash position ^(a)	204.9	161.5
Goodwill and intangible assets	350.6	286.6
TOTAL BALANCE SHEET	2,353.7	2,367.0

NB: SOCIÉTÉ BIC did not request any rating from any credit ratings agency nor, to the best of its knowledge, has it been the object of any unsolicited rating by any credit ratings agency.

(a) See Glossary § 9.9 in 2018 Registration Document

CONDENSED CASH FLOW STATEMENT

<i>(in million euros)</i>	2017 (restated for IFRS 15)	2018
Cash flow from operations	409.9	394.6
(Increase)/Decrease in net working capital	(8.1)	(73.0)
Other operating cash flows	(21.2)	(17.7)
Net cash from operating activities from continuing operations	374.5	303.9
Net Cash from operating activities from discontinued operations	6.1	-
Net cash from operating activities ^(a)	380.6	303.9
Net Cash from investing activities from continuing operations	(108.4)	(109.9)
Net Cash from investing activities from discontinued operations	(3.4)	-
Net cash from investing activities	(111.8)	(109.9)
Net Cash from financing activities from continuing operations	(273.1)	(226.5)
Net Cash from financing activities from discontinued operations	(2.3)	-
Net cash from financing activities	(275.4)	(226.5)
Net increase/(decrease) in cash and cash equivalents net of bank overdrafts	(6.6)	(32.5)
Closing cash and cash equivalents	187.0	149.8

(a) See Glossary § 9.9 in 2018 Registration Document

4.3. DIVIDENDS

The Board of Directors of SOCIÉTÉ BIC proposes the distribution of dividends primarily as a function of the Company's earnings, its investment policy and balance sheet strength, as well as comparisons with peer companies in the same sector. BIC does not foresee a material change in this dividend distribution policy.

The Board of Directors will propose 3.45 euros as an ordinary dividend per share, at the Annual Shareholders' Meeting on May 22, 2019. The pay-out ratio would be 59% in 2018, compared to 56% in 2017.

The dividends paid for the last three fiscal years were as follows:

	Net ordinary dividend (in euros)	Net ordinary dividend divided by earnings per share (pay-out ratio)
2017	3,45	56%
2016	3,45	65%
2015 ^(a)	3,40	49%

(a) In addition to the ordinary dividend, a special dividend of 2.50 euros per share was voted for the full year 2015.



4.4. PROSPECTS FOR 2019 AND STRATEGY

2019 OPERATIONAL OUTLOOK

We expect 2019 Group Net Sales **to grow slightly on a comparative basis⁽¹⁾** and Normalized Income from Operations margin **to be between 16.5% and 18%**.

- In a continued challenging trading environment, overall sales performance may be subject to macro-economic uncertainties and continued competitive pressure in Shavers in the U.S. Growth drivers include distribution gains and success with added-value products.
- Gross Profit will be impacted by increasing raw material costs, the impact of unfavorable foreign exchange trends and the potential impact of sales volumes on cost of production. Normalized Income from Operations will also be affected by additional Brand Support Investments.

We expect CAPEX to be approximately in the range of 130 million euros to 140 million euros in 2019.

OPERATIONAL AND STRATEGIC TARGETS FOR 2022

On February 13th 2019, BIC initiated an organizational review to reimagine the company, drive productivity and improve efficiency to free up resources, and ultimately reinvest in future growth. To support the "BIC 2022- Invent the future" plan, BIC has set initial operational targets:

- Effectiveness: achieve at least 20 million euros original annualized savings reinvested to drive growth.

- Innovation: increase the number of new patent submissions by 20% per year.
- Consumer-centric Brands: engage directly with 20% of our consumers.
- Omnichannel Distribution: reach 10% of Net Sales in ecommerce.

MISSION AND PURPOSE, LONG-TERM AMBITION

Our mission and purpose:

- Provide high quality, inventive and reliable products and solutions that are respectful of our environment, for everyone, everywhere;
- Create longterm value for all stakeholders: consumers, employees, local communities, customers, and shareholders;
- Improve equality in education for all, by enhancing learning conditions for students globally. We are convinced this is a powerful way to build a sustainable future, for each and every one of us.

Our long-term ambition:

- Drive profitable growth;
- Increase productivity while continuously investing in our People, Research and Development, New Products, and Brands;
- Sustain total Shareholder remuneration through strong cash generation.

(1) For 2019 Net Sales, on a comparative basis will exclude Full Year 2018 BIC Sport's Net Sales and 2019 Haco Industries' incremental Net Sales. Since Argentina is now considered as hyperinflationary, BIC will also exclude from its comparative basis the contribution of its Argentinian entity for both 2018 and 2019.



RISKS AND OPPORTUNITIES

In brief, we foresee the major challenges for 2019 to be:

- continued economic uncertainty;
- global geopolitical environment;
- foreign currency volatility;
- expected increase in raw material costs versus prior years.

While many of these issues are outside of our control, we will make every effort to minimize the related risks in all aspects of our operations.

We believe that our greatest opportunity for growth remains the strength of the BIC® brand, combined with the diverse talents of our multinational workforce in more than 160 countries around the world. Our teams are delivering products and programs, including advertising and promotional support, that speak directly to today's consumers in their local marketplaces, meeting their specific needs.

PERFORMANCE GOALS

Sales growth, market share gains, margins, cash flow and a strong balance sheet are the main indicators of the Group performance.

In 2019, our priority is to continue to drive sales growth through selected investments in R&D, Brand Support and CAPEX.

RECENT EVENTS

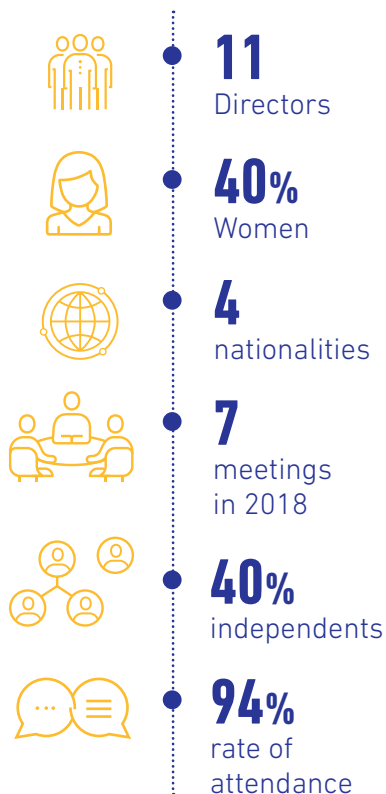
Not applicable.



5. GOVERNANCE:

A BOARD OF DIRECTORS WORKING FOR THE BIC® BRAND

KEY FIGURES AND COMPOSITION⁽¹⁾



(1) The Board of Directors held a meeting on February 12, 2019 wherein they approved Marie-Aimée Bich-Dufour's decision to resign from her position of Executive Vice-President, effective as of March 31, 2019. On the recommendation of the Nominations, Governance and CSR Committee, the Board of Directors will submit her appointment as Director to the Shareholders' Meeting of May 22, 2019, succeeding Marie-Henriette Poinot, who has resigned. The Board will also submit to the AGM the appointment of Maëlys Castilla, succeeding Mario Guevara.

BOARD'S FUNCTIONING



The history of our Group is deeply rooted in an entrepreneurial spirit: we consider entrepreneurship to be in our DNA. It is vitally important for the Board of Directors and the Chief Executive Officer to foster this spirit and keep it alive in our culture for future generations.

BIC has the support of a competent Board of Directors committed to defining and implementing the Group's strategy and ensuring its functioning. Composed of eleven members, the Board of Directors is supported in its work by three specialized committees; the Audit Committee, the Compensation Committee and, since 2017, the Nominations, Governance and Corporate Social Responsibility (CSR) Committee.



The respective roles of the Board and Chief Executive Officer (CEO) are complementary and clearly defined. It begins with the Board providing a direction and a set of expectations and guidelines to the CEO, who is in charge of constructing the long-term strategy


and annual plans to achieve these goals. In turn, the Board reviews these plans, challenges where needed and ultimately approves. Upon approval, the Board joins with the Chief Executive Officer as accountable parties for our Group's long-term strategy.


The Board also carries the responsibility to monitor performance of the business. Establishing expectations and perimeters is one of the most important functions of the Board, and it is the Chief Executive Officer's responsibility to provide the necessary information, analysis and insight to inform the Board: macro-economic trends, competitive landscapes, new technologies, acquisition opportunities, SWOT analysis, return on investments (ROI) analysis, etc.


1. **Pierre Vareille**  
Chairman of the Board

2. **Gonzalve Bich**  
Chief Executive Officer
Director

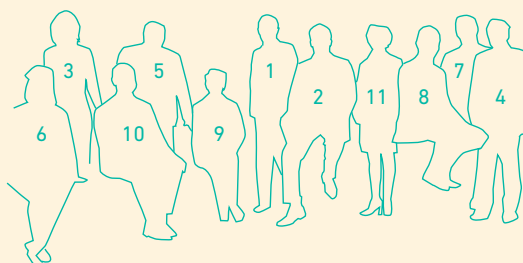
3. **Elizabeth Bastoni**  
Director

4. **Vincent Bedhome** 
Director representing
the employees


5. **François Bich** 
Director

6. **Marie-Pauline
Chandon-Moët** 
Director

 Independent




7. **John Glen**  
Director

8. **Mario Guevara**  
Director

9. **Candace Matthews**  
Director

10. **Société MBD** 
Director represented
by Édouard Bich

11. **Marie-Henriette Poinot** 
Director

DIVERSIFIED AND COMPLEMENTARY PROFILES

With support from the Nominations, Governance and CSR Committee, the Board strives for a balanced composition adapted to the challenges faced by the Group. The Board is thus composed of men and women, all with high level management experience and/or with expertise in a particular field (such as finance, production and human resources). Moreover, the Board of Directors endeavors to be composed of at least one-third Independent Directors. Since May 2018, the BIC Group has transformed its governance structure by appointing Gonzalve Bich, as Chief Executive Officer and Pierre Vareille as Chairman of the Board of Directors.

5

THREE COMMITTEES CHAIRED BY INDEPENDENT DIRECTORS

Each committee is made up of Directors with skills specifically identified to carry out its missions. For each committee, the appropriate section of the Registration Document provides additional information.

Audit Committee

The Audit Committee reviews and monitors the relevance of financial information and the reliability of risk management, internal control and Auditors' appointment process.

Compensation Committee

The Compensation Committee makes recommendations on the Compensation Policy for the Chairman of the Board and the Corporate Officers (and on all their compensation and/or benefits elements), on attendance fees and on performance metrics, in collaboration with the Audit Committee.

Nomination, Governance and CSR Committee

The Nomination, Governance and CSR Committee regularly examines the composition and functioning of the Board of Directors, proposes solutions to the Board for the succession planning of the Chairman of the Board, the Chief Executive Officer and the Corporate Officers. It reviews the report on social, societal and environmental responsibility as well as the actions taken by the Group in this respect and the progress made against the strategy and commitments taken.



DIRECTORS AND OFFICERS

Mandates and functions as of December 31, 2018



PIERRE VAREILLE

Chairman of the Board of Directors
INDEPENDENT DIRECTOR

61 years old

Nationality: French

Date of 1st appointment: Annual Shareholders' Meeting of May 14, 2009

Expiration date: Annual Shareholders' Meeting in 2021, for fiscal year 2020

Shares held : 6,000

Main position:

Co-President, Founder of "The Vareille Foundation" – Switzerland

Other current mandates or functions: Director – Verallia – France, Director – Etex SA – Belgium (listed company), Director – Ferroglobe plc – United Kingdom (listed company), Director – Outokumpu Oyj – Finland (listed company).



GONZALVE BICH

Director and Chief Executive Officer
40 years old

Nationalities: French/American

Date of 1st appointment:

Director:
Annual Shareholders' Meeting of May 16, 2018
Chief Executive Officer:
Board of Directors of May 16, 2018

Expiration date: Director: Annual Shareholders' Meeting in 2019 for fiscal year 2018
Chief Executive Officer: indefinite duration

Shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2018, SOCIÉTÉ M.B.D. held 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights.

Main position: Chief Executive Officer of SOCIÉTÉ BIC

Other current mandates or functions: Director – BIC Cello (India) Private Ltd. ^(a) – India, Director – BIC UK Ltd. ^(a) – United Kingdom, President, Chief Operating Officer and Director – BIC International Co. ^(a) – U.S.A.



JAMES DIPIETRO

Executive Vice-President
59 years old

Nationality: American

Date of 1st appointment: Board of Directors of May 18, 2016 - Effect: June 2, 2016

Expiration date: The duties and powers of James DiPietro will expire on the date of appointment of a new Chief Executive Officer.

Shares held: 21,945

Main position:

Executive Vice-President of SOCIÉTÉ BIC – Group Chief Financial Officer

Other current mandates or functions: President and Director – Furtuna Holdings Co. Limited ^(a) – British Virgin Islands, Chief Executive Officer and Director – BIC International Co ^(a) – U.S.A, Chairman, Chief Executive Officer and Director – BIC Corporation ^(a) – U.S.A, Director – No Sabe Fallar S.A. de C.V. ^(a) – Mexico, Director – Industrial De Cuautitlan S.A. de C.V. ^(a) – Mexico, Director – Servicios Administrativos Industrial de Cuautitlan S.A. de C.V. ^(a) – Mexico, Vice-President – SLS Insurance Company ^(a) – U.S.A.



MARIE-AIMÉE BICH-DUFOUR

Executive Vice-President
until March 31, 2019
60 years old

Nationality: French

Date of 1st appointment: Board of Directors of March 22, 1995

Expiration date: March 31, 2019

Shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2018, SOCIÉTÉ M.B.D. held 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights.

Main position: Executive Vice-President of SOCIÉTÉ BIC – Board of Directors' Secretary and President of the BIC Corporate Foundation for Education.

Other current mandates or functions: Director – BIC Australia Pty. Ltd. ^(a) – Australia, Managing Director – BIC GmbH ^(a) – Germany, Director – BIC Viorex SA (a) – Greece, Director – BIC India Pvt. Ltd. (a) – India, Chairman of the Board – BIC (NZ) Ltd. ^(a) – New Zealand, Director – BIC Portugal SA ^(a) – Portugal, Director – BIC Holdings Southern Africa (Pty.) Ltd. ^(a) – South Africa, Director – BIC Iberia SA ^(a) – Spain, Director – BIC Malawi (Pty) Ltd. ^(a) – Malawi, Representative of SOCIÉTÉ BIC in the Board – ANSA (Association Nationale des Sociétés par Actions) – France, Representative of SOCIÉTÉ BIC in the Board – METI (Mouvement des Entreprises de Taille Intermédiaire) – France.



ELIZABETH BASTONI

Director
INDEPENDENT DIRECTOR

53 years old

Nationality: American

Date of 1st appointment: Annual Shareholders' Meeting of May 15, 2013

Expiration date: Annual Shareholders' Meeting in 2019, for fiscal year 2018

Shares held: 500

Main position: President of Bastoni Consulting Group, LLC - U.S.A.

Other current mandates or functions: Chairman, Compensation Committee – Jerônimo Martins – Portugal.



VINCENT BEDHOME

Director representing the employees
53 years old

Nationality: French

Date of 1st appointment: Board of Directors' Meeting of December 13, 2017 (designated by the Group Works Council on November 9, 2017)

Expiration date: December 13, 2020

Shares held: 23

Main position: Project Manager in the Stationery category

Other current mandates or functions: None

Independent Director

(a) BIC Group.

**FRANÇOIS BICH**

Director
69 years old

Nationality: French

Date of 1st appointment: Board of Directors of September 30, 1977 ratified by the Annual Shareholders' Meeting of May 29, 1978

Expiration date: Annual Shareholders' Meeting in 2020, for fiscal year 2019

Shares held : Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2018, SOCIÉTÉ M.B.D. held 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights.

Main position: Pensioner

Other current mandates or functions: Chairman of the Supervisory Board – SOCIÉTÉ M.B.D. – France.

**MARIE-PAULINE CHANDON-MOËT (MAIDEN NAME: BICH)**

Director
52 years old

Nationality: French

Date of 1st appointment: Annual Shareholders' Meeting of May 28, 2003

Expiration date: Annual Shareholders' Meeting in 2020, for fiscal year 2019

Shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2018, SOCIÉTÉ M.B.D. held 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights.

Main position: President of Château de Ferrand SAS – France

Other current mandates or functions: None

**JOHN GLEN**

Director
INDEPENDANT DIRECTOR
59 years old

Nationality: British

Date of 1st appointment: Board of Directors of December 10, 2008 ratified by the Annual Shareholders' Meeting of May 14, 2009

Expiration date: Annual Shareholders' Meeting in 2021 for fiscal year 2020

Shares held: 500

Main position: Chief Executive Officer of Buccleuch Group – United Kingdom

Other current mandates or functions: Director – The Three Stills company – United Kingdom.

