

Albioma

REGISTRATION
DOCUMENT

ANNUAL FINANCIAL REPORT

2017



1 THE ALBIOMA GROUP

1.1. History	6
1.2. Key figures.....	7
1.3. Activities and main markets	8
1.4. Strategic priorities and investment policy.....	21
1.5. Organisation	24
1.6. Property, plant and equipment	28
1.7. Research and development, patents and licences	29
1.8. Internal control and risk management.....	30
1.9. Corporate social responsibility information	50

2 CORPORATE GOVERNANCE

2.1. Background information.....	74
2.2. Organisation of General Management and status of the Chief Executive Officer	74
2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work.....	78
2.4. Remuneration of corporate officers.....	120
2.5. Summary of transactions carried out in 2017 in the Company's shares by the corporate officers, their family and friends.....	137
2.6. AFEF/MEDEF Code recommendations not applied by the Company.....	137
2.7. Regulated agreements and commitments, information on related parties.....	138

3 ACTIVITIES & RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

3.1. Key figures	144
3.2. Highlights of the Year	145
3.3. Comments on the consolidated financial statements	148
3.4. Significant changes in the financial or commercial position	152
3.5. Key events since 1 January 2018 and outlook	152
3.6. Company financial statements	153

4 CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.1. Consolidated income statement.....	158
4.2. Statement of comprehensive income.....	159
4.3. Consolidated statement of financial position.....	160
4.4. Statement of changes in shareholders' equity.....	162
4.5. Statement of consolidated cash flows.....	163
4.6. Notes to the consolidated financial statements	164
4.7. Statutory Auditors' report on the consolidated financial statements.....	210

5 COMPANY FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

5.1. Income statement.....	216
5.2. Statement of financial position.....	218
5.3. Notes to the annual financial statements.....	220
5.4. Statutory Auditors' report on the annual financial statements.....	244

6 LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.1. Company information.....	250
6.2. Information about the capital.....	259
6.3. Shareholders.....	263
6.4. Stock option plans and bonus performance share plans.....	271
6.5. Factors likely to have an impact in the event of a public offering.....	283
6.6. Albioma shares.....	285
6.7. Financial communication, shareholder and investor relations.....	288

7 ORDINARY & EXTRAORDINARY GENERAL MEETING OF 30 MAY 2018

7.1. Agenda.....	290
7.2. Draft resolutions and report of the Board of Directors for the General Meeting.....	290
7.3. Reports by the Statutory Auditors on the resolutions.....	313

8 APPENDICES

8.1. Persons responsible for auditing the financial statements.....	318
8.2. Financial information included for reference purposes.....	319
8.3. Person responsible for the Registration Document and the Annual Financial Report.....	319
8.4. Declaration by the person responsible for the Registration Document and the Annual Financial Report.....	319
8.5. Person responsible for the financial information.....	319
8.6. Cross-reference tables.....	320



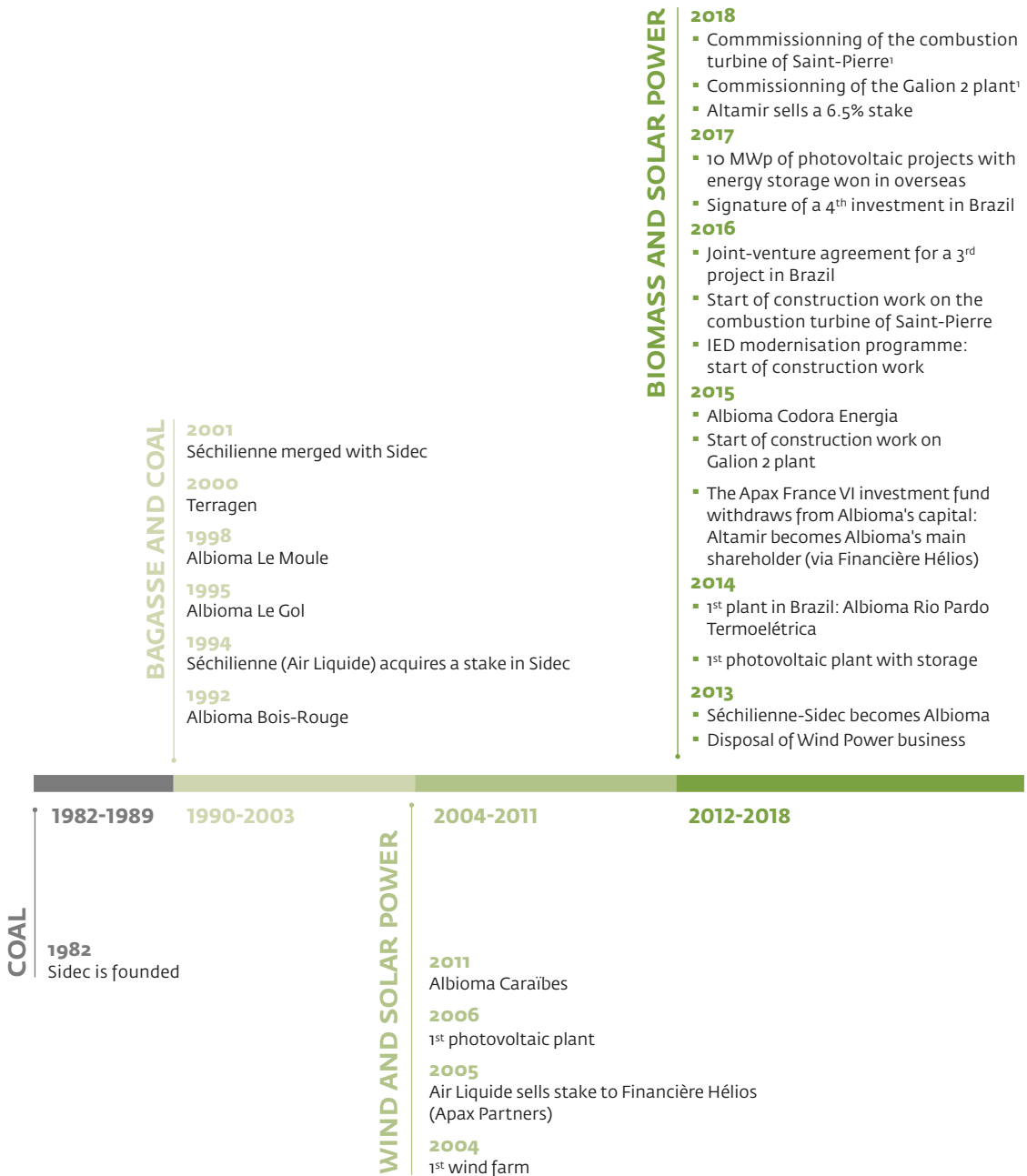
This Registration Document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers) on 27 April 2018.
In accordance with Article 212-13 of the French Financial Markets Authority's General Regulation, it may be used as a supporting document for a financial operation, but only alongside an information memorandum approved by the French Financial Markets Authority.
This document was prepared by the issuer and is the responsibility of the persons whose signatures appear herein.

1

THE ALBIOMA GROUP

1.1. History	6	1.7. Research and development, patents and licences	29
1.2. Key figures	7	1.7.1. Thermal Biomass	29
1.3. Activities and main markets	8	1.7.2. Electricity storage	29
1.3.1. Activities	8	1.7.3. Network services	29
1.3.2. Regulatory and contractual framework	10	1.7.4. Predictive maintenance	29
1.3.3. Principal markets	15	1.7.5. Primary reduction of pollutant emissions	30
1.4. Strategic priorities and investment policy	21	1.7.6. Steam cycles	30
1.4.1. Three strategic priorities, one goal: renewable energy sources to account for 80% of the Group's total production by 2023	21	1.8. Internal control and risk management	30
1.4.2. 75% of the 2013-2023 investment programme already committed	23	1.8.1. Risk factors	30
1.5. Organisation	24	1.8.2. Internal control and risk management procedures	42
1.5.1. Simplified legal organisation chart (as at the Registration Document filing date)	24	1.8.3. Insurance policy	49
1.5.2. Additional information on the Group's legal structure	25	1.9. Corporate social responsibility information	50
1.5.3. Functional organisation and Executive Committee	25	1.9.1. Reporting scope and methodology	50
1.6. Property, plant and equipment	28	1.9.2. Employment information	51
		1.9.4. Social information	66
		1.9.5. Independent Third Party's report on the consolidated environmental, employment and social information presented in the Registration Document (which includes the management report)	69