**MARIO GUEVARA**

Director
59 years old

Nationalities: Mexican/American

Date of 1st appointment: Director: Annual Shareholders' Meeting of May 22, 2001

Expiration date: Annual Shareholders' Meeting in 2019, for fiscal year 2018

Shares held: 18,508

Main position: Pensioner

Other current mandates or functions: None

**CANDACE MATTHEWS**

Director
INDEPENDENT DIRECTOR

60 years old

Nationality: American

Date of 1st appointment: Annual Shareholders' Meeting of May 10, 2017

Expiration date: Annual Shareholders' Meeting in 2020 for fiscal year 2019

Shares held: 400

Main position: Region President – The Americas and Europe – Anway – U.S.A.

Other current mandates or functions: Member of the Board – Fifth Third Bank, Western Michigan – U.S.A. (listed company)

**MARIE-HENRIETTE POINOT (MAIDEN NAME: BICH)**

Director
58 years old

Nationality: French

Date of 1st appointment: Annual Shareholders' Meeting of May 21, 1997

Expiration date: Annual Shareholders' Meeting in 2021 for fiscal year 2020

Shares held: Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D. On December 31, 2018, SOCIÉTÉ M.B.D. held 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights.

Main position: Director of SOCIÉTÉ BIC

Other current mandates or functions: None

**SOCIÉTÉ M.B.D. ÉDOUARD BICH**

Director
54 years old

Nationality: French

Date of 1st appointment: Annual Shareholders' Meeting of May 24, 2006

Expiration date: Annual Shareholders' Meeting in 2021, for fiscal year 2020

Shares held by SOCIÉTÉ M.B.D.: 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights (as of December 31, 2018)

Shares held by Edouard BICH: Holds BIC shares directly and indirectly through the family holding, Société M.B.D.

Main position of Edouard BICH: Managing Director of SOCIÉTÉ M.B.D.

Other current mandates or functions of Edouard BICH: Member of the Supervisory Board – Stockage Plus SAS. – France, Member of the Executive Board for Europe, the Middle East and Africa – The Wharton School – U.S.A, Managing Director – Platypus Capital SPRL – Belgium.

Other current mandates or functions of SOCIÉTÉ M.B.D.: None

Independent Director

(a) BIC Group.



5.1. COMPOSITION

	Personal information				Experience			Position in the Board			
	Main position	Age	Gender	Nationality	Number of shares	Number of directorships in listed corporations ⁽¹⁾	Independence	Initial date of appointment	Term of office	Length of service on the Board	Participation in Board committees
Company Officers											
Pierre Vareille (non-Executive)	Co-President, Founder of The Vareille Foundation	61	M	FR	6,000	3	√	2009	2021	10 years	
Gonzalve Bich (Executive)	Chief Executive Officer	40	M	FR U.S.	⁽²⁾	0		2018	2019	1 year	
Directors											
Elizabeth Bastoni	President of Bastoni Consulting Group LLC.	53	F	U.S.	500	0	√	2013	2019	6 years	Comp. Committee (Chair), Nom., Gov. and CSR Committee (Chair)
François Bich	Pensioner	69	M	FR	⁽²⁾	0		1977	2020	42 years	
Marie-Pauline Chandon-Moët	President of Château de Ferrand SAS	52	F	FR	⁽²⁾	0		2003	2020	16 years	
John Glen	Chief Executive Officer of Buccluch	59	M	UK	500	0	√	2008	2021	11 years	Audit Committee (Chair)
Mario Guevara	Pensioner	59	M	MEX U.S.	18,508	0		2001	2019	18 years	
Candace Matthews	Region President – Americas and Europe- Amway	60	F	U.S.	250	1	√	2017	2020	2 years	Audit Committee, Nom., Gov. and CSR Committee
M.B.D. (Édouard Bich)	Managing Director of SOCIÉTÉ M.B.D.	54	M	FR	12,735,000	0		2006	2021	13 years	Audit Committee
Marie-Henriette Poinot	Director of SOCIÉTÉ BIC	58	F	FR	⁽²⁾	0		1997	2021	22 years	Comp. Committee, Nom., Gov. and CSR Committee
Director representing employees											
Vincent Bedhome	Stationery Project Manager	53	M	FR	23	0		2017	2020	2 years	Comp. Committee

(1) Number of directorships held by the director in listed companies outside of the Group, including foreign companies, assessed in accordance with the recommendations of the AFEP-MEDEF Code.

(2) Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ MBD. On December 31, 2018, the holding held 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights.

REGULAR ATTENDANCE OF MEMBERS OF THE BOARD OF DIRECTORS

	Attendance on the Board of Directors	Attendance on the Audit Committee	Attendance on the Compensation Committee	Attendance on the Nominations Committee
Pierre Vareille	100%	100%	n/a	n/a
Gonzalve Bich	100%	n/a	n/a	n/a
Elizabeth Bastoni	100%	n/a	100%	100%
Vincent Bedhome	100%	n/a	100%	n/a
François Bich	43%	n/a	n/a	n/a
Marie-Pauline Chandon-Moët	100%	n/a	n/a	n/a
John Glen	100%	100%	n/a	n/a
Mario Guevara	100%	n/a	n/a	n/a
Candace Matthews	86%	100%	100%	100%
M.B.D. (Édouard Bich)	100%	100%	n/a	n/a
Marie-Henriette Poinot	100%	n/a	100%	100%

n/a: non-applicable.

Independence of directors

Based on the recommendations of the Nominations, Governance and CSR Committee, the Board of Directors reviewed the qualification as Independent Director at its meeting of February 12, 2019, in the light of the criteria set out in the AFEP-MEDEF Corporate Governance Code (§ 8):

Criterion 1	Not to be and not to have been within the previous five years: <ul style="list-style-type: none"> • an employee or executive officer of the Company; • an employee, executive officer or director of a company consolidated within the corporation; • an employee, executive officer or director of the Company's parent company or a company consolidated within this parent company.
Criterion 2	Not to be an executive officer of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the Corporation (currently in office or having held such office within the last five years) holds a directorship.
Criterion 3	Not to be a customer, supplier, commercial banker, investment banker or consultant: <ul style="list-style-type: none"> • that is significant to the corporation or its Group; • or for which the corporation or its Group represents a significant portion of its activity. <p>The evaluation of the significance or otherwise of the relationship with the Company or its Group must be debated by the Board and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) must be explicitly stated in the annual report.</p>
Criterion 4	Not to be related by close family ties to a company officer.
Criterion 5	Not to have been an auditor of the corporation within the previous 5 years.
Criterion 6	Not to have been a director of the Corporation for more than 12 years. Loss of the status of Independent Director occurs on the date of the 12 th anniversary.
Criterion 7	A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of securities or any compensation linked to the performance of the corporation or group.
Criterion 8	Directors representing major shareholders of the corporation or its parent company may be considered independent, provided these shareholders do not take part in the control of the corporation. Nevertheless, beyond a 10% threshold in capital or voting rights, the Board, upon a report from the nominations committee, should systematically review the qualification as independent in the light of the make-up of the corporation's capital and the existence of a potential conflict of interest.



Criteria	P. Vareille	G. Bich	E. Bastoni	V. Bedhome	F. Bich	M-P. Chandon-Moët	J. Glen	M. Guevara	C. Matthews	M.B.D. (E. Bich)	M-H. Poinot
1: Employee or corporate officer within the past 5 years	√		√			√	√		√		
2: Cross-directorships	√		√	√	√	√	√	√	√	√	√
3: Significant business relationships	√		√				√		√		
4: Family ties	√		√	√			√		√		
5: Auditor	√	√	√	√	√	√	√	√	√	√	√
6: Period of office exceeding 12 years	√	√	√	√			√		√		
7: Status of nonexecutive officer	√		√	√	√	√	√	√	√	√	√
8: Status of the major shareholder	√		√	√			√	√	√		

Independent Directors do not have any relation of any kind with the Company, its Group or its management that is such as to color their judgment. In 2018, the sole relationships between a Director and BIC Group involve Directors qualified as non-independent. On the recommendations of the Nominations, Governance and CSR Committee, these relationships have been considered as non-significant in view of the commitments, the amount of the transactions they represent for each of the interested companies (they represent less than 0.05% of the commercial flows of each) and their normal conditions.

According to the Internal Rules and Procedures, Directors qualified as independent strive to maintain this quality. However, if a Director believes that he/she can no longer or will shortly no longer be qualified as independent under the AFEP-MEDEF's Corporate Governance Code, such Director must immediately notify

the Chairman, who will place this item on the agenda of the next meeting of the Board of Directors.

Training of the Directors

In 2018, Directors attended an e-learning on Anti-Corruption and Ethics. In 2017, they had attended a seminar hosted by the International Institute for Management Development. Vincent Bedhome had attended the training program "To be an Employee Director" hosted by the *Institut Français des Administrateurs*. Each Director is provided, if he or she considers it to be necessary, with supplementary training relating to the Company's specific features, its businesses, its business sector and its social and environmental responsibility aspects.

5.2. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors benefits from the preparatory work performed by its three specialized Committees:

- the Audit Committee;
- the Compensation Committee;
- the Nominations, Governance and CSR Committee.

The Committees act strictly in accordance with the remit given to them by the Board. They are actively involved in preparing for the Board's work, and make proposals, but do not have any decision-making powers. In the context of the fulfilment of their tasks, the Committees may contact the Company's principal executive managers after having informed the Chairman of the Board of Directors that they intend do so, and subject to reporting on their discussions with the said executives to the Board.

The Committees may ask for external technical studies to be drawn up, at the Company's expense, on subjects that come within their competence, after having informed the Chairman of the Board of Directors that they intend to do so, and subject to reporting on these studies to the Board.

a) Audit Committee

Composition

John Glen – Chairman (Independent Director)

Candace Matthews (Independent Director), who succeeded to Pierre Vareille in May 16, 2018.

Édouard Bich (permanent representative of SOCIÉTÉ M.B.D.)

2 out of 3 Directors are independent, namely 66.66%. The Committee shall not include any Executive Board members. The majority of the members shall have competence in accounting and/or auditing.

The career of the Audit Committee members allows them to benefit from financial and accounting skills necessary to fulfill their mission. John Glen, Chairman of the Committee, has eight years' experience as Group Finance Director of the Air Liquide group between 2000 and 2008. He was Vice-Chairman of the EFRAG (European Financial Reporting Advisory Group) Supervisory Board for four years. He is a member of the Chartered Institute of Certified Accountants and holds a Masters degree in Economics. Édouard Bich spent eight years in the Finance Department of Procter & Gamble in France. He holds an MBA in Finance from Wharton University – U.S.A. Candace Matthews has been Region President, Americas, Amway since November 2014. In January 2019, her role was expanded to also include Europe. She was recruited to Alticor, the parent company of Amway, in December 2007, as Chief Marketing Officer. Prior to joining Amway, she was Executive President from 2001 to 2007 of Soft Sheen-Carson, recently acquired by L'Oréal. Before that, she held different positions in Marketing at General Mills, Procter & Gamble, Bausch & Lomb and in Management at Novartis and The Coca-Cola company, in the United States. Candace Matthews has a Bachelor of Science degree from Carnegie Mellon University in Pittsburgh, Pennsylvania (U.S.A.) and an MBA in Marketing from Stanford University Graduate School of business in Palo Alto, California (U.S.A.).

Main remits

The Audit Committee's primary mission is to ensure that the accounting principles applied to the Company's consolidated and statutory financial statements comply with current standards and are consistently applied, and to ensure that the internal

consolidation procedures and controls yield financial statements that fairly represent business results.

The review of financial statements by the Audit Committee is accompanied by a presentation from the Statutory Auditors of their audit reports and the accounting methods chosen, and by a presentation from the CFO of the Company's risks and significant off-balance sheet items, as well as a review of the valuations and principles of on-balance sheet items which are based on market and economic valuations of the Company.

The Audit Committee is responsible for providing its opinion on the nomination of Statutory Auditors, as well as attesting to the quality of the Auditors' work and their independence. This includes verifying there is no potential conflict of interest between the Auditors and the Company.

It interviews the Statutory Auditors, and also the persons responsible for finance, accounting, treasury matters, and Internal Audit and Risk Control.

These interviews can be held, if the Committee so wishes, without the presence of the corporation's executive management. Furthermore, the Chairman of the Audit Committee meets (alone) with the Statutory Auditors at least once a year.

2018 main activities

During 2018, the Audit Committee met four times in the presence of its Chairman and all other members (i.e. attendance rate of 100%). Representatives from both audit firms attended the meetings when Company results were reviewed. The meetings of the Audit Committee relating to the review of the financial statements are held several days before the examination by the Board, which allows the management team to take any necessary corrective measures before the Board Meeting.

Among other tasks, the Audit Committee regularly monitors the provisions and requirements related to new accounting and financial rules applying to the Group and the Company's action plan to meet these requirements. The Audit Committee also reviews any change in International Financial Reporting Standards, the Internal Control structure and any other financial reporting matters, including the registration document.

In 2018, the Audit Committee also worked on:

- the Group's Internal Control and Audit findings;
- the review of treasury arrangements including liquidity, banking arrangements and FX Hedging Policy;
- the review of Corporate Finance activities;
- the review of the Finance function;
- the post-mortem review of certain investments;
- the risk management process.

The Group General Counsel made a presentation to the Audit Committee on the actions undertaken within the Group for the purpose of ensuring compliance with regulations and ethics, including the mechanism implemented to prevent and detecting corruption and influence peddling.

In February 2019, the Audit Committee reviewed the 2018 financial statements and notes, which contained a presentation on risks, including social and environmental risks, and significant off-balance-sheet commitments as well as the accounting options chosen.



b) Compensation Committee

Composition

- Elizabeth Bastoni – Chairman (Independent Director);
- Marie-Henriette Poinot;
- Vincent Bedhome (Director representing employees).

Candace Matthews (Independent Director) was a member of the Compensation Committee, until May 2018 when she left and became a member of the Audit Committee.

Current composition of the committee: one independent member out of 2 members (excluding the Director representing the employees).

Main remits

The Compensation Committee issues recommendations, regularly examines and challenges:

- the compensation policy for the Board of Directors, Chief Executive Officer and the Executive Vice-Presidents;
- procedures for the establishment of compensation and/or benefits for the Chairman of the Board, the Chief Executive Officer and the Executive Vice-Presidents;
- total amount and allocation of Directors' attendance fees;
- in collaboration with the Audit Committee, performance metrics, and annual assessment of the performance of the Chief Executive Officer and the Executive Vice-Presidents in light of the objectives assigned to them by the Board of Directors;
- Long-Term Incentive Plans for the Company's Executive Corporate Officers and employees;
- competitiveness of all compensation elements of the Leadership Team.

The Committee is also kept informed of the application of the compensation policy of the Group.

2018 main activities

The Compensation Committee met four times. The attendance rate was 100%. In 2018, the Committee's activity focused specifically on discussions and/or recommendations regarding the:

- Details and level of compensation for the Chairman of the Board and Board members;
- Analysis of the positioning of the total compensation of the Board members, Corporate Officers and of the Leadership Team;
- Details and level of base compensation, annual bonuses and long-term incentives for the CEO and Executive Vice-Presidents;
- Determination of the criteria used for the short-term variable compensation for the CEO and the Executive Vice-Presidents;
- Details of the supplementary pension plans and other benefits for the CEO and the Executive Vice-Presidents;
- Principles and amounts of share awards subject to performance conditions, portion of the grant dedicated to Corporate Officers, determination of three-year targets that govern these awards, in addition to the principles in the case of departure from the Company;
- Principles and number of shares granted to employees without performance conditions;
- Analysis of the compliance with AFEP-MEDEF recommendations.

The Committee also reviewed the compensation of the Leadership Team and the practice of the compensation policy in the Group.

Pierre Vareille, Chairman of the Board of Directors, and Gonzalve Bich, Chief Executive Officer, took part in the Committee work for certain topics.

c) Nominations, Governance and CSR Committee

Composition

- Elizabeth Bastoni – Chairman (Independent Director);
- Marie-Henriette Poinot;
- Candace Matthews (Independent Director).

2 Independent Members out of 3 → 2/3 independent membership.

Main remits

The Nominations, Governance and CSR Committee's role includes:

1. Nominations

- To regularly examine issues concerning the composition of the Board of Directors;
- To propose the criteria for selecting the members of the Board of Directors:

The criteria for selection are based on the desired balance in the composition of the Board of Directors as well as in the skills, availability and ethics of its members. It also makes proposals, where appropriate, to define the "ideal" Board of Directors and to suggest missing skills to improve the Board's functioning;

- To organize a procedure designed for selecting the Directors, the Chairman of the Board of Directors, and/or the Vice-Chairman Lead Director.

The Committee works with the Chairman and/or the Vice-Chairman Lead Director, as appropriate, to execute the search;

- To prepare a succession plan for Executive Corporate Officers, in the event of unforeseeable vacancy; the Chairman of the Board of Directors and/or the Vice-Chairman Lead Director is involved in this task;

The Committee is informed of the succession plan and appointment of Leadership Members.

Pierre Vareille, Chairman of the Board, and Gonzalve Bich, Chief Executive Officer, may, in some cases, be involved in the Committee's work.

2. Governance

- To discuss the qualification as an Independent Director;
- To ensure that the Board of Directors makes a regular assessment of its operating methods and that of the Committees;
- More generally, to deal with any issue regarding a significant risk in terms of human capital for the Group, or regarding governance as submitted by the Board of Directors.