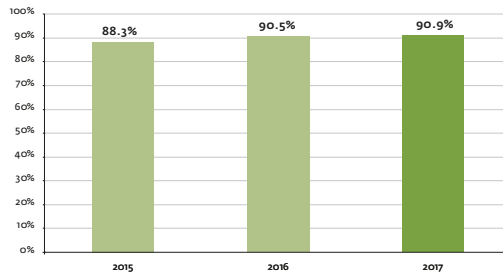
1.1. History



1. Commissioning in the first half of 2018.

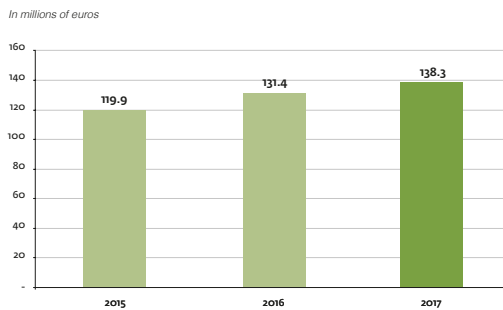
1.2. Key figures

1.2.1. AVAILABILITY OF THERMAL BIOMASS PLANTS¹



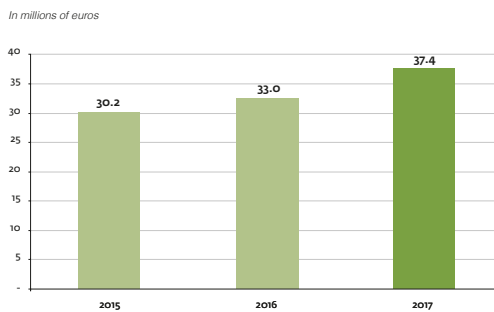
1. Excluding Brazil. Availability: average availability rates of thermal power plants weighted to factor in net power output. The availability rate is the ratio between the maximum energy produced and the maximum demand for energy by the client.

1.2.2. EBITDA¹

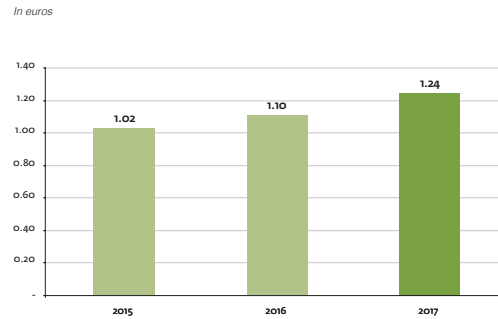


1. EBITDA: operating income before depreciation and amortisation charges and net of charges to provisions, including Group income from companies consolidated using the equity method.

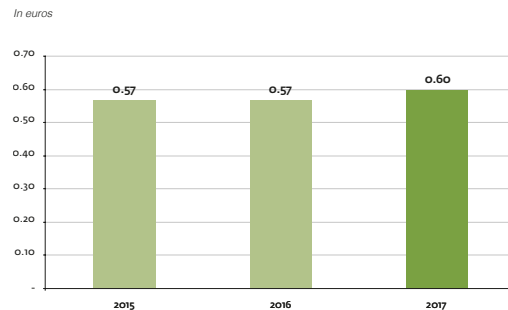
1.2.3. NET INCOME, GROUP SHARE



1.2.4. CONSOLIDATED BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

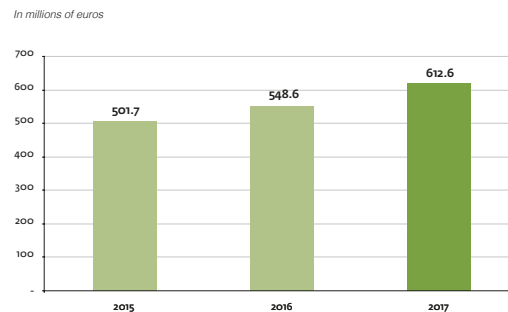


1.2.5. DIVIDEND PER SHARE¹



1. The 2017 dividend will be submitted for approval by the shareholders at the General Meeting to be held on 30 May 2018.

1.2.6. CONSOLIDATED NET DEBT



1.3. Activities and main markets

1.3.1. ACTIVITIES

Albioma has been the preferred partner for the sugar industry in French overseas territories and Mauritius for over 25 years. Albioma has successfully rolled out its core business in those markets, namely the highly energy-efficient recovery of bagasse for the production of renewable base load electricity that is available at every moment of every day. In 2014, this unique know-how enabled the Group to roll out its original model in Brazil, the world's leading producer of sugar and of ethanol obtained from sugar cane.

Taking full advantage of its presence in very sunny regions, the Group has also established itself as the lead player in the production of photovoltaic energy in France's overseas departments and regions. In 2014, Albioma commissioned its first photovoltaic installation with storage capability, demonstrating its ability to integrate this new high value-added technology into its existing offering.

The Group operates 10 thermal plants and almost 150 photovoltaic plants. With an installed capacity of 752 MW, the Group produced 3,577 GWh of electricity in 2017.

1.3.1.1. Thermal Biomass

On the strength of its experience in energy production bagasse, Albioma has been the preferred partner of sugar refiners. Supplying plants with bagasse in return for the supply of steam and electricity for sugar mills is a sustainable model which gives these refiners a decisive competitive edge. And the energy efficiency of its plants enables Albioma to sell power it produces to electricity distributors while helping them cater for increasing consumption.

The Group's thermal power plants, built near sugar refineries, are designed to recover all the bagasse produced. Through these facilities, the Group has demonstrated its expertise in harnessing hybrid combustion technology to produce electricity and heat from bagasse and coal.

In France and Mauritius, during the sugar campaign which lasts between four and six months, the plants operate as cogeneration units, with bagasse as the main fuel. Between harvesting campaigns, they operate using a condensing process in the same way as conventional power plants, using coal. The choice of coal as the auxiliary fuel is justified by its commercial availability at attractive prices, and the ease with which it can be shipped to island locations. It can be used in a hybrid-combustion configuration to supply energy all year round at a competitive cost while complying with European and French atmospheric emissions standards.

In Brazil, the duration of sugar campaigns (nine or ten months) and the quantity of sugar cane processed by sugar mills enables the Group's cogeneration facilities to operate

using bagasse all year round (i.e. 11 months out of 12, as the last month is set aside for annual maintenance).

Albioma aims to significantly reduce the use of coal at its existing bagasse/coal thermal power plants by replacing coal with new types of sustainable biomass in addition to bagasse. As the Group's plants are already designed to operate using a variety of fuels, this change in energy mix could be made with lower investments than those made by certain European power companies to convert their 100% coal-fired plants to biomass.

1.3.1.2. Solar Power

The Group has been producing photovoltaic solar energy since 2006. In synergy with the thermal biomass activity, the construction of an efficient power fleet is increasing Albioma's contribution to the production of renewable electricity supplementing the renewable energy obtained from bagasse. With a solar power fleet providing a capacity of 74 MWp, Albioma is a major player in the production of photovoltaic solar energy in France, and is the leading producer in the French overseas departments and regions, where the facilities benefit from exceptional sunshine conditions, with exposure exceeding the average for French farms by more than 20%. Albioma operates its plants within the framework of secure long-term agreements with EDF.

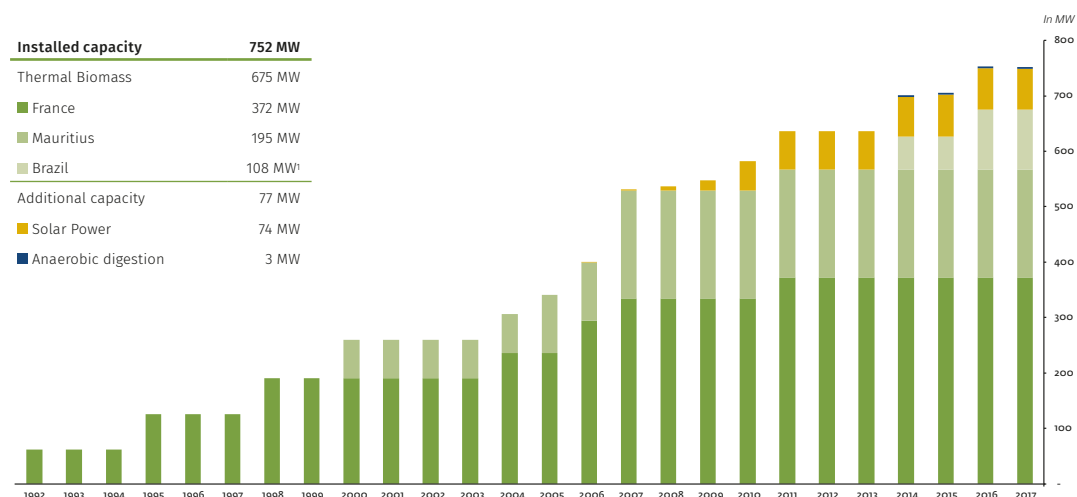
In 2014, the Group commissioned its first photovoltaic installation with energy storage capability. This technology, combined with a short-term weather forecasting system, significantly increases an installation's availability and smooths the production of energy, which is otherwise naturally variable. In 2016 and 2017, the Group was awarded contracts to operate installations with storage capability in the overseas departments and regions with a total capacity of 5.9 MWp and 4.4 MWp respectively, following calls for tender organised by the Energy Regulation Board, which is in line with its new focus on high-technology and high value-added projects.