3. Social, societal and environmental responsibility

- To review the report on social, societal and environmental responsibility, the actions taken by the Group and its policy;
- To review the progress made against the strategy and commitments taken.

2018 main activities

The Nominations, Governance and CSR Committee met four times in 2018. The rate of attendance was 100%.

The Committee's activity focused specifically on:

- the separation of the functions of Chairman and Chief Executive Officer;
- the nomination of Pierre Vareille, as Chairman of the Board;
- the nomination of Gonzalve Bich, as Chief Executive Officer;
- the renewal of James DiPietro and Marie-Aimée Bich-Dufour as Executive Vice-Presidents;
- the review of Independent Directors;
- executive Officers' performance and development progress;
- objectives for Chief Executive Officer and Executive Vice-Presidents;
- the succession plans for Chair and CEO;
- the results, areas for improvements and actions taken following the Board and Committees' assessment.

5.3. SUMMARY TABLE OF THE IMPLEMENTATION OF THE AFEP-MEDEF CODE

The Company abides by the AFEP-MEDEF Code, except for the following recommendations:

Recommendation of the AFEP-MEDEF Code

No.	Paragraph	Justification
17.1.	Composition of the Compensation Committee	
	The Committee must mostly consist of Independent Directors.	Following the departure of Candace Matthews from the Compensation Committee in May 2018 to become a member of the Audit Committee, the Committee consists temporarily of half independent members. It will mostly consist of Independent Directors in 2019.
24.6.2	Supplementary pension schemes	
	Supplementary pension schemes must be subject to the condition that the beneficiary must be a Director or employee of the Company when claiming his or her pension rights pursuant to the applicable rules.	James DiPietro, Executive Vice-President of SOCIÉTÉ BIC and CFO of BIC International, a U.S. company, could be entitled to a pension with defined benefit established by BIC Corporation, even while no longer being a Corporate Officer of SOCIÉTÉ BIC and BIC International when exercising his pension rights. This pension scheme is not governed by Article L. 137-11 of the French Social Security Code. All U.S. senior managers who are members of the Group Leadership Team promoted before 2011, benefited and continue to benefit from this pension plan established by BIC Corporation more than 30 years ago. James DiPietro, in the Group for 21 years, has been eligible for this pension for 15 years, therefore well before his appointment as Executive Vice-President. This pension plan has not been modified since this appointment. Gonzalve Bich, Chief Executive Officer of SOCIÉTÉ BIC and President - Chief Operating Officer of BIC International, a U.S. company, could be entitled to a pension with defined benefit established by BIC Corporation, if he does not resign before the age of 52, even though he would no longer be a Corporate Officer of SOCIÉTÉ BIC and BIC International when exercising his pension rights. This pension scheme is not governed by Article L. 137-11 of the French Social Security Code. All U.S. employees hired before 2007 benefited and continue to benefit from this pension plan. Gonzalve Bich, in the Group for almost 16 years, has been eligible to this pension for 15 years, therefore well before his appointment as Chief Executive Officer.
	The supplementary pension scheme may not give right to more than 45% of the reference income (fixed and variable annual compensation due in respect of the reference period).	The pension plans of James DiPietro and Gonzalve Bich are not governed by Article L. 137-11 of the French Social Security Code. The limitation of the maximum right to 45% of the reference income cannot be applied. James DiPietro has already accrued a pension benefit equivalent to 50.00% of the average compensation of the last three years of service. If he does not resign before the age of 52, Gonzalve Bich will have already accrued a pension benefit equivalent to 22,82% of the average compensation of the last three years of service.

5



5.4. EVOLUTION OF THE BOARD OF DIRECTORS FOLLOWING THE SHAREHOLDERS' MEETING OF MAY 22, 2019

Gonzalve Bich and Elizabeth Bastoni, whose mandates are up for renewal, will be proposed for reelection for three years at the Shareholders' Meeting of May 22, 2019. Mario Guevara's mandate will expire.

The Board will also propose the nomination as Directors of:

- Maëlys Castella, as a replacement for Mario Guevara,
- Marie-Aimée Bich-Dufour, as a replacement for Marie-Henriette Poinot, resigning.

Subject to the approval of the Shareholders' Meeting, the Board will be composed as follows:

- Pierre Vareille – Chairman;
- Gonzalve Bich – Director and Chief Executive Officer;

- Elizabeth Bastoni – Director;
- Vincent Bedhome – Director representing the employees;
- Marie-Aimée Bich-Dufour – Director;
- François Bich – Director;
- Maëlys Castella – Director;
- Marie-Pauline Chandon-Moët – Director;
- John Glen – Director;
- Candace Matthews – Director;
- M.B.D. (Édouard Bich) – Director.

The proportion of Independent Directors, as well as female directors, will rise up from 40% to 45%.

Maëlys CASTELLA will provide to the Board her expertise in finance and her experience in strategy, mergers and acquisitions and sustainable development, acquired while working in important international groups such as Air Liquide.

She will join the Board as an independant Director in the light of the independence criteria set out in the AFEP-MEDEF Code (§ 8).

Marie-Aimée BICH-DUFOUR will provide to the Board her legal expertise, her knowledge of the Company, as well as her commitment in Sustainable Development that was under her direction since the start of the program in 2004 until last year.



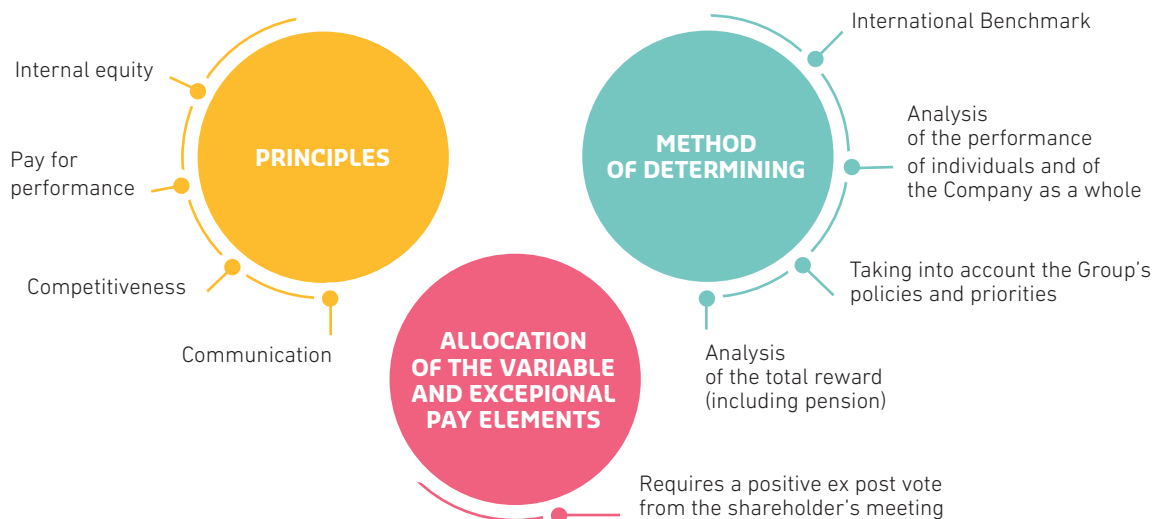
6. COMPENSATION POLICY:

TRANSPARENT AND EXEMPLARY

In addition to the AFEP-MEDEF Code to which the Group refers, the compensation policy for members of the Board of Directors is centered around four principles identical to those applicable for all Group employees: internal equality; the recognition of individual and collective performance (linked to the achievement of key targets that contribute to the business success); competitiveness; and clear communication in relation to compensation policies.

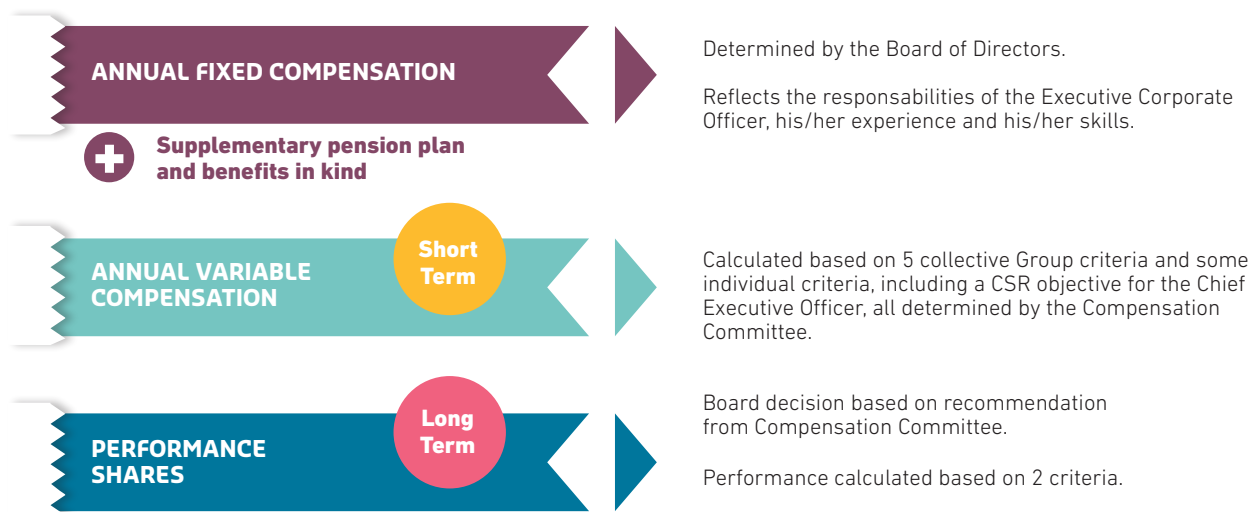
COMPENSATION POLICY

GENERAL PRINCIPLES



COMPENSATION POLICY

PARTICULAR PRINCIPLES GOVERNING COMPENSATION



6.1. COMPENSATION POLICY FOR THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE-PRESIDENTS OF SOCIÉTÉ BIC FOR 2019

6.1.1. GENERAL PRINCIPLES GOVERNING COMPENSATION

In addition to the principles of the AFEP-MEDEF Corporate Governance Code, to which BIC refers, (except those recommendations not applied as stated in section 5.3.), the compensation policy for Corporate Officers of SOCIÉTÉ BIC is based on the same principles applied to all BIC Group employees, namely:

6.1.1.1. Presentation of principles

Internal equity

Internal differentials between Corporate Officers are justifiable; they must reflect the level of responsibilities, experience, performance, potential and market practices.

Pay for performance

Individual and collective performance play an important role in determining compensation at BIC Group. Increases in fixed compensation are set at the individual level. Compensation includes a significant variable amount based on the achievement of individual and/or collective objectives that are critical to the Company's success.

Competitiveness

BIC refers to benchmarks from external compensation markets and designs its compensation systems to be aligned with its business activities, growth objectives and values. Total compensation for performing employees is competitive in relation to these external reference markets.

Communication

Compensation policies are clearly communicated to Corporate Officers, both in terms of their structure and their amounts.

6.1.1.2. Method of determining the pay elements

The Company uses consulting firms specialized in compensation to analyze the composition and level of Corporate Officers' compensation packages with similar responsibilities to those of BIC Corporate Officers in companies based in France and the USA. In line with previous years, the comparison panel includes the following companies:

- in France: Accor Hotels, Alstom, Bureau Veritas, Carrefour, Essilor, L'Oreal, LVMH, Pernod Ricard, Safran, Schneider Electric, Seb, Tarkett, Thales, Unibail-Rodamco, Valeo, Vallourec;
- in the USA: American Greetings, AptarGroup, Brown-Forman, Church & Dwight, Clorox, Diageo North America, Edgewell

Personal Care, Hallmark Cards, Hasbro, Hershey, Kellogg, Kimberly-Clark, Keurig Green Mountain, L'Oreal USA, Mary Kay, Mattel, McCormick, NBTY, NU Skin Enterprises, Snap-on, Solo Cup, Swedish Match, Revlon, SC Johnson & Son, Sealed Air, Tupperware Brands, Unilever USA, Visa Outdoor.

Compensation is set by the Board of Directors upon the recommendation of the Compensation Committee, using the aforementioned principles and with reference to comparable companies and responsibilities. This committee:

- analyzes and compares trends in compensation for comparable individuals and positions in the French marketplace for the Chairman and the Executive Vice-President based in France and in the U.S. marketplace for the Chief Executive Officer and the Executive Vice-President based in the U.S.A.;
- analyzes the financial performance of the Company and individual performance for the individuals under their purview;
- ensures that the Group's policies and priorities are reflected in variable compensation programs, both short and long-term;
- analyses the total compensation including all benefits (and including pension) for the individuals under their purview.

6.1.1.3. Allocation of the variable and exceptional pay elements

Under the provisions of Article L. 225-100 (II paragraph 2) of the French Commercial Code, the payment of the variable annual incentive and of any exceptional items requires a positive ex post vote of the Shareholders' Meeting.

6.1.2. PARTICULAR PRINCIPLES GOVERNING COMPENSATION

In application of the general principles of the compensation set forth in this report, and upon the recommendation of the Compensation Committee, the Board of Directors applies a specific compensation structure for the Chairman, Chief Executive Officer and Executive Vice-Presidents of SOCIÉTÉ BIC, with some or all of the following components:

- fixed compensation;
- variable compensation;
- long-term incentives;
- exceptional items;
- supplementary pension plan;
- benefits in kind.

6.1.2.1. Fixed part

At the beginning of each year or at any new mandate, the Board sets the fixed part of the compensation of the Corporate Officers for the fiscal year.

The fixed part of the compensation for the positions of Chairman, Chief Executive Officer and Executive Vice-President of SOCIÉTÉ BIC reflects the responsibilities of the Corporate Officer, his/her experience and his/her skills.

The fixed part is the base from which the annual variable compensation is determined, when applicable.

6.1.2.2. Annual variable compensation

In compliance with the AFEP-MEDEF Code, the Chairman of SOCIÉTÉ BIC is not eligible to receive variable compensation.

The annual variable compensation for the Chief Executive Officer and the Executive Vice-Presidents of SOCIÉTÉ BIC is expressed as a percentage of the fixed compensation.

Position	Annual variable part as a percentage of the fixed part, if objectives are 100% achieved	Maximum annual variable part, as a percentage of the fixed part
Chief Executive Officer	125.0%	187.5%
Executive Vice-President and Chief Financial Officer	75.0%	112.5%
Other Executive Vice-President	45.0% -55.0%	67.5% -82.5%

The annual bonus is calculated based on six criteria:

- 20%: Group/Categories and/or geographical area Net Sales;
- 20%: Group/Categories and/or geographical area Income from Operations;
- 10%: Group Net Income;
- 10%: Group/Categories Inventory;
- 10%: Group/geographical area Accounts Receivable;
- 30%: Individual Objectives, including a CSR objective for the Chief Executive Officer.

The annual financial objectives are based on the annual budget approved by the Audit Committee and the Board of Directors. As a minimum, they are equivalent to the targets communicated externally.

Every year, the CSR objective will represent a part of the individual objective criteria of the Chief Executive Officer.

At the end of the fiscal year, the individual, CSR and collective results are evaluated against the bonus criteria.

No compensation is paid if the percentage of achievement of the objective is inferior to 80%.

6.1.2.3. Performance Share Plan

SOCIÉTÉ BIC has been granting performance shares since 2005.

Since 2005, exercising the power placed at its disposal by the Shareholders' Meeting, the Board of Directors decided, upon the recommendation of the Compensation Committee, to put in place a policy of three-year performance-based share grants.

The number of granted shares varies based on the level of responsibilities of each position. At most, each executive may be allocated a number of shares as shown in the table below:

Position	Maximum number of Performance Shares
Chairman	-
Chief Executive Officer	30,000
Executive Vice-President and Chief Financial Officer	12,000
Other Executive Vice-President	10,000

The total number of shares granted to the Corporate Officers will not exceed 0.4% of the share capital as of the date of the decision made by the Board of Directors to grant the shares.