1.3.1.3. Anaerobic digestion

The anaerobic digestion process can be used to recover organic waste, particularly farm waste, in order to produce biogas by biological decomposition of organic matter in a confined oxygen-free medium. The process also produces "digestate", which can be used, either directly or after additional processing, as fertilizer. Agricultural anaerobic digestion recovers by-products from farming and agribusiness: manure, slurry, plant co-products and waste from agri-business industries. The biogas produced can then either be injected directly into the gas distribution network or burned to produce steam and electricity.

Three agricultural anaerobic digestion facilities, all in the west of France, were operational in 2017 (3 MW). As the pricing environment meant that these facilities were not achieving satisfactory levels of profitability, the Group restructured this business in 2016, with the aim that the three plants in operation will gradually break even from 2017. It also abandoned all plans for new plants.

1.3.1.4. Installed capacity of the Group, showing changes and distribution by business sector as at 31 December 2017



1. Approximately 41 MW guaranteed.

1.3.1.5. Breakdown of the Group's 2017 income from ordinary activities, EBITDA and operational income by business sector

In millions of euros	Income from ordinary activities	EBITDA	Operating income
France – Thermal Biomass	334.2	102.1	64.4
France and Southern Europe – Solar Power	42.4	32.0	15.5
Mauritius	-	3.5	3.5
Brazil	20.8	7.7	2.3
Holding company, Anaerobic Digestion and other	5.8	(6.9)	(5.8)

1.3.2. REGULATORY AND CONTRACTUAL FRAMEWORK

1.3.2.1. Regulatory framework of French electricity market

General remarks

The Group operates its electricity production units in a regulated market environment. In France, the legal framework consists of:

- European directives and regulations which, in particular, lay down the principles governing the opening of the electricity market to competition and the organisation of this, and define the responsibilities of the various parties involved in the production, transport and distribution of electricity, and the role of national regulators; they also govern the terms and conditions of access to networks for cross-border electricity exchanges;
- The French laws and regulations codified in the Energy Code (Code de l'énergie) (Order 2011-504 of 9 May 2011 codifying the legislative part of the Energy Code).

Accordingly, the installation and operation of the Group's production units, including in particular its thermal power plants, must comply with a very complex set of laws and regulations, relating in particular to town planning and the environment.

Classified installations for environmental protection (ICPE)

The Group operates its industrial installations within a strictly regulated framework, particularly as regards the environment. All of the Group's thermal power plants in France and its anaerobic digestion installations (depending on their size and the type of organic matter they process) are governed by laws and regulations applying to classified installations (ICPE), including those concerning the rehabilitation of sites when the classified activity is discontinued and the provision of financial guarantees for certain installations (see additional information in section 1.9.3.1 on page 60 of this Registration Document). More generally, the Group's activities are governed by all the laws and regulations arising from the transposition into French law of the European directives and regulations on the protection of the environment (including in particular Directive 2010/75/EU of 24 November 2010 on industrial emissions or Directive 96/61/EC of 24 September 1996 on integrated pollution prevention and control, see additional information below).

Classified installations for environmental protection are supervised by the local Prefects and the DEAL (the French environment, planning and housing authorities), which are responsible for inspecting the installations). In the event an

operator fails to comply with the applicable requirements it may face criminal action and the Prefect may also impose administrative sanctions, which can include a temporary ban on operating the installation; the Prefect can even propose its closure by means of a Council of State decree.

Mechanisms for compensating extra costs for public service missions

Article L.121-6 *et seq.* of the Energy Code provide for a mechanism for compensating costs charged to the public service missions assigned to EDF and the local distribution companies, through a contribution to the public service charges for electricity (CSPE – *contribution au service public de l'électricité*), the use of which is supervised by the Energy Regulation Board (Commission de Régulation de l'Énergie). This contribution is paid by end-users in the form of an amount added to the regulated sales tariffs or to the network access tariffs, or directly by producers when they are producing electricity for their own consumption.

In support of this mechanism, EDF uses first and foremost those producers located in zones where electricity production costs are structurally higher than in mainland France who propose the most competitive solutions: Albioma is one of its main suppliers in the overseas departments and regions.

The contribution to the public service charges for electricity was recently reformed by the 2015 Amending Finance Act (article 14 of the 2015 Amending Finance Act no. 2015-1786 of 29 December 2015). The reform placed the CSPE tax on the same level as the domestic consumption tax on electricity (TICFE), which is governed by article 266 *quinquies* (C) of the Customs Code. The main consequence of this reform (in addition to an increase in the TICFE tax) is that the CSPE now forms part of the State budget.

Act n°. 2015-992 of 17 August 2015 on energy transition for green growth

In 2015, the legal framework applying to the French market was affected by the enactment of Act no. 2015-992 of 17 August 2015 on energy transition for green growth.

This major piece of legislation assigns two pivotal objectives to the French overseas departments and regions classified as 'non-interconnected areas' (*zones non interconnectées*): to increase the proportion of renewable energies in these areas to 50% by 2020, and to achieve energy self-sufficiency by 2030.

The priorities for action and the resources implemented to achieve these objectives are set out in multi-year energy plans for each overseas department or region. These plans define the objectives of the regional energy policies for all kind of uses (electricity, heat and cold, transport), set priorities at stake, with a view to set an orientation for the management of all sources of energy on the territories for the next years. They include a specific development plan for the overseas departments and regions for the energy efficient recovery of biomass.

The multi-year energy plans are drawn up by the relevant local authorities and approved by decree. The Reunion Island, Guadeloupe, Mayotte and French Guiana have published their energy plans in 2017 for the 2018-2023 period. A first review shall take place in 2018 to cover the next period (2023-2028).

Greenhouse gas emission quotas

Since 2013, the electricity sector no longer benefits from free quotas for installations producing electricity only, which now have to purchase quotas at auction. Free quotas are only available for cogeneration plants, based on the fraction of capacity not sold to the networks. Pursuant to the most recent amendments to the agreements entered into by EDF and the Group plants, the plants charge EDF for the cost of buying quotas and pass on to it the quotas acquired within the framework of their cogeneration business.

Directive 2010/75/EU of 24 November 2010 on industrial emissions

Directive 2010/75/EU of 24 November 2010 on industrial emissions (IED) defines an integrated approach for the prevention and control of pollution generated by certain industrial installations. It unifies in a single directive the seven pre-existing and separate directives, including Directive 2008/1/EC of 15 January 2008 on integrated pollution prevention and control, known as the IPPC directive, which it strengthens. The decree of 26 August 2013 transposed this directive into French law and set the environmental performance requirements. More specifically, sulphur oxide (SO_x) and nitrous oxide (NO_x) emissions are limited with effect from 1 January 2020. A programme to bring the Group's thermal power plants in the overseas departments and regions into compliance with the atmospheric emission reduction requirements was launched in 2016.

The Industrial Emissions Directive (IED) essentially focusses on use of the Best Available Techniques (BAT) in the operation of the activities concerned. These have become the basis of the definition of the operating licence terms and conditions. The review of these licence terms was triggered by the publication, in the Official Journal of the European Union, of the "BAT conclusions" brought together in the reference documents known as the BREFs (Best available techniques REference documents). The Group's activities in the overseas departments and regions are governed by the BREFs relating to large combustion plants, for which an implementing decision was published in the 17 August 2017 edition of the Official Journal of the European Union. The Group plans to submit its review files to the Prefect of the overseas departments and regions by 17 August 2018, as required by the regulations.