Performance is assessed according to the achievement of two objectives:

- net sales growth at constant currency basis;

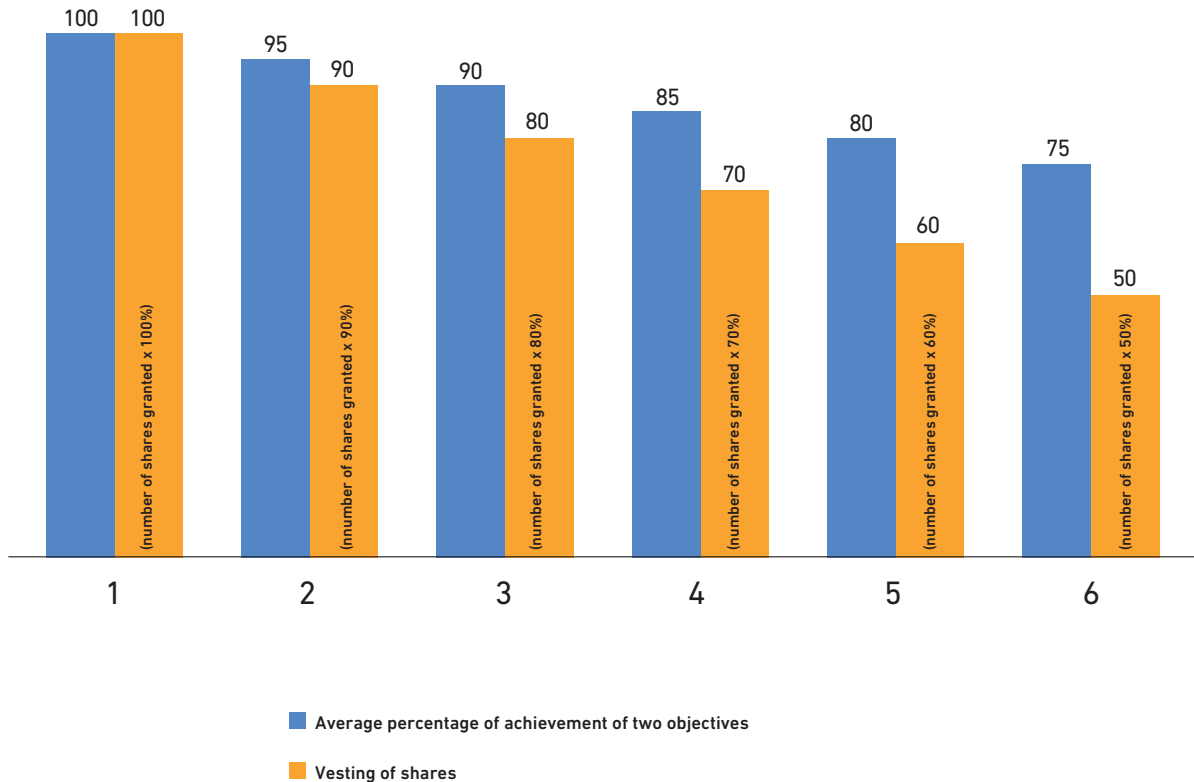
- net cash flow from operations and change in inventory, as a percentage of net sales.

The grant is the total number of shares a recipient could earn, should the performance targets be met. If the average percentage for the achievement of the two performance conditions is between 75% and 100%, and for each percent below 100%, the number of shares actually given to each beneficiary on the vesting date will be reduced by 2% compared to the initial grant.



TERMS AND CONDITIONS FOR THE GRANT OF PERFORMANCE SHARES

(for 100 shares)



If the average percentage for the achievement of each of the two objectives is less than 75%, no shares will be given.

BIC Corporate Officers are required to keep 20% of free shares given, until their mandate expires. The 20% requirement is reduced to 10% when the Chief Executive Officer owns five years of base compensation in BIC shares and when the Executive Vice-Presidents own three years of base compensation in BIC shares.

SOCIÉTÉ BIC has not granted stock options since 2011 as part of a policy recommended by the Compensation Committee. The Board of Directors decided to replace stock options with performance and time-based share grants.

6.1.2.4. Supplementary pension plans

The Chairman, who is already retiree from other companies, is not eligible for participation to supplementary pension plans.

The Chief Executive Officer and the Executive Vice-Presidents of SOCIÉTÉ BIC benefit from supplementary pension plans as

presented in detail in section 4.2.2.8. of the 2018 Registration Document.

6.1.2.5. Benefits in kind

In the course of their regular duties, the Chief Executive Officer and Executive Vice-Presidents may benefit from a company car (for Executive Corporate Officers based in France) or a car allowance (for Executive Corporate Officers based in the United States).

6.1.2.6. Termination Payment and Sign-on Bonus

No Corporate Officer has received a Termination Payment or Sign-on Bonus.

However, the Board reserves the right to make provision for Sign-on payments, in consideration of the personal situation of the person concerned when externally recruited (change in status, termination of an employment contract).

6.2. COMPENSATION AND BENEFITS

6.2.1. RULES GOVERNING THE GRANTING OF THE ANNUAL VARIABLE COMPENSATION (BONUS) FOR 2018

The Board of Directors set the annual fixed compensation of executives in respect of 2018 and the target annual variable part of their compensation for 2018:

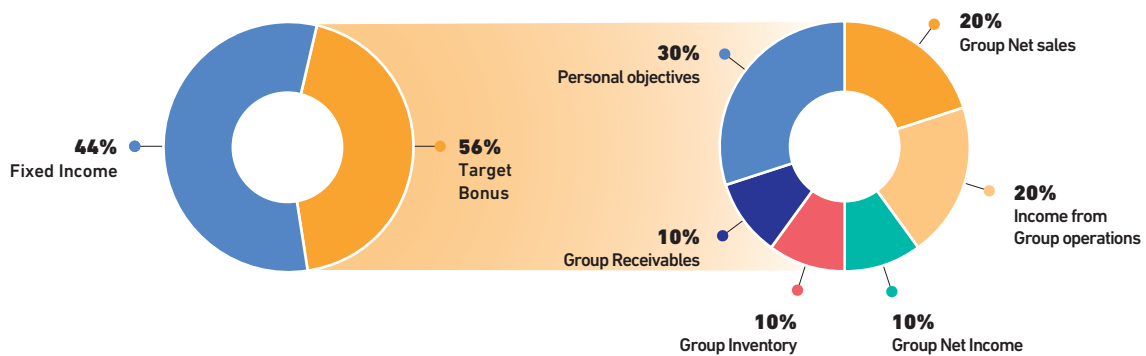
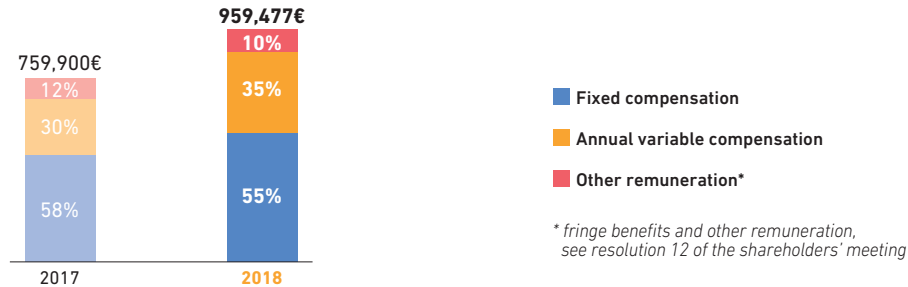
Corporate Officer	Annual fixed compensation in 2018 (in U.S. dollars)*	Target annual variable compensation in 2018 (corresponds to 100% achievement of the objectives)
Bruno Bich Chairman and Chief Executive Officer until May 16, 2018	204,000 euros (until May 16, 2018, date of his departure), i.e. 76,500 euros for 2018	N/A
Pierre Vareille Vice-President and Lead Director then Chairman from May 16, 2018	300,000 euros (from May 16, 2018, effective nomination as Chairman), i.e. 187,500 euros for 2018	N/A
Gonzalve Bich Executive Vice-President then Chief Executive Officer from May 16, 2018	Total paid on 2018: 628,125 U.S. dollars (531,859 euros) <i>Annual fixed compensation of 550,000 U.S. dollars until May 16, 2018 (465,707 euros)</i> <i>Annual fixed compensation of 675,000 U.S. dollars from May 16, 2018 (571,550 euros)</i>	85% of the fixed part until May 2018 125% of the fixed part from June 2018
James DiPietro Executive Vice-President	563,000 U.S. dollars (476,715 euros)	75% of the fixed part
Marie-Aimée Bich-Dufour Executive Vice-President	200,000 euros	45% of the fixed part

* Amounts in U.S. dollars were converted into euros using the average exchange rate for 2018 (1 EUR = 1.1810 USD), see Note 3 in the consolidated financial statements.

- a) Bruno Bich does not receive variable compensation for 2018.
- b) Pierre Vareille received Director fees, as Vice-President and Lead Director. A fixed compensation of 187,500 euros was granted for 2018 to Pierre Vareille as Chairman.
- c) The bonus paid to the Chief Executive Officer, Gonzalve Bich, and to the Executive Vice-Presidents, James DiPietro and Marie-Aimée Bich-Dufour, was calculated on the basis of five collective criteria and individual objectives proposed by the Compensation Committee.



AMOUNT AND STRUCTURE OF THE COMPENSATION OF GONZALVE BICH IN 2018 (SHORT TERM)



BONUS – GONZALVE BICH

Calculation is pro-rated according to successive compensation packages

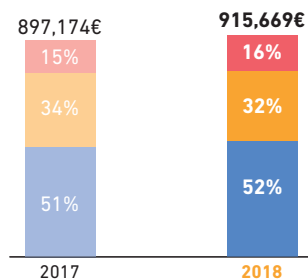
Criteria	Weight of criteria	2018 Bonus as a % of fixed compensation			Index of achievement of 2018 objectives	Actual 2018 bonus paid, as a % of the fixed compensation
		Minimum	Target (index 100)	Maximum		
Group Net Sales	20%	8.70%	21.70%	32.55%	98.8	21.05%
Group Income from Operations	20%	8.70%	21.70%	32.55%	107.7	23.00%
Group Net Income	10%	4.30%	10.80%	16.20%	95.4	9.40%
Group Inventory	10%	4.30%	10.80%	16.20%	99.8	10.80%
Group Receivables	10%	4.30%	10.80%	16.20%	99.7	10.80%
Personal Objectives:	30%	9.75%	32.50%	48.75%	100.0	32.50%
<ul style="list-style-type: none"> Vision/Strategy Communication Onboarding 						
TOTAL	100%	40.05%	108.30%	162.45%		107.55%

At the end of 2018, individual and collective achievements for each bonus plan criteria were assessed.

The individual part represents 30% of the target bonus and represents a maximum of 48.75% of the fixed compensation. For 2018, the individual part represents 30% of the bonus due.

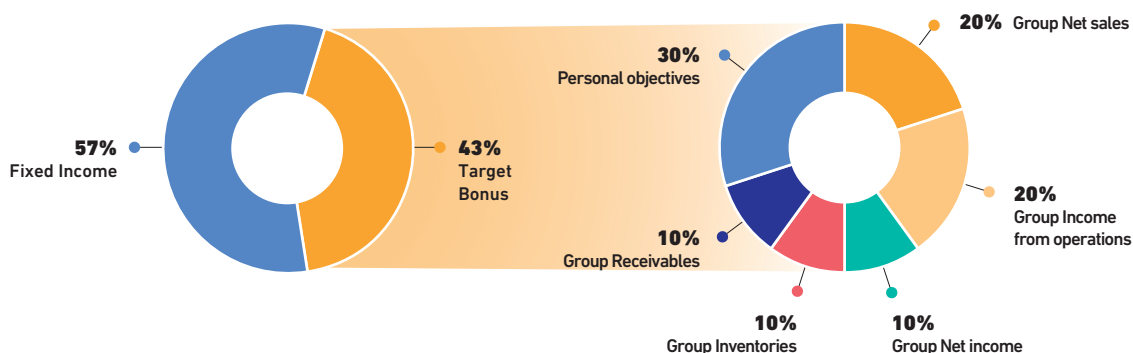
The Board of Directors has decided to pay Gonzalve Bich a bonus amounting to 725,963 U.S. dollars representing 107.55% of fixed compensation and 99.3% of the target bonus.

AMOUNT AND STRUCTURE OF THE COMPENSATION OF JAMES DIPIETRO IN 2018 (SHORT TERM)



■ Fixed compensation
 ■ Annual variable compensation
 ■ Other remuneration*

* fringe benefits and other remuneration, see resolution 13 of the shareholders' meeting



BONUS – JAMES DIPIETRO

Criteria	Weight of criteria	2019 Bonus as a % of fixed compensation			Index of achievement of 2018 objectives	Actual 2018 bonus paid as a % of base compensation
		Minimum	Target (index 100)	Maximum		
Group Net sales	20%	6.00%	15.00%	22.50%	98.8	14.55%
Group Income from Operations	20%	6.00%	15.00%	22.50%	107.7	15.90%
Group Net Income	10%	3.00%	7.50%	11.25%	95.4	6.53%
Group Inventory	10%	3.00%	7.50%	11.25%	99.8	7.50%
Group Receivables	10%	3.00%	7.50%	11.25%	99.7	7.50%
Personal Objectives	30%	9.00%	22.50%	33.75%	100.0	22.50%
<ul style="list-style-type: none"> • Succession Plan • Improve financial analytical and ROI culture • Project management • Finance functional review 						
TOTAL	100%	30.00%	75.00%	112.50%		74.48%

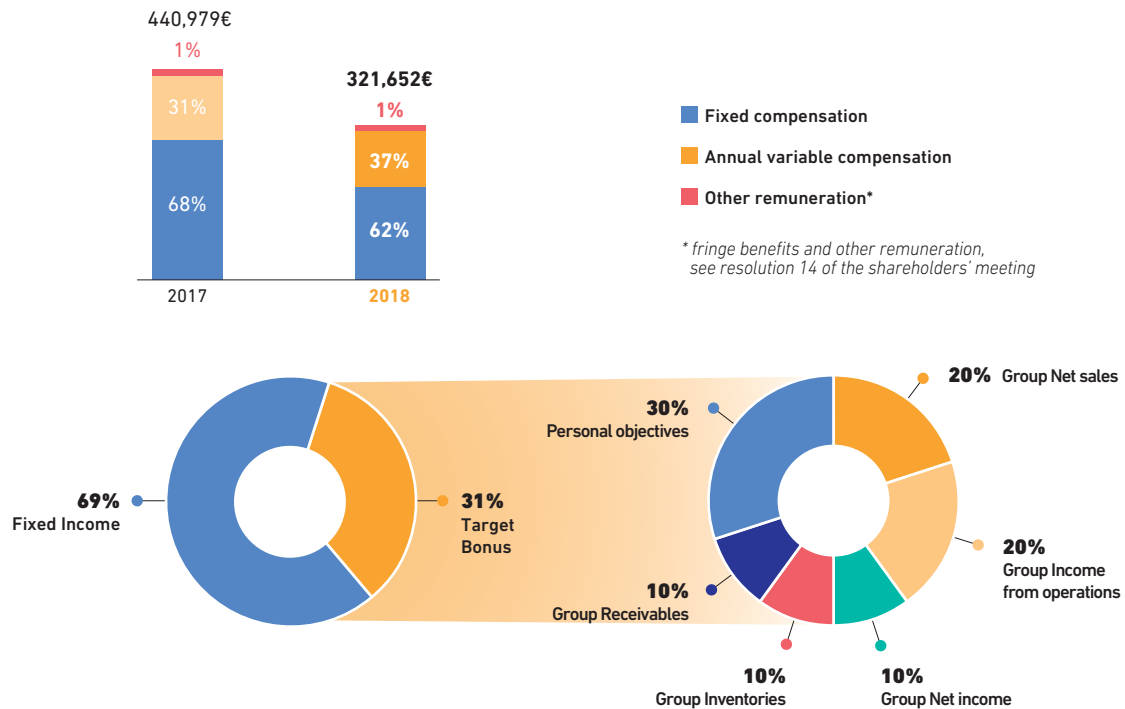
At the end of the year 2018, individual and collective achievements on each criteria were assessed.

The individual part represents 30% of the target bonus and represents a maximum of 33.75% of fixed compensation. For 2018, the individual part represents 30% of the bonus due.

The Board has decided to pay James DiPietro a bonus amounting to 419,322 U.S. dollars representing 74.48% of fixed compensation and 99.3% of the target bonus.



AMOUNT AND STRUCTURE OF THE COMPENSATION OF MARIE-AIMÉE BICH-DUFOUR IN 2018 (SHORT TERM)



BONUS – MARIE-AIMÉE BICH-DUFOUR

Criteria	Weight of criteria	2018 Bonus as a % of base salary			Index of achievement of 2018 objectives	Actual 2018 bonus paid, as a % of base salary
		Minimum	Target (index 100)	Maximum		
Group Net sales	20%	3.60%	9.00%	13.50%	98.8	9.73%
Group Income from operations	20%	3.60%	9.00%	13.50%	107.7	9.54%
Group Net income	10%	1.80%	4.50%	6.75%	95.4	3.92%
Group Inventory	10%	1.80%	4.50%	6.75%	99.8	4.50%
Group Receivables	10%	1.80%	4.50%	6.75%	99.7	4.50%
Personal objectives and overall assessment	30%	5.40%	13.50%	20.25%	100.0	13.50%
<ul style="list-style-type: none"> • Succession Plan • Transfer knowledge • BIC Projects for education 						
TOTAL	100%	18.00%	45.00%	67.50%		44.69%

The individual part represents 30% of the target bonus and represents a maximum of 20.25% of the fixed compensation. For 2018, the individual part represents 30% of the bonus due.

The Board of Directors has decided to pay Marie-Aimée Bich-Dufour a bonus in respect of 2018 representing 99.3% of the target bonus and amounting to 89,380 euros, representing 44.69% of fixed compensation.

6.2.2. TOTAL COMPENSATION

The total amount of fixed and variable compensation awarded to the five Corporate Officers for the fiscal year 2018 is equal to 1,472,083 euros in respect of fixed compensation (base) and 1,004,723 euros in respect of variable compensation (bonus). For the fiscal year 2017, those amounts paid to the four Corporate Officers are equal to 1,403,621 euros in respect of fixed compensation (base) and 776,483 euros in respect of variable compensation (bonus).

The total amount of compensation awarded to the members of the Leadership Team (including the Chief Executive Officer and the two Executive Vice-Presidents) for the fiscal year 2018, is equal to 4,433,141 euros in respect of fixed compensation (base) and 2,366,239 euros in respect of variable compensation (bonus). For the fiscal year 2017, the team was made up of 16 members and those amounts were 4,578,385 euros in respect of fixed compensation (base) and 2,279,980 euros as variable compensation (bonus).

6.2.3. REVISION OF FIXED COMPENSATION FOR 2019

The Board set the annual fixed compensation in respect of 2019:

- 300,000 euros for Pierre Vareille, Chairman of the Board (unchanged vs. 2018);

- 735,000 U.S. dollars (622,354 euros⁽¹⁾ +8.9% vs. his compensation since May 16, 2018) for Gonzalve Bich, Chief Executive Officer; The Compensation Committee recommended this increase based on the CEO's performance and experience in role in addition to the market data.
- 572,850 U.S. dollars (485,055 euros⁽¹⁾ +1.7% vs. 2018) for James DiPietro, Chief Finance Officer and Executive Vice-President;
- 200,000 euros (unchanged vs. 2018) until March 2019, for Marie-Aimée Bich-Dufour, Executive Vice-President and President of BIC Foundation.

6.2.4. PERFORMANCE-BASED SHARE ALLOCATIONS

From 2005, exercising the power placed at its disposal by the Shareholders' Meeting, the Board of Directors decided, upon the recommendation of the Compensation Committee, to put in place a policy of three-year performance-based share grants. The Corporate Officers mentioned in the table below benefit from this policy.

Performance is assessed according to the achievement of two objectives:

- net sales growth;
- net cash flow from operations and change in inventory, as a percentage of net sales.

RESULTS OF THE PLANS: INDEX OF ACHIEVEMENT OF PERFORMANCE CONDITIONS, PER CRITERIA AND PER PLAN

	Plan 1 (2005- 6-7)	Plan 2 (2006- 7-8)	Plan 3 (2007- 8-9)	Plan 4 (2008- 9-10)	Plan 5 (2009- 10-11)	Plan 6 (2010- 11-12)	Plan 7 (2011- 12-13)	Plan 8 (2012- 13-14)	Plan 9 (2013- 14-15)	Plan 10 (2014- 15-16)	Plan 11 (2015- 16-17)	Plan 12 (2016- 17-18)	Average of the plans
Net sales growth	84.8	66.4	95.2	147.1	119.1	89.2	76.8	88.1	108.1	96.7	71.9	48.6	82.55
Cash Flow	85.5	88.2	98.6	99.7	110.1	103.1	98.9	105.8	98.9	98.6	100.6	102.2	53.21
Combined performance criteria (maximum 100)	85	77	97	100	100	96	88	97	100	98	86	75	91.58
Final acquisition as a percentage of the initial grant	70%	54%	94%	100%	100%	92%	76%	94%	100%	96%	72%	50%	83%

(1) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2018 (1 EUR = 1.1810 USD) and for 2017 (1 EUR = 1.1300 USD).



If the average percentage for the achievement of the two Performance Conditions is between 100% and 75%, and for each percent below 100%, the number of shares actually acquired by each beneficiary on the vesting date will be reduced by 2% compared to the initial grant.

If the average percentage for the achievement of the two objectives is less than 75%, no share will be given. These principles are illustrated in the graph presented in section 4.2.1.2.3. of the 2018 Registration Document.

BIC Corporate Officers are required keep 20% of free shares acquired, until their mandate expires. The 20% requirement is reduced to 10% when the Chief Executive Officer owns five years of

base compensation in BIC shares and when the Executive Vice-Presidents own three years of base compensation in BIC shares.

To the best of the Company's knowledge, no hedging instruments have been put in place by the Corporate Officers mentioned in table G below. Moreover, these Corporate Officers have made a formal commitment not to use hedging instruments.

The impact of previous years' share grants on dilution is non-existent because granted shares are existing shares.

The total number of shares granted is reported in Note 22 to the consolidated financial statements.

TABLE G – PERFORMANCE SHARES AWARDED DURING FISCAL YEAR 2018 TO EACH CORPORATE OFFICER

(Table 6 following the format of French Financial Markets Authority Position-Recommendation No. 2009-16)

Performance shares awarded during the fiscal year to each Corporate Officer by the issuer and by any company of the Group (Nominative list)	Number and date of the plan	Number of shares awarded during the fiscal year	Valuation of the shares according to the method used for the consolidated fiscal statements (in euros)	Acquisition date	Availability date	Performance conditions
						1) Net sales growth 2) Cash flow from operations and change in inventory as a percentage of net sales
Gonzalve Bich	14 (May 16, 2018)	15,000	1,151,700	May 16, 2021	May 16, 2021	
James DiPietro	14 (May 16, 2018)	8,000	614,240	May 16, 2021	May 16, 2021	as above
Marie-Aimée Bich-Dufour	14 (May 16, 2018)	3,250	249,535	May 16, 2021	May 16, 2021	as above

7. FINANCIAL STATEMENTS

7.1. CONSOLIDATED INCOME STATEMENT

<i>(in thousand euros)</i>	Notes	December 31, 2017*	December 31, 2018
Net sales	2-2	2,041,408	1,949,764
Cost of goods	4	(971,889)	(935,513)
Gross profit ^(a)		1,069,518	1,014,251
Distribution costs	4	(291,599)	(286,384)
Administrative expenses	4	(211,474)	(210,458)
Other operating expenses	4	(170,612)	(167,592)
Other income	5	9,793	11,674
Other expenses	5	(30,773)	(102,724)
Income from operations		374,854	258,768
Income from cash and cash equivalents	6	9,419	6,186
Net finance income/(Net finance costs)	6	12,418	(3,367)
Income before tax		396,692	261,587
Income tax expense	7	(102,574)	(88,237)
Net income from consolidated entities		294,117	173,350
Net income from continuing operations	8	294,117	173,350
Net income from discontinued operations		(6,776)	-
Consolidated income of which:		287,341	173,350
Non-controlling interests		-	-
Net income Group share	8	287,341	173,350
Earnings per share Group share <i>(in euros)</i>		6.18	3.80
<i>Continuing operations</i>	8	6.33	3.80
<i>Discontinued operations</i>		(0.15)	-
Diluted earnings per share Group share <i>(in euros)</i> ^(b)		6.13	3.78
<i>Continuing operations</i>	8	6.29	3.78
<i>Discontinued operations</i>		(0.16)	-
Average number of shares outstanding net of treasury shares over the period	8	46,475,249	45,598,109

* Restated for IFRS 15 – Revenue from Contracts with Customers.

(a) Gross profit is the margin that the Group realizes after deducting its manufacturing costs.

(b) The dilutive elements taken into account are stock options.



7.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in thousand euros)</i>	Notes	December 31, 2017*	December 31, 2018
GROUP NET INCOME*	A	287,341	173,350
OTHER COMPREHENSIVE INCOME			
Actuarial differences on post-employment benefits not recyclable to the income statement ^(a)		14,389	5,823
Deferred tax on actuarial differences on post-employment benefits	7-2	(30,691)	(1,384)
Total actuarial differences not recyclable to the income statement – Net of tax	B	(16,302)	4,439
Gain/(Loss) on cash flow hedge		33,252	(23,344)
Exchange differences arising on translation of overseas operations* ^(b)		(147,879)	(33,244)
Equity instruments at fair value		5	(3)
Deferred tax and current tax recognized on other comprehensive income	7-2	(120)	9,575
Other comprehensive income recyclable to the income statement – Net of tax	C	(114,742)	(47,017)
TOTAL COMPREHENSIVE INCOME	D=A+B+C	156,298	130,772
Attributable to:			
• BIC Group		156,298	130,772
• Non-controlling interests		-	-
TOTAL		156,298	130,772

* Restated for IFRS 15 – Revenue from Contracts with Customers.

(a) The impact of actuarial differences is mainly due to U.S. plans.

(b) The main items impacting the translation reserve variance for the period, by currency, are as follows: Brazilian real -22.7 million euros, U.S. dollar +16.9 million euros, Indian rupee -8.8 million euros, Argentinian peso -6.6 million euros and Mexican peso +5.4 million euros.

7.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in thousand euros)	Notes	December 31, 2017*	January 1, 2018**	December 31, 2018
Goodwill	10	276,851	278,961	210,158
Property, plant and equipment	9	631,083	684,589	699,755
Intangible assets	11	73,780	73,947	76,413
Investment properties		1,788	1,788	1,742
Other non-current assets	12	44,840	44,840	27,921
Deferred tax assets	13	140,637	140,152	141,968
Derivative instruments	23-4, 23-5	38	38	44
Non-current assets		1,169,017	1,224,315	1,158,001
Inventories	14	428,977	430,395	449,152
Income tax advance payments		32,254	32,254	34,755
Trade and other receivables	14, 21-5	477,080	473,499	534,683
Other current assets		12,763	12,763	14,703
Derivative instruments	23-4, 23-5	23,620	23,620	5,289
Other current financial assets	21-6, CF (h)	21,395	21,395	12,855
Cash and cash equivalents	21-4, CF	188,626	188,626	157,533
Current assets		1,184,715	1,182,552	1,208,970
TOTAL ASSETS		2,353,732	2,406,867	2,366,971

* Restated for IFRS 15 – Revenue from contracts with customers.

** Opening balance sheet – First application IFRS 9 – Financial assets depreciation, IFRS 16 – Leases and application of IAS29 “Financial Reporting in Hyperinflationary Economies” for Argentina. The Group does not present an opening balance sheet as of January 1, 2017 as the IFRS 15 impact on the balance sheet is not significant (see Note 1).

CF: see consolidated cash flow statement.

EQUITY AND LIABILITIES

(in thousand euros)	Notes	December 31, 2017*	January 1, 2018**	December 31, 2018
Share capital	15-1	175,141	175,141	173,269
Accumulated profits		1,527,029	1,526,685	1,464,857
Shareholders' equity Group share		1,702,170	1,701,826	1,638,126
Non-controlling interests		-	-	-
Shareholders' equity	SHEQ	1,702,170	1,701,826	1,638,126
Non-current borrowings	16, 21-6	215	52,164	32,031
Other non-current liabilities		1,112	1,112	994
Employee benefits obligation	18	174,139	174,139	163,823
Provisions	17	42,171	42,171	43,507
Deferred tax liabilities	13	48,176	48,176	41,735
Derivative instruments	23-4, 23-5	104	104	37
Non-current liabilities		265,917	317,866	282,127
Trade and other payables	14	125,539	125,539	137,729
Current borrowings	16	4,866	6,396	22,580
Current tax due		10,774	10,774	15,869
Other current liabilities	19	242,245	242,245	259,107
Derivative instruments	23-4, 23-5	2,220	2,220	11,433
Current liabilities		385,645	387,175	446,718
TOTAL EQUITY AND LIABILITIES		2,353,732	2,406,867	2,366,971

* Restated for IFRS 15 – Revenue from contracts with customers.

** Opening balance sheet – First application IFRS 9 “Financial assets depreciation”, IFRS 16 – Leases and application of IAS29 “Financial Reporting in Hyperinflationary Economies” for Argentina.

SHEQ: See consolidated statement of changes in equity.



7.4. INCOME STATEMENT

<i>(In thousand euros)</i>	Notes	Dec. 31, 2017	Dec. 31, 2018
Net sales	11	715,515	691,135
Reversal of depreciation, amortization and provisions, transfer of charges		7,313	(3,147)
Other income	12	100,511	105,206
Total operating income		823,339	793,194
Purchases of goods and changes in inventories		(426,835)	(438,231)
Purchases of raw materials, other supplies and changes in inventories		(25,680)	(29,481)
Other external purchases and charges		(187,752)	(198,111)
Taxes, levies and similar payments		(4,738)	(3,188)
Payroll costs	13	(2,866)	(2,054)
Depreciation, amortization and provisions		(9,979)	(16,673)
Other expenses		(5,530)	(4,505)
Total operating expenses		(663,380)	(692,243)
NET OPERATING INCOME		159,959	100,951
NET FINANCIAL INCOME	14	628,887	82,853
NON-RECURRING INCOME AND EXPENSES	15	14,330	(3,617)
Income tax expense	16 to 18	(55,051)	(30,347)
NET INCOME		748,125	149,840

7.5. BALANCE SHEET

ASSETS

<i>(in thousand euros)</i>	Notes	Dec. 31, 2017	Dec. 31, 2018		
			Net	Deprec., amort. and provisions	Net
			Gross		
Research and development expenses		-	1,745	(1,745)	-
Patents and similar rights		22,790	50,391	(29,253)	21,138
Intangible assets	3, 4	22,790	52,136	(30,998)	21,138
Land		1,345	1,345	-	1,345
Buildings		2,105	16,356	(14,593)	1,763
Industrial fixtures and equipment		1,766	13,656	(11,897)	1,759
Other property, plant and equipment		3,482	6,519	(3,025)	3,494
Fixed assets under construction		533	700	(51)	649
Property, plant and equipment	3, 4	9,231	38,576	(29,566)	9,010
Equity Investments	23	1,236,512	1,300,218	(125,779)	1,174,439
Other long-term investments	3	66,852	58,444	-	58,444
Long-term investments		1,303,364	1,358,662	(125,779)	1,232,883
Non-current assets		1,335,385	1,449,374	(186,343)	1,263,031
Raw materials and supplies		1,424	1,359	-	1,359
Work-in-process goods		-	273	(273)	-
Goods		36,485	43,544	(1,629)	41,915
Inventories		37,909	45,176	(1,902)	43,274
Advances and prepayments		2,503	4,019	-	4,019
Trade receivables and related accounts	5, 6	128,841	162,385	(15,615)	146,770
Other receivables	5, 6	216,149	264,342	(10,027)	254,315
Short-term financial investments	7	4,409	4,409	-	4,409
Cash and cash equivalents		38,847	8,104	-	8,104
Prepaid expenses	5	576	1,184	-	1,184
Unrealized losses from foreign exchange	8	530	1,253	-	1,253
Current assets		429,764	490,872	(27,544)	463,328
TOTAL ASSETS		1,765,149	1,940,246	(213,887)	1,726,359



LIABILITIES & SHAREHOLDERS' EQUITY

<i>(in thousand euros)</i>	Notes	Dec.31, 2017	Dec.31, 2018
Share capital		178,126	175,761
Share issue premiums, merger contributions		140,069	144,165
Legal reserve		22,410	22,410
General reserve		180,447	180,500
Retained earnings		114,781	653,692
Net income for the year		748,125	149,840
Shareholders' equity	9	1,383,958	1,326,368
Provisions for contingencies and losses	10	33,273	39,464
Provisions for contingencies and losses		33,273	39,464
Bank borrowings (Bank overdraft)	5	774	7,255
Other borrowings	5	233,213	229,113
Financial liabilities		233,987	236,368
Trade payables and related accounts	5, 6	100,330	108,472
Tax and employee-related liabilities	5	8,111	7,451
Other liabilities	5	4,415	7,729
Deferred income	5	1	-
Operating liabilities		112,857	123,652
Unrealized gains from foreign exchange		1,074	507
Liabilities		347,918	360,527
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		1,765,149	1,726,359

7.6. ADDITIONAL INFORMATION ON THE PARENT COMPANY FINANCIAL STATEMENTS

SOCIÉTÉ BIC FIVE-YEAR FINANCIAL SUMMARY

<i>(in euros)</i>	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2018
1 – Shareholders' equity at year-end					
Share capital	183,213,854	183,139,039	181,649,411	178,126,244	175,761,665
Number of shares outstanding	47,961,742	47,942,157	47,552,202	46,629,907	46,010,907
Number of bonds convertible into shares	-	-	-	-	-
2 – Net results					
Net sales	611,424,057	661,573,108	675,728,517	715,515,323	691,135,323
Net profit before tax, deprec., amort. and provisions	249,664,309	280,814,295	154,721,960	782,139,238	276,813,012
Income tax	53,444,920	55,985,737	49,849,725	55,051,438	30,347,029
Net profit after tax, deprec., amort. and provisions	195,350,462	210,665,506	118,634,879	748,125,345	149,839,552
Dividend distribution*	134,247,645	278,271,488	161,060,428	158,177,021	156,486,804
3 – Income form operations, per share data					
Net profit after tax, but before deprec., amort. and provisions	4.09	4.69	2.21	15.59	5.36
Net profit after tax, deprec., amort. and provisions	4.07	4.39	2.49	16.04	3.26
Dividend per share	2.85	5.90	3.45	3.45	3.45
4 – Payroll					
Non-salaried staff	3	3	2	2	1
Total payroll	1,440,406	1,502,331	811,476	636,303	398,151
Social welfare benefits (social security, social work)	794,168	983,317	3,628,184	2,229,864	1,712

* Applicable to the issued number of shares (treasury shares deducted) as of December 31. The final amount depends on the number of shares entitled to dividends on the day of payment

8. AUTHORIZATIONS TO INCREASE THE CAPITAL AT THE CLOSING OF THE 2018 FISCAL YEAR

As of December 31, 2018, the outstanding capital of SOCIÉTÉ BIC amounts to 175,761,664.74 euros divided into 46,010,907 shares with a par value of 3.82 euros each. Issued shares are fully paid-up.