1.3.2.2. Contractual framework applying to the sale of electricity

The Group operates its electricity production plants pursuant to long-term power supply agreements with the relevant network operator (EDF in France, Central Electricity Board (CEB) in Mauritius, ENDESA in Spain and GSE in Italy). This means that the sale of electricity generated by the Group is guaranteed on a long-term basis. However, the Brazilian electricity market operates in quite a different way.

The Group enters into individual electricity supply agreements and, in France in particular, agreements under a system that requires EDF and local distribution companies to purchase the electricity at a price set by the public authorities, in some cases following a competitive-bidding process organised by the Energy Regulation Board (similar systems exist in other European countries). Solar and Anaerobic Digestion agreements are entered into within this specific framework. They are pre-formulated standard contracts, and their terms are defined by the public authorities.

Contractual framework of the Thermal Biomass activity

France

Each Group company operating a base load thermal power plant in France has signed a long-term agreement with EDF (separate agreements have been signed for each of the Albioma Le Gol commissioning tranches), which provide that the Group will ultimately become the owner of the operating facilities and retain control over the land on which the facilities are built.

1 • THE ALBIOMA GROUP

1.3. Activities and main markets

Since 2006, the Group's investments in Thermal Biomass plants in Overseas France fall within the scope of the Ministerial Decree of 23 March 2006 which provides, with regard to calculation of the tax contribution to the public service charges for electricity (CSPE – contribution au service public de l'électricité), for an interest rate, before taxes, of 11% on capital invested, in electricity production installations in non-connected areas.

The general structure of each of these contracts is based on the following economic balance.

Each base load power plant supplies to EDF, as the sole purchaser, available capacity remunerated by a set annual premium, combined with a premium/penalty system, fines and an indexing mechanism. EDF has the right to utilise the power plant's production whenever it wishes, in exchange for payment of the fixed premium which covers all fixed costs generated by the financing, construction and maintenance of the plant, and the producer's margin.

The fixed premium paid to the producer is calculated on the basis of the plant's annual available capacity.

For each contract (with the exception of Albioma Caraïbes), the fixed premium is reduced, in stages for the older contracts or on a straight-line basis for contracts signed since 2010 and for all amendments to existing contracts. The annual nominal value of the fixed premium is linked to a composite index comprising indicators tracing variations in the cost of labour and equipment. For the older contracts, successive refinancing packages should ensure, through the reduction of financing costs, stability over the contractual term of the net cash flows generated by the power plant excluding the indexing mechanism, after reduction of the set reference premium.

The following table shows the reductions in the fixed premium to be applied in the future, and the expiry dates for contracts for thermal power plants in Overseas France, which may be extended by contractual amendment.

<i>In thousands of euros</i>	01/01/2018	01/01/2019	01/01/2023	01/01/2024	Expiry
Albioma Bois-Rouge 1 (tranches 1 and 2)	(3,131)	-	-	-	2027
Albioma Bois-Rouge 2 (tranche 3)	-	(3,662)	-	-	2039
Albioma Le Gol A (tranches 1 and 2)	-	-	(3,126)	-	2030
Albioma Le Gol B (tranche 3)	-	(5,290)	-	-	2030
Albioma Le Moule	-	-	-	(3,393)	2033
Albioma Caraïbes	No reduction of set premium				2040
Albioma Galion 1	No reduction of set premium				2031
Albioma Galion 2	Straightline reduction over contractual term				See note 1
Albioma Saint-Pierre	Straightline reduction over contractual term				See note 2
Additional fixed premiums	Straightline reduction over contractual term				See note 3

1. 30-year contract, with effect from industrial commissioning, which is scheduled for the second quarter of 2018.

2. 25-year contract, with effect from industrial commissioning, which is scheduled for the first half of 2018.

3. Separate fixed premiums intended to compensate for the cost of modernisation work and other work to bring the plants into compliance. These fixed premiums relate to investments made pursuant to the Directive referred to in section 1.3.2.1 on page 11 of this Registration Document.

In addition to the fixed premium, an all-inclusive price is calculated on the basis of effective production. This additional remuneration includes a variable portion, calculated on the basis of:

- the market price for coal and imported biomass;
- a set bagasse purchase price, increased by an indexing mechanism for local biomass supplies.