SHARE CAPITAL EVOLUTION OVER THE LAST THREE YEARS

Date	Type of operation	Amount of capital change (in euros)	Impact on share premium/ retained earnings (in euros)	Total share capital (in euros)	Shares outstanding at conclusion of the operation
2018 (Dec. 5 BM)	Cancellation of treasury shares as authorized by AGM of May 16, 2018	(2,625,852.72)	(51,399,039.23)	175,675,638.34	45,988,387
2018 (Dec. 5 BM)	Issue of shares following exercise of share subscription options, in accordance with stock option plans	228,898.22	3,378,885.27	178,143,576.08	46,675,783
2017 (Dec. 13 BM)	Cancellation of treasury shares as authorized by AGM of May 10, 2017	(3,804,162.28)	(93,333,700.56)	177,914,677.86	46,615,862
2017 (Dec. 13 BM)	Issue of shares following exercise of share subscription options, in accordance with stock option plans	334,570.88	4,095,176.58	181,718,840.14	47,611,716
2016 (Dec. 10 BM)	Cancellation of treasury shares as authorized by AGM of May 18, 2016	(1,724,114.98)	(54,063,361.01)	181,384,269.26	47,524,132
2016 (Dec. 10 BM)	Issue of shares following exercise of share subscription options, in accordance with stock option plans	157,914.98	1,913,145.41	181,542,184.24	47,975,471

BM: Board Meeting.

AGM: Annual General Meeting.

AUTHORIZATIONS TO INCREASE THE CAPITAL AT THE CLOSING OF THE 2018 FISCAL YEAR

SOCIÉTÉ BIC has, as at December 31, 2018, the following authorizations which were granted by the Annual General Meeting and which was not used during the past fiscal year:

I. Authorization to increase the capital with Shareholders' pre-emptive subscription rights ^(a)

Maximum amount <i>(in million euros)</i>	Shares: 50 Complex capital securities: 650
Date	May 16, 2018 (resolutions 17 and 18)
Term	26 months
Expiration date	July 15, 2020
Use in 2018	No
Issuance price	The issuance price of new ordinary shares and/or complex capital securities (and the shares to which the latter shall give right), is set by the Board of Directors, with or without premium, in compliance with the law and regulations in force.

(a) Articles L. 225-129, L. 228-91 and L. 228-92 of the French Commercial Code.

II. Authorization to increase the capital by capitalization of reserves, profits, premiums or other ^(b)

Maximum amount	Total maximum amount of reserves, profits and/or premiums or other sums that may be capitalized into the share capital and which will exist at the moment of the decision to increase the share capital, net of the amount that may be necessary to preserve, in compliance with the law, the rights of bearers of already issued securities giving right to the shares of the Company.
Date	May 16, 2018 (resolution 19)
Term	26 months
Expiration date	July 15, 2020
Use in 2018	No

(b) Articles L. 225-129 and L. 225-130 of the French Commercial Code.

III. Authorizations to increase the capital in favor of employees and corporate officers

	Issue of shares reserved for members of an employee savings plan ^(c)	Grantings of free shares to be issued ^(d)	Share options ^(e)
Maximum amount	3% of the share capital	4% of the share capital over 38 months (with a maximum of 0.4% for the Corporate Officers) and 6% of the share capital (taking into account the stock options)	2% of the share capital over 38 months (with a maximum of 0.8% for the Corporate Officers) and 6% of the share capital (taking into account the free grant of shares)
Date	May 16, 2018 (resolution 20)	May 16, 2018 (resolution 22)	May 16, 2018 (resolution 23)
Term	26 months	38 months	38 months
Expiration date	July 15, 2020	July 15, 2021	July 15, 2021
Use in 2018	No	No	No
Issuance price	Determined by the Board of Directors pursuant to Article L. 3332-19 of the French Labor Code		Cannot be lower than the average share price on the Paris Stock Exchange, on the market with monthly payment, during the twenty sessions of the Paris Stock Exchange before the day the options are granted

(c) Articles L. 225-138 and L. 225-138-1 of the French Commercial Code and L. 3332-1 et seq. of the French Labor Code.

(d) Articles L. 225-197-1 et seq. of the French Commercial Code.

(e) Articles L. 225-177 et seq. of the French Commercial Code.

The text of these delegations is available on the website www.bicworld.com/en/investors/shareholders/AGM.



9. BOARD OF DIRECTORS' REPORT AND DRAFT RESOLUTIONS OF THE SHAREHOLDERS' MEETING OF MAY 22, 2019

9.1. ORDINARY SHAREHOLDER'S MEETING

DRAFT RESOLUTIONS 1 TO 3

Approval of the financial statements – Appropriation of earnings and setting of dividend

Board of Directors' Report:

By voting on the first and second resolutions, we ask you to approve the statutory and consolidated financial statements of the fiscal year ending December 31, 2018.

The third resolution aims at allocating the 2018 net income and set the dividend.

We propose the distribution of a total dividend of 156,486,804.30 euros corresponding to a dividend per share of 3.45 euros. The dividend will be paid as from June 5, 2019. If the number of shares carrying rights to the dividend is not 45,358,494, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be determined on the basis of the amount of the dividends actually paid.

The gross amount of the dividend is subject to social charges amounting to 17.2%, plus a lump-sum levy at a single rate of 12.8% for the income tax of natural persons resident of France (art. 117 quater and 200-A of the French Tax Code). In the event of a taxpayer's overall option for the progressive income tax scale, this dividend will be eligible for the 40% tax allowance (art. 158-3 and 243 bis of the French Tax Code).

We remind you the amount of the dividends paid during the last three years (income eligible for the tax allowance provided for in Article 158-3 of the French Tax Code):

- 5.90 euros in respect of fiscal year 2015 (3.40 euros +2.50 euros of exceptional dividend);
- 3.45 euros in respect of fiscal year 2016;
- 3.45 euros in respect of fiscal year 2017.

Draft resolution 1

Approval of the statutory financial statements of Fiscal year 2018

The Shareholders, after having considered the reports of the Board of Directors and the Statutory Auditors and having heard the additional explanations given during the meeting, approve the statutory financial statements of the fiscal year ending December 31, 2018. They also approve all transactions presented in these statutory financial statements or summarized in these reports.

Draft resolution 2

Approval of the consolidated financial statements of fiscal year 2018

The Shareholders, after having considered the reports of the Board of Directors and the Statutory Auditors and having heard the additional explanations given during the meeting, approve the consolidated financial statements of the fiscal year ending December 31, 2018. They also approve all transactions presented in these consolidated financial statements or summarized in these reports.

Draft resolution 3

Appropriation of earnings and setting of dividends

The Shareholders approve the total net income after deduction of income tax for the fiscal year ending December 31, 2018 of 149,839,552.75 euros and decide to allocate this amount as follows (*in euros*):

<i>Net income for 2018</i>	<i>149,839,552.75</i>
To add:	
• Retained earnings from previous year	653,691,799.04
Total distributable income	803,531,351.79
Appropriation of earnings:	
• Works of art special reserve	60,772.04
• Dividends (excluding treasury shares)	156,486,804.30
• Retained earnings	646,983,775.45
TOTAL EQUAL TO DISTRIBUTABLE INCOME	803,531,351.79

The amount of the dividends for the fiscal year ending December 31, 2018 will be 156,486,804.30 euros corresponding to a dividend per share of 3.45 euros. It will be paid as from June 5, 2019. If the number of shares carrying rights to the dividend is not 45,358,494, the total amount of the aforementioned dividend will be adjusted consequently and the amount allocated to retained earnings will be adjusted on the basis of the amount of the dividends actually paid.

The gross amount of the dividend is subject to social charges amounting to 17.2%, plus a lump-sum levy at a single rate of 12.8% for the income tax of natural persons resident of France (art. 117 quater and 200-A of the French Tax Code). In the event of a taxpayer's overall option for the progressive income tax scale, this dividend will be eligible for the 40% tax allowance (art. 158-3 and 243 bis of the French Tax Code).

In accordance with the law, we also remind you that the following dividends were distributed during the last three years:

Fiscal year	Number of shares	Dividend per share (in euros)	Dividend entitled to the tax allowance defined in Art. 158-3 of the CGI ^(a) (in euros)
2015	46,956,216	5.90 ^(b)	5.90
2016	46,679,869	3.45	3.45
2017	45,728,162	3.45	3.45

(a) French Tax Code (CGI).

(b) 3.40 euros ordinary dividend +2.50 euros exceptional dividend.

DRAFT RESOLUTION 4

Determination of the amount of the Directors' fees

Board of Directors' Report:

It is proposed to set the amount of the Directors' fees to be allocated to the Board of Directors for fiscal year 2019 at 500,000 euros (unchanged compared to 2018).

Draft resolution 4

Determination of the amount of the Directors' fees

The Shareholders decide to set the annual amount of the Directors' fees to be allocated to the Board of Directors for fiscal year 2019 at 500,000 euros.



DRAFT RESOLUTION 5

Authorization to be given to the Board of Directors to undertake operations with regard to the shares of the Company

Board of Directors' Report:

We propose that you authorize the Board of Directors to buy back by any means, on one or more occasions, shares of the Company in accordance with the legislation in force.

This authorization may be used during public offers on the Company's shares in compliance with Article L. 233-32 of the French Commercial Code, *i.e.* subject to the powers expressly assigned to the Shareholders within the limit of the Company's interest.

The Company would be authorized, during a period of 18 months, to buy back its own shares for a maximum price per share of 300 euros:

- **within the limit of 10% of the share capital** on the date of the Board of Directors' decision to buy back the shares and for a maximum amount of 1.4 billion euros. This authorization would be used to fulfill the following objectives:
 - provide liquidity in the securities market pursuant to a liquidity agreement managed by an external service provider,
 - allow their subsequent remittance as payment, exchange or otherwise, within the scope of external growth operations (with the exception of mergers, demergers or contribution operations mentioned below),
 - remit the shares at the moment of the exercise of rights attached to securities giving access to the Company's share capital,
 - allocate them to employees and/or officers (in the scope of an employee saving scheme, a stock option program, free allocations of shares, etc.),
 - cancel the shares,
 - deliver them in a payment, exchange or contribution transaction carried out in connection with an external growth transaction, merger, demerger or asset contribution, within the limits specified in the applicable regulations,
 - implement any market practice authorized by the French Financial Markets Authority (AMF);
- **within the limit of 5% of the share capital** on the date of the Board of Directors' decision to buy back the shares and for a maximum global amount of 700 million euros. The shares would be bought back to be kept and subsequently remitted as payment or exchange within the scope of a merger, demerger or contribution operation.

SHARE BUYBACK PROGRAM – OPERATIONS CARRIED OUT IN 2018

Operation	Number of shares	% capital	Nominal value (in euros)	Average sale/ purchase price (in euros)
Share buyback (excl. liquidity agreement) ^(a)	687,396	1.49	2,625,852.72	78.59
Liquidity agreement ^(a) :				
• Share buyback	583,915	1.27	2,230,555.30	83.60
• Sale of shares	580,470	1.26	2,217,395.40	83.61
Shares transferred under free share plans	132,527	0.29	506,253.14	84.22
Cancelled shares	687,396	1.49	2,625,852.72	78.59
Shares used for external growth operations	-	-	-	-

(a) Brokerage fees related to sale and buy-back transactions disclosed above amounted to 252,117.36 euros.

During the last 24 months, the Board of Directors cancelled 1,683,250 shares, representing 3.66% of the share capital as of December 31, 2018. More information is available in section 7.4, page 284 of the 2018 registration document.

Draft resolution 5

Authorization to be given to the Board of Directors to undertake operations regarding the shares of the Company

The Ordinary Shareholders' Meeting, deliberating in compliance with the provisions of Article L. 225-209 of the French Commercial Code, of the General Regulation of the French Financial Markets Authority (AMF), of Regulation No. 596/2014 of the European Parliament and of the Council of April 16, 2014, and after considering the report of the Board of Directors, authorizes the Board of Directors to buy back by any means, on one or more occasions, the shares of the Company:

1. Within the limit of a number of shares representing a maximum of 10% of its share capital on the date of the Board of Directors' decision to buy back the shares:

- for a maximum amount of 1.4 billion euros, under the conditions and limits provided by the laws and regulations in force;
- for a maximum purchase price of 300 euros, exclusive of costs;

In accordance with the above-mentioned provisions and with the market practices allowed by the French Financial Markets Authority (AMF), this authorization can be used by the Board of Directors in order to:

- provide liquidity and stimulate the market for the securities of the Company through an investment services provider acting independently in the name and on behalf of the Company, pursuant to a liquidity agreement compliant with professional ethics standards recognized by the French Financial Markets Authority;
- hold them in order to subsequently remit them as payment, as exchange or otherwise, within the scope of potential external growth operations (with the exception of mergers, demergers or contribution operations referred to in paragraph 2 below) in accordance with the market practices approved by the French Financial Markets Authority;
- remit the shares at the moment of the exercise of rights attached to securities giving access to the Company's share capital by redemption, conversion, exchange, presentation of a warrant or by any other means;
- allocate them to employees and officers under the conditions and according to the methods prescribed by the law, notably within the scope of employee profit-sharing and incentive schemes, the stock option program, the free allocation of shares plan or through an employee savings scheme;
- cancel them entirely or partly, according to the conditions provided by the regulations in force, by reducing the share capital accordingly, within the limit of 10% of the capital existing on the cancellation date, per period of 24 months;
- deliver them in a payment, exchange or contribution transaction carried out in connection with an external growth transaction, merger, demerger or asset contribution, within the limits specified in the applicable regulations;
- implement all market practices that may be authorized by the French Financial Markets Authority.

2. Within the limit of a number of shares representing a maximum of 5% of its share capital on the date of the Board of Directors' decision to buy back the shares:

- for a maximum amount of 700 million euros;
- for a maximum purchase price fixed at 300 euros, exclusive of costs;

and in order to hold them and to subsequently remit them as payment or exchange within the scope of a merger, demerger or contribution operation.

The limits provided in paragraphs 1 and 2 above are not cumulative and the Company cannot at any time, directly or through a third party, hold more than 10% of the total number of its own shares forming the share capital.

The acquisition, assignment, transfer or exchange of shares can be carried out by the Board of Directors by any means, on one or more occasions, notably on the market, over the counter or in block and if necessary, using option mechanisms or to derivative financial instruments negotiated on a regulated market or by mutual consent, excluding the sale of put options, in accordance with the conditions authorized by the legal, regulatory and stock exchange rules in force, and at the times that the Board of Directors or its proxy shall deem appropriate, or by a third party acting on behalf of the Company in compliance with the provisions of the last paragraph of Article L. 225-206 of the French Commercial Code. It is specified that the part of the share buyback program realized by acquisition or transfer of blocks of shares may represent the entire program.

The Ordinary Shareholders' Meeting decides that the maximum purchase price per share, excluding costs, should not exceed that of the last independent transaction or, if it is higher, that of the highest current independent offer on the market where the purchase is made.

In the case where the options provided in the fifth paragraph of Article L. 225-209 of the French Commercial Code were used, the sale price (in the event that such a sale price would be necessary) shall thus be determined in accordance with the legal provisions in force.

The acquisition of shares of the Company realized pursuant to this authorization shall also comply with the rules enacted by the applicable regulations regarding the conditions and the periods of intervention on the market. The Company shall abstain from buying more than 25% of the daily average quantity of shares traded on the regulated market where the purchase is made.

This authorization replaces the previous authorization given at the Shareholders' Meeting on May 16, 2018 (Resolution 5). This authorization is given to the Board of Directors for a period of 18 months starting from the date of this Shareholders' Meeting.

This authorization may be used during public offers on the Company's shares in compliance with the legislation in force.



In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the shares of the Company acquired pursuant to this authorization must be registered and must be entirely paid up upon their acquisition. These acquisitions must not have the effect of reducing the net equity to an amount lower than that of the capital increased by non-distributable reserves. Finally, the Company must have reserves (other than the legal reserve) amounting to at least the value of all the shares that the Company owns directly or through a third party.

Within the scope of its global financial management, the Company reserves itself the possibility of using part of its available financial resources to finance the purchase of the shares and to resort to debt to finance the additional needs that may exceed its internal financing.

The Board of Directors shall inform the Shareholders, in its management report to the Annual Ordinary Shareholders' Meeting, of the operations realized pursuant to this authorization.

The Shareholders' Meeting confers all powers on the Board of Directors to implement this share buyback program and notably to:

- assess opportunities and proceed with the share buyback authorized by this resolution;
- prepare and publish, before the realization of a share buyback program, a description of the share buyback program, in accordance with the conditions and methods set by the General Regulation of the French Financial Markets Authority;
- place all stock market orders, conclude all agreements in particular regarding the holding of the purchases and sales register;
- inform the market and the French Financial Markets Authority of operations carried out, in compliance with the General Regulation of the French Financial Markets Authority;
- delegate to the Chief Executive Officer or, in agreement with the latter, to one or several Executive Vice-Presidents, the authority necessary for the realization of the share buyback program;
- make all declarations and carry out any other formalities and, as a general rule, do all that is necessary to carry out the forgoing authorization.

DRAFT RESOLUTIONS 6 TO 7

Renewal of Gonzalve BICH and Elizabeth BASTONI as Directors

Board of Directors' Report:

It is proposed to the Shareholders to renew Gonzalve BICH and Elizabeth BASTONI as Directors for a period of three fiscal years expiring at the end of the Shareholders' Meeting called to vote in 2022 upon the approval of the financial statements of the fiscal year ending 2021.

GONZALVE BICH

Director and Chief Executive Officer



40 years old

Nationality:

French/American

Number of BIC shares held:

Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D.
On December 31, 2018, SOCIÉTÉ M.B.D. held 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights.

Basis of the appointment

Article L. 225-18 of the French Commercial Code

Independent Director

No

Date of 1st appointment

- Director: Annual Shareholders' Meeting of May 16, 2018
- Chief Executive Officer: Board of Directors of May 16, 2018

Expiration date

- Director: Annual Shareholders' Meeting in 2019
- Chief Executive Officer: indefinite duration

Member of a committee

No

Professional address

SOCIÉTÉ BIC - 14 rue Jeanne d'Asnières - 92110 Clichy - France

Main position

- Chief Executive Officer of SOCIÉTÉ BIC

Other current mandates or functions

- Director – BIC Cello (India) Private Ltd. ^(a) – India
- Director – BIC UK Ltd. ^(a) – United Kingdom
- President, Chief Operating Officer and Director – BIC International Co. ^(a) – U.S.A.

Expired mandates or functions in the previous five years (non-BIC Group companies)

None

Biography

Gonzalve Bich is Director and Chief Executive Officer of SOCIÉTÉ BIC since May 2018. He served as Executive Vice-President from June 2016 to May 2018. He was Chief Operating Officer (COO), responsible for the BIC Group Consumer Products business, Human Resources and Information Technology from January 2017 to May 2018.

Gonzalve Bich joined BIC Asia in 2003, where he developed the regional business for four years. He moved on to serve as Group People Development Director before joining the Shaver category as Group Shaver Marketing Director. From 2008 to 2012, he led the Northern European business. In 2012, he was named Deputy General Manager, responsible for Middle East, Africa, Oceania and Asia Pacific. He was promoted to General Manager, Developing Markets (including Latin America) in July 2013 and took the responsibility for BIC Consumer business Categories operations in Spring 2016, while leading the completion of the acquisition of Cello Pens (India's #1 stationery brand).

Gonzalve Bich holds a Bachelor of Arts degree in History from Harvard University.

(a) BIC Group.



Draft resolution 6

Renewal of Gonzalve BICH as Board Member

The Shareholders' Meeting decides to renew, for a period of three fiscal years, the mandate of Gonzalve BICH as Board Member.

The term of the mandate of Gonzalve BICH will thus expire at the end of 2022 Shareholders' Meeting called to vote upon the approval of the financial statements for the fiscal year ending December 31, 2021.

ELIZABETH BASTONI

| Director



53 years old

Nationality:

American

Number of BIC shares held:

500

Basis of the appointment

Article L. 225-18 of the French Commercial Code

Independent Director

Yes

Date of 1st appointment

Annual Shareholders' Meeting of May 15, 2013

Expiration date

Annual Shareholders' Meeting in 2019

Member of a committee

- Chairman of the Compensation Committee
- Chairman of the Nominations, Governance and CSR Committee

Professional address

SOCIÉTÉ BIC - 14 rue Jeanne d'Asnières - 92110 Clichy - France

Main position

- President of Bastoni Consulting Group, LLC - U.S.A.

Other current mandates or functions

- Chairman, Compensation Committee - Jerônimo Martins - Portugal

Expired mandates or functions in the previous five years (non-BIC Group companies)

- President - Choukette, Inc - U.S.A.
- Head of Human Resources at B.M.G.I. - U.S.A.
- Human Resources consultant - EBB LLC - U.S.A.
- Director, Chairman of the Compensation Committee - Rezidor Hotel Group - Sweden

Biography

Elizabeth Bastoni has been serving family controlled groups, publicly traded boards in Europe since 2011.

She previously served on the boards and chaired the compensation committees for The Rezidor Hotel (Stockholm) Group and CarlsonWagonlit Travel (Paris). Elizabeth Bastoni has also held Executive roles in France and the United States for BMGI, Carlson, The Coca-Cola Company, Thales, Suez and KPMG.

Elizabeth Bastoni was appointed Independent Director in 2013. She is Chair of the Compensation Committee and Chair of the Nomination, Governance and CSR Committee.

Elizabeth Bastoni has a Bachelor of Arts degree from Providence College in Providence, Rhode Island (U.S.A.). She studied French at the *Alliance Française* (Paris) and French history and culture at *La Sorbonne* (Paris). She is a former student at *L'École du Louvre*.



Independent Director

Draft resolution 7

Renewal of Elizabeth BASTONI as Board Member

The Shareholders' Meeting decides to renew, for a period of three fiscal years, the mandate of Elizabeth BASTONI as Board Member.

The term of the mandate of Elizabeth BASTONI will thus expire at the end of 2022 Shareholders' Meeting called to vote upon the approval of the financial statements for the fiscal year ending December 31, 2021.

DRAFT RESOLUTIONS 8 AND 9

Appointment of Maëlys CASTELLA and Marie-Aimée BICH-DUFOUR as Board Members

Board of Directors' Report:

The Shareholders are invited to appoint as new Board Members:

- Maëlys CASTELLA, replacing Mario GUEVARA, whose mandate is expiring;
- Marie-Aimée BICH-DUFOUR, replacing Marie-Henriette POINSOT, resigning.

Maëlys CASTELLA will provide to the Board her expertise in finance and her experience in strategy, mergers and acquisitions and sustainable development, acquired while working in important international groups such as Air Liquide.

She will join the Board as an independant Director in the light of the independence criteria set out in the AFEP-MEDEF Code (§ 8):

Criterion	Maëlys CASTELLA
Criterion 1: <i>Employee or corporate officer within the past 5 years</i>	✓
Criterion 2: <i>Cross-directorships</i>	✓
Criterion 3: <i>Significant business relationships</i>	✓
Criterion 4: <i>Family ties</i>	✓
Criterion 5: <i>Auditor</i>	✓
Criterion 6: <i>Period of office exceeding 12 years</i>	✓
Criterion 7: <i>Status of non-executive officer</i>	✓
Criterion 8: <i>Status of the major shareholder</i>	✓



MAËLYS CASTELLA

| To be appointed as Director

**52 years old****Nationality:**

French

Number of BIC shares held:

500

Basis of the appointment

Article L. 225-18 of the French Commercial Code

Independent Director

Yes

Professional address

Akzo Nobel N.V. - Christian Neefstraat 2, 1077 WW Amsterdam - The Netherlands

Main position

- Chief Corporate Development Officer, Member of the Executive Committee – AkzoNobel – The Netherlands (listed company)

Other current mandates or functions

- Member of the Board of Directors of Art foundation of AkzoNobel – The Netherlands

Expired mandates or functions in the previous five years (non-BIC Group companies)

- Chief Financial Officer, Member of the Board of Management – AkzoNobel – The Netherlands (listed company)
- Group Deputy Chief Financial Officer – Air Liquide – France (listed company) – other directorships in affiliates of Air Liquide

Biography

Maëlys Castella is a member of the Executive Committee of AkzoNobel in the position of Chief Corporate Development Officer, responsible for Strategy, Mergers and Acquisitions, Sustainability and Innovation. She joined AkzoNobel as Chief Financial Officer and member of the Board of management in 2014.

Before joining AkzoNobel, Maëlys Castella worked at Air Liquide since 2000, where she held various Senior Management positions in Finance and Marketing before she was appointed Group Deputy Chief Financial Officer in 2013. Her early career was spent in the oil and gas industry working during eight years for Elf, now part of Total Group.

Maëlys Castella has a Master's degree in Energy Management and Policy from the University of Pennsylvania (U.S.A.) and the French Institute of Petroleum (IFP). She has also an Engineering Degree from the École Centrale de Paris.



Independent Director

Marie-Aimée BICH-DUFOUR will provide to the Board her legal expertise, her knowledge of the Company, as well as her commitment in Sustainable Development under her direction since the start of the program in 2004 until last year.

MARIE-AIMÉE BICH-DUFOUR

To be appointed as Director
Executive Vice-President until March 31, 2019



60 years old

Nationality:
French

Number of BIC shares held:
Holds BIC shares directly and indirectly through the family holding, SOCIÉTÉ M.B.D.
On December 31, 2018, SOCIÉTÉ M.B.D. held 12,735,000 shares, i.e. 27.68% of SOCIÉTÉ BIC share capital and 37.75% of the voting rights.

Basis of the appointment

Article L. 225-18 of the French Commercial Code

Independent Director

No

Professional address

SOCIÉTÉ BIC - 14 rue Jeanne d'Asnières - 92110 Clichy - France

Main position

- Executive Vice-President of SOCIÉTÉ BIC – Board of Directors' Secretary
- President of the BIC Corporate Foundation for Education

Other current mandates or functions

- Director – BIC Australia Pty. Ltd. ^(a) – Australia
- Managing Director – BIC GmbH ^(a) – Germany
- Director – BIC Violex SA ^(a) – Greece
- Director – BIC India Pvt. Ltd. ^(a) – India
- Chairman of the Board – BIC (NZ) Ltd. ^(a) – New Zealand
- Director – BIC Portugal SA ^(a) – Portugal
- Director – BIC Holdings Southern Africa (Pty.) Ltd. ^(a) – South Africa
- Director – BIC Iberia SA ^(a) – Spain
- Director – BIC Malawi (Pty) Ltd. ^(a) – Malawi
- Representative of SOCIÉTÉ BIC in the Board – ANSA (*Association Nationale des Sociétés par Actions*) – France
- Representative of SOCIÉTÉ BIC in the Board – METI (*Mouvement des Entreprises de Taille Intermédiaire*) – France

Expired mandates or functions in the previous five years (non-BIC Group companies)

None.

Biography

Since March 1995, Marie-Aimée Bich-Dufour has been Executive Vice-President of SOCIÉTÉ BIC and Board of Directors' Secretary. Moreover, she is President of the BIC Corporate Foundation for Education.

She was Group General Counsel until February 1, 2016.

In 2004, she also took on the responsibility of the Sustainable Development Program until 2018.

Before joining BIC Group, Marie-Aimée served 12 years as a Lawyer at the Paris' bar.

She holds a Master's degree in Private Law from *Paris Panthéon-Assas* University and a Professional Lawyer's Certificate (CAPA).

(a) BIC Group.

Draft resolution 8

Appointment of Maëlys CASTELLA as a new Board Member

The Shareholders' Meeting decides to appoint, for a period of three fiscal years, Maëlys CASTELLA as a new Board Member, replacing Mario GUEVARA, whose mandate is expiring.

The term of the mandate of Maëlys CASTELLA will thus expire at the end of 2022 Shareholders' Meeting called to vote in 2022 upon the approval of the financial statements for the fiscal year ending December 31, 2021.

Draft resolution 9

Appointment of Marie-Aimée BICH-DUFOUR as a new Board Member

The Shareholders' Meeting decides to appoint, for a period of three fiscal years, Marie-Aimée BICH-DUFOUR as a new Board Member, replacing Marie-Henriette POINSOT, resigning for the remaining period of her office, i.e. until 2021 Shareholders' Meeting called to vote upon the approval of the financial statements for the fiscal year ending December 31, 2020.



DRAFT RESOLUTIONS 10 TO 14

Approval of the compensation elements and benefits of any type paid or granted for 2018 to the Chairman of the Board, the Chief Executive Officer and the Executive Vice-Presidents

Board of Directors' Report:

In accordance with the provisions of paragraph II of Article L. 225-100 of the French Commercial Code, the table below presents the compensation elements and benefits of any type paid or granted to Bruno BICH, Pierre VAREILLE, Gonzalve BICH, James DiPIETRO and Marie-Aimée BICH-DUFOUR for the fiscal year 2018. These elements are described in more detail in the 2018 registration document (see section 4.2. Corporate Officers' Compensation).

BRUNO BICH, CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER UNTIL MAY 16, 2018

Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval	Presentation
Fixed compensation	76,500 EUR	No change in the annual compensation package compared to 2017 204,000 EUR per year <i>prorated</i> to 4.5 months = 76,500 EUR
Annual variable compensation	N/A	Absence
Deferred variable compensation	N/A	Absence
Multi-year variable compensation	N/A	Absence
Exceptional compensation	N/A	Absence
Stock-options, performance shares and any other element of long-term compensation	N/A	Absence
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	N/A	Absence
Sign-on bonus	N/A	Absence
Termination payment	N/A	Absence
Non-competition benefits	N/A	Absence
Supplementary pension plan	N/A	Absence

PIERRE VAREILLE, CHAIRMAN OF THE BOARD SINCE MAY 16, 2018

Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval	Presentation
Fixed compensation	187,500 EUR	300,000 EUR per year prorated to 7.5 months = 187,500 EUR
Annual variable compensation	N/A	Absence
Deferred variable compensation	N/A	Absence
Multi-year variable compensation	N/A	Absence
Exceptional compensation	N/A	Absence
Stock-options, performance shares and any other element of long-term compensation	N/A	Absence
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	N/A	Absence
Sign-on bonus	N/A	Absence
Termination payment	N/A	Absence
Non-competition benefits	N/A	Absence
Supplementary pension plan	N/A	Absence

GONZALVE BICH, EXECUTIVE VICE-PRESIDENT, THEN CHIEF EXECUTIVE OFFICER SINCE MAY 16, 2018

Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval ^(a)	Presentation
Fixed compensation	628,125 USD (531,859 EUR)	+25.6% versus 2017
Annual variable compensation whose payment requires a positive ex post vote of the Shareholders' Meeting, under the new provisions of Article L. 225-100 (II paragraph 2) of the French Commercial Code.	725,963 USD (614,702 EUR). The annual bonus awarded is 107.55% of annual base compensation and represents 99.3% of the target bonus.	<p>Target bonus is 108.30% of the annual base compensation. The maximum bonus is 162.45%, equivalent to 150% of target bonus.</p> <p>The bonus is calculated on the basis of six criteria:</p> <ul style="list-style-type: none"> • net sales (20%); • income from operations (20%); • net income (10%); • inventories (10%); • accounts receivable (10%); • individual qualitative objectives (30%). <p>The qualitative part of the bonus cannot exceed 48.75% of the annual base compensation.</p>
Deferred variable compensation	N/A	Absence
Multi-year variable compensation	N/A	Absence
Exceptional compensation	N/A	Absence
Stock-options, performance shares and any other element of long-term compensation	<p>15,000 performance shares granted in 2018 and subject to performance conditions.</p> <p>Accounting valuation: 1,151,700 EUR.</p> <p>With regard to performance share plans, Gonzalve Bich received gross remuneration of 34,344 USD (29,080 EUR) equivalent to the unpaid dividends on the vested shares held by SOCIÉTÉ BIC until the end of the compulsory holding period.</p>	<p>Share acquisition depends on two performance conditions:</p> <ul style="list-style-type: none"> • net sales growth; • cash flow from operations and change in inventory, as a percentage of net sales. <p>These criteria are demanding by nature (growth versus value).</p> <p>The grant represents 0.03% of the share capital.</p> <p>Shareholders' Meeting authorization date: May 16, 2018.</p> <p>Board of Directors' Meeting grant date: May 16, 2018.</p>
Directors' fees	N/A	Absence



Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval ^(a)	Presentation
Valuation of any benefits-in-kind	73,273 USD (62,044 EUR)	<p>Car allowance: 15,150 USD (12,828 EUR)</p> <p>Company contributions to Company U.S. savings plan:</p> <ul style="list-style-type: none"> • 401K: 8,250 USD (6,986 EUR); • Executive Compensation Plan: 20,000 USD (16,935 EUR). <p>Other: 29,873 USD (25,295 EUR)</p>
Sign-on bonus	N/A	Absence
Termination payment	N/A	Absence
Non-competition benefits	N/A	Absence
Supplementary pension plan	No payment is due in respect of the fiscal year ended	<p>Gonzalve Bich participates in the BIC CORPORATION Restoration Plan, a supplementary pension plan in the U.S.A., which has existed since 2006 and which benefits selected Company executives whose compensation taken into account in the U.S. Qualified Pension Plan is restricted by regulations.</p> <ul style="list-style-type: none"> • The plan benefit is subject to having been a participant in the plan for at least five years. • Method for determining the pensionable compensation: <ul style="list-style-type: none"> • The pensionable compensation is the average remuneration which is based on the highest three consecutive years within the last 10 years. • Rate of acquisition of rights: <ul style="list-style-type: none"> • This plan provides for a single life annuity, payable at normal retirement age (65) equal to 1.1% of the Social Security ceiling plus 1.5% of average pay in excess of the Social Security ceiling, multiplied by the number of years of service, which may not exceed 35 years, plus 1.4% of average pay per year of service in excess of 35 years. The plan includes the pension granted by the U.S. Qualified Pension Plan. Full vesting in the Restoration Plan occurs at age 52 with fifteen or more years of service or at age 60 with five years of participation in the plan. Full vesting in the U.S. Qualified Plan occurs at 5 years of service; • In addition, the Plan provides early retirement benefits for beneficiaries prior to age 65 (or age 62 if they retire at or after age 55 with 10 or more years of service), • The commitments arising from this plan are provisioned in BIC CORPORATION's financial statements in accordance with IAS 19. • Maximum payments: <ul style="list-style-type: none"> • Not applicable. • Method of funding: <ul style="list-style-type: none"> • The Restoration Plan is unfunded. The U.S. Qualified Pension Plan is funded through a trust. • Other expenses paid by the Company: <ul style="list-style-type: none"> • BIC pays the cost of administration, accounting valuations under IAS 19 and funding valuations for the U.S. Qualified Pension Plan.

Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval ^(a)	Presentation
		At December 31, 2018, Gonzalve Bich had accrued a pension benefit equivalent to 22.82% of the average remuneration of the last three years of service out of his 15.9 years of service i.e., for information, an annual pension equal to 178,912 U.S. dollars payable at age 65 (inclusive of the U.S. Qualified Pension Plan benefit, assuming he had stopped his activity on December 31, 2018. He has elected to receive his Restoration Plan benefit as a lump sum

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2018 (1 euro = 1.1810 U.S. dollars).

JAMES DIPIETRO, EXECUTIVE VICE-PRESIDENT

Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval ^(a)	Presentation
Fixed compensation	563,000 USD [476,715 EUR]	+9.3% versus 2017
Annual variable compensation whose payment requires a positive ex post vote of the Shareholders' Meeting, under the new provisions of Article L. 225-100 (II paragraph 2) of the French Commercial Code	419,322 USD [355,057 EUR] The annual bonus equals 74.48% of annual base compensation and represents 99.3% of the target bonus.	Target bonus is 75% of the annual base compensation. The maximum bonus is 112.50%, equivalent to 150% of target bonus. The bonus is calculated on the basis of six criteria: <ul style="list-style-type: none"> • net sales (20%); • income from operations (20%); • net income (10%); • inventories (10%); • accounts receivable (10%); • individual qualitative objectives (30%). The qualitative part of the bonus cannot exceed 33.75% of the annual base compensation.
Deferred variable compensation	N/A	Absence
Multi-year variable compensation	N/A	Absence
Exceptional compensation	N/A	Absence
Stock-options, performance shares and any other element of long-term compensation	8,000 performance shares granted in 2018. Accounting valuation: 614,240 EUR. With regard to performance share plans, James DiPietro received gross remuneration of 90,714 USD (76,812 EUR) equivalent to the unpaid dividends on the vested shares held by SOCIÉTÉ BIC until the end of the compulsory holding period.	Share acquisition depends on two performance conditions: <ul style="list-style-type: none"> • net sales growth; • cash flow from operations and change in inventory, as a percentage of net sales. These criteria are demanding by nature (growth versus value). The grant represents 0.02% of the share capital. Annual Shareholders' Meeting authorization date: May 16, 2018. Board of Directors' Meeting grant date: May 16, 2018.
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	83,877 USD [71,022 EUR]	Car allowance: 13,800 USD [11,685 EUR]. Company contributions to Company U.S. savings plan: <ul style="list-style-type: none"> • 401K: 9,250 USD (7,832 EUR); • Executive Compensation Plan: 22,520 USD (19,069 EUR). Other: 38,307 USD (32,436 EUR)
Sign-on bonus	N/A	Absence
Termination payment	N/A	Absence
Non-competition benefits	N/A	Absence



Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval ^(a)	Presentation
Supplementary pension plan	No payment is due in respect of the fiscal year ended.	<p>James DiPietro participates in the BIC CORPORATION Supplementary Executive Retirement Plan, a supplementary pension plan in the U.S. that has existed since 1970 and which benefits the main executives of BIC Corporation.</p> <ul style="list-style-type: none"> • The plan benefit is subject to having been a participant in the plan for at least five years. • Method for determining the pensionable compensation. <ul style="list-style-type: none"> • The pensionable compensation is the average remuneration (base + bonus) of the best three years of the last five years of service. • Rate of acquisition of rights: <ul style="list-style-type: none"> • This plan provides, by year of seniority, an annual pension equal to 2.5% of the average pensionable compensation with a maximum of 50% (i.e. 20 years of service), including the pension granted by the U.S. Qualified Pension Plan; • Full vesting in the Supplementary Executive Retirement Plan occurs at age 52 with fifteen or more years of service or at age 60 with five years of participation. Full vesting in the U.S. Qualified Pension Plan occurs at five years of service, • The commitments arising from this plan are recorded in BIC CORPORATION in accordance with IAS 19. • Maximum payments: <ul style="list-style-type: none"> • Maximum of 50% (i.e., 20 years of service), including the pension granted to the U.S. Qualified Pension Plan. • Method of funding: <ul style="list-style-type: none"> • The Supplementary Executive Retirement Plan is unfunded. However, BIC invests in life insurance policies to offset the cost of the plan. The U.S. Qualified Pension Plan is funded through a trust. • Other expenses paid by the Company: <ul style="list-style-type: none"> • BIC pays the cost of administration, accounting valuations under IAS 19 and actuarial valuations for the U.S. Qualified Pension Plan. <p>As of December 31, 2018, James DiPietro had accrued a pension benefit equivalent to 50.00% of the average remuneration of the last three years of service out of his 20.5 years of service i.e., for information, an annual pension equal to 462,620 U.S. dollars (including the benefit from the U.S. Qualified Pension Plan) as a single life annuity payable at age 59 (inclusive of the U.S. Qualified Pension Plan benefit), assuming he had stopped his activity on December 31, 2018. He has elected to receive his Supplementary Executive Retirement Plan benefit as a lump sum.</p>

(a) Amounts in U.S. dollars were converted into euros using the average exchange rate for 2018 (1 euro = 1.1810 U.S. dollars)

MARIE-AIMÉE BICH-DUFOUR, EXECUTIVE VICE-PRESIDENT

Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval	Presentation
Fixed compensation	199,509 EUR	-33.7% versus 2017
Annual variable compensation whose payment requires a positive ex post vote of the Shareholders' Meeting, under the new provisions of Article L. 225-100 (II paragraph 2) of the French Commercial Code	89,380 EUR The annual bonus equals 44.69% of annual base compensation and represents 99.3% of the target bonus.	Target bonus is 45% of the annual base compensation. The maximum bonus is 67.50%, equivalent to 150% of target bonus. The bonus is calculated on the basis of six criteria: <ul style="list-style-type: none"> • net sales (20%); • income from operations (20%); • net income (10%); • inventories (10%); • accounts receivable (10%); • individual qualitative objectives (30%). The qualitative part of the bonus cannot exceed 20.25% of the annual base compensation.
Deferred variable compensation	N/A	Absence
Multi-year variable compensation	N/A	Absence
Exceptional compensation	N/A	Absence
Stock options, performance shares and any other element of long-term compensation	3,250 performance shares granted in 2018. Accounting valuation: 249,535 EUR.	Share acquisition depends on two performance conditions: <ul style="list-style-type: none"> • net sales growth; • cash flow from operations and change in inventory, as a percentage of net sales. These criteria are demanding by nature (growth versus value). The grant represents 0.01% of the share capital. Annual Shareholders' Meeting authorization date: May 16, 2018. Board of Directors' Meeting grant date: May 16, 2018.
Directors' fees	N/A	Absence
Valuation of any benefits-in-kind	1,602 EUR	Company car
Sign-on bonus	N/A	Absence
Termination payment	N/A	Absence
Non-competition benefits	N/A	Absence
Supplementary pension plan	No payment is due in respect of the fiscal year ended.	Marie-Aimée Bich-Dufour benefits from the Supplementary Executive Retirement Plan (governed by Article L. 137-11 of the French Social Security Code) for BIC Group executives in France. <ul style="list-style-type: none"> • Condition for pension benefit eligibility: <ul style="list-style-type: none"> • A minimum period of five years of participation is necessary to benefit from the plan; • Be officially qualified for a pension under the Social Security scheme; • Retire from BIC in accordance with the provisions of Article L. 137-11 of the French Social Security Code).



Compensation elements and benefits of any type paid or granted for 2018	Amounts or accounting valuation submitted for approval	Presentation
		<ul style="list-style-type: none"> • Method for determining the pensionable compensation: <ul style="list-style-type: none"> • The pensionable compensation is the average remuneration of the last three years of service; • To determine the pensionable compensation, only gross annual base and annual bonus are included, all other direct or indirect payments are excluded. • Rate of pension rights acquisition: <ul style="list-style-type: none"> • The supplementary pension is equal to 1.25% of the average compensation per year of membership of the plan, with a maximum of 25% (i.e. 20 years); • On May 18, 2016, Société BIC's Board of Directors decided to freeze the acquisition rights of Marie-Aimée Bich-Dufour in this plan during her new mandate; • The commitments arising from this plan are provisioned by SOCIÉTÉ BIC in accordance with IAS 19. • Maximum Payments: <ul style="list-style-type: none"> • The consolidation of all pension rights (mandatory and supplementary) cannot exceed 50% of the last annual compensation. This ceiling is verified at the date of retirement. • Method of funding: <ul style="list-style-type: none"> • The employer funds the entirety of the rights through contributions to an insurance contract. • Other expenses paid by the Company: <ul style="list-style-type: none"> • The employer pays the Fillon tax, which is 24% of the contributions to the insurance contract. <p>On December 31, 2018, the supplementary pension which has been determined based on seniority in the Plan and on her compensation as of May 18, 2016, amounts to 107,318 EUR (for information purposes).</p> <p>The regulated agreements procedure was followed for this pension plan.</p> <p>Board of Directors' Meeting decision date: May 19, 2005.</p> <p>Shareholders' Meeting decision date: May 24, 2006 (Resolution 5).</p>

Draft resolution 10

Approval of the compensation elements and benefits of any type paid or granted for 2018 to Bruno BICH, Chairman of the Board of Directors and Chief Executive Officer until May 16, 2018

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2018 to Bruno BICH, Chairman of the Board of Directors and Chief Executive Officer until May 16, 2018, as described in the Board of Directors' Report and in the 2018 registration document (see *section 4.2. Corporate Officers' Compensation*).

Draft resolution 11

Approval of the compensation elements and benefits of any type paid or granted for 2018 to Pierre VAREILLE, Chairman of the Board of Directors from May 16, 2018

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2018 to Pierre VAREILLE, Chairman of the Board of Directors from May 16, 2018, as described in the Board of Directors' Report and in the 2018 registration document (see *section 4.2. Corporate Officers' Compensation*).

Draft resolution 12

Approval the compensation elements and benefits of any type paid or granted for 2018 to Gonzalve BICH, Executive Vice-President then Chief Executive Officer since May 16, 2018

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2018 to Gonzalve BICH, Executive Vice-President, as described in the Board of Directors' Report and in the 2018 registration document (see *section 4.2. Corporate Officers' Compensation*).

Draft resolution 13

Approval of the compensation elements and benefits of any type paid or granted for 2018 to James DIPIETRO, Executive Vice-President

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2018 to James DIPIETRO, Executive Vice-President, as described in the Board of Directors' Report and in the 2018 registration document (see *section 4.2. Corporate Officers' Compensation*).

Draft resolution 14

Approval of the compensation elements and benefits of any type paid or granted for 2018 to Marie-Aimée BICH-DUFOUR, Executive Vice-President

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, approves the compensation elements and benefits of any type paid or granted in respect of fiscal year 2018 to Marie-Aimée BICH-DUFOUR, Executive Vice-President, for the fiscal year ended December 31, 2018, as described in the Board of Directors' Report and in the 2018 registration document (see *section 4.2. Corporate Officers' Compensation*).

DRAFT RESOLUTION 15

Compensation policy of the Chairman, Chief Executive Officer and Executive Vice-Presidents

Board of Directors' Report:

In application of Article L. 225-37-2 of the French Commercial Code, the Board of Directors submits for the approval of the Shareholders' Meeting the principle and criteria applicable to the determination, distribution and allocation of the fixed, variable and exceptional elements of the total compensation and benefits of any type attributable, in respect of their mandate, to the Chairman, Chief Executive Officer and Executive Vice-Presidents, for 2019 and comprising the compensation policy relating to them (*ex ante* vote).

These principles and criteria adopted by the Board of Directors upon the recommendation of the Compensation Committee are presented in the Corporate Governance report as provided for by Article L. 225-37 of the French Commercial Code and laid down in section 4 of the 2018 registration document.

In application of Article L. 225-100 of the French Commercial Code, amounts resulting from the implementation of these principles and criteria will be submitted for the approval of the Shareholders' Meeting ruling in 2020 on financial statements closed on December 31, 2019 (*ex post* vote).

Draft resolution 15

Compensation policy applicable to the Chairman, Chief Executive Officer and Executive Vice-Presidents

The Shareholders' Meeting, deliberating under the conditions of quorum and majority required for Ordinary Shareholders' Meetings and having reviewed the report provided for by Article L. 225-37 of

the French Commercial Code, approves the principles and criteria for the determination, distribution and allocation of the fixed, variable and exceptional items comprising the total compensation and benefits of any type represented in the aforementioned report and attributable, in respect of their mandate, to the Chairman, Chief Executive Officer and Executive Vice-Presidents.



9.2. EXTRAORDINARY SHAREHOLDERS' MEETING

DRAFT RESOLUTION 16

Authorization to be given to the Board of Directors to reduce the share capital by cancellation of shares acquired in accordance with Article L. 225-209 of the French Commercial Code

Board of Directors' Report:

We propose that you renew the authorization given to the Board of Directors, for a period of 18 months, to:

- cancel, within the limit of 10% of the share capital per period of 24 months, all or part of the shares held in the framework of the share buyback program and to decrease the share capital accordingly;
- charge the difference between the buyback price of the cancelled shares and their nominal value to premiums and available reserves.

Draft resolution 16

Authorization to be given to the Board of Directors to reduce the share capital by cancellation of shares acquired in accordance with Article L. 225-209 of the French Commercial Code

The Extraordinary Shareholders' Meeting, after having considered the Board of Directors' Report and the Statutory Auditor's Report, deliberating in accordance with the provisions of Article L. 225-209 of the French Commercial Code, authorizes the Board of Directors:

- on its sole deliberations, at the times it deems appropriate, to cancel on one or more occasions, by a corresponding reduction of share capital, all or part of the shares of the Company acquired or to be acquired by the Company under the buyback of shares authorized by previous Shareholders' Meetings or authorized by the fifth resolution above, within the limit of 10% of the share capital existing on the date of the Shareholders' Meeting, per period of 24 months;

- to charge the difference between the buyback price of the cancelled shares and their nominal value to available premiums and reserves.

The Extraordinary Shareholders' Meeting delegates to the Board of Directors all authority to proceed with the cancellation(s) of these shares, to take note of the corresponding reduction(s) in share capital, to charge the difference between the carrying amount of cancelled shares and their nominal value to all reserve accounts or others, to proceed with the modification of the articles of incorporation accordingly, to carry out all formalities, make all declarations with all authorities or administrative bodies and in a general manner, do all that may be necessary to carry out the foregoing authorization.

This authorization is given for a period of 18 months starting from the date of this Shareholders' Meeting and replaces that given by the Shareholders' Meeting held on May 16, 2018 (Resolution 16).

9.3. ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

DRAFT RESOLUTION 17

Authorization to perform formalities

Board of Directors' Report:

This resolution allows the performance of the legal formalities following this Meeting.

Draft resolution 17

Authorization to perform formalities

The Shareholders' Meeting grants full powers to the bearer of a copy or excerpt of this document to carry out all required legal formalities.







DOCUMENTATION REQUEST

regarding the Annual Shareholders' Meeting of 22 May 2019



Please send this request to:
**Société Générale Securities Services
or bank or broker that manages your
securities account.**

I, the undersign,

Last name:

First name:

Address:

.....

Owner of registered shares *

and of bearer shares, subscribed at **
of SOCIETE BIC

Recognize that I have received the documents regarding the Annual Shareholders' Meeting and listed in article R. 225-81 of French commercial code,

Request that the documents and information about the Annual Shareholders' Meeting to be held on 22 May 2019 listed in article R. 225-83 of the same code be sent to me.

In, on2019

Signature

* According to article R. 225-88 paragraph 3 of the French commercial code, shareholders can, upon simple request, ask the Company to send them the documents and information, listed in articles R. 225-81 et R. 225-83 of the French commercial Code , regarding any future Shareholders' Meetings. If the shareholder wishes to benefit from this service, he should mention it on the present Request.

** Name of the bank, financial institution or investment firm. Please join a copy of your admission card delivered by your financial intermediary.









SOCIÉTÉ BIC

INVESTORS RELATIONS

14, RUE JEANNE D'ASNIÈRES

92611 CLICHY CEDEX – France

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EMAIL : investors.info@bicworld.com

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