In order to manage long-term risks, the agreements contain a safeguard clause designed to maintain the economic balance of the agreement in the event of any unforeseeable new circumstances beyond the producer's control that affects the balance.

Mauritius

In Mauritius, agreements were signed with the Central Electricity Board (CEB) for a 20-year term, which can be extended at any time by mutual agreement. The first agreement will expire in 2020.

The electricity purchase price is based on:

- payment for the availability of capacity, which can be reduced if the power plant's availability rate falls below the rate stipulated in the agreement, or increased if the rate is higher than the rate stipulated in the agreement.
- the sale price of electricity, which is linked to fuel supply prices.

Brazil

The regulated Brazilian electricity market essentially consists of:

- a regulated market (75% of consumption), on which electricity is purchased by distribution companies only, by means of a competitive-bidding process resulting in electricity purchase agreements awarded on the basis of the lowest price. The electricity is then sold under purchase agreements with a term ranging from 15 to 30 years;
- a free market (25% of consumption), on which agreements are negotiated bilaterally with brokers and large industrial and commercial customers (terms and conditions, duration, index-linking formula), generally for a period of between one and five years depending on the price structure.

Electricity produced can also be sold on a spot basis, like all commodities. The sale price corresponds to electricity prices on the market on the date of sale, subject to application of an annual minimum and maximum threshold set by the federal government (BRL 34/MWh and BRL 534/MWh respectively in 2017).

On the regulated market, the price of electricity sold is generally linked to inflation only; the producer has a duty to deliver the self-produced energy sold or to buy in energy on the open market in order to satisfy its supply obligations.

The contractual framework applying to the sale of electricity in Brazil means that the Group has to find a balance between the need to secure a substantial portion of the production in the medium or long term on the free market or the regulated market and the advantages of moderate exposure on the spot market, in particular in order to capitalise on higher prices during periods of hydric stress.

For the period from 2017 to 2019, the Group has secured the sale of an average 75% of scheduled production in favourable price conditions.

Contractual framework of the Solar and Anaerobic Digestion businesses

Electricity produced by the Solar and Anaerobic Digestion installations is sold within the framework of electricity purchase obligations, in some cases following a competitive-bidding process. Agreements require the electricity distribution network operator to purchase all the electricity generated at a contractually agreed price; agreements are entered into for between 20 and 25 years depending on the country.

Solar Power

In France, almost all the Group's photovoltaic installations operate within the framework of the preferential tariffs set in the government order of 10 July 2006. A few installations operate under the tariffs defined in the government orders of 12 and 15 January 2010 and 16 March 2010.

New pricing conditions were defined in a government order dated 4 March 2011, following the moratorium introduced by Decree 2010-1510 of 9 December 2010 which, subject to certain exceptions, suspended the purchasing obligation for new projects. With the exception of ground-based installations and installations on buildings with a capacity in excess of a certain threshold, electricity generated by photovoltaic installations is purchased at a preferential tariff, which is reduced from time to time on the basis of the accumulated capacity of the installations. Ground-based installations and installations on buildings with a capacity above a certain threshold are, however, now operated within a competitive-bidding framework. As a result of this change, the Group's new photovoltaic projects are no longer covered by the preferential tariff and fall within the competitive-bidding framework because of their technical characteristics (capacity and use of storage). Two projects, one on Reunion Island (1 MWp) and one in French Guiana (2MWp), operate under this new system: the Group was awarded the contracts in 2013 following a submission of tenders. The Reunion Island plant was brought into service in Summer 2014, while the plant in French Guiana is still under development. In 2016, Albioma won a call for tenders organised by the Energy Regulation Commission in 2015 for three new projects to operate under the same system: two rooftop projects on Reunion Island (total capacity of 2.6 MWp) and one ground-array project in Guadeloupe (capacity of 3.3 MWp). The call for tenders organised by the Energy Regulation Commission in 2016 has resulted in eleven additional new projects in 2017, with a total capacity of 4 MWp, which will increase the total capacity of the Group's plants with storage capabilities to 12.9 MWp in 2019.

The Group's Spanish and Italian photovoltaic installations operate within the framework of a regulated tariff and long-term agreements, subject to the following:

- a recent change in Spanish regulations has capped the regulated tariff at 1,250 equivalent full power hours (EFPH), with the surplus energy being sold at market prices and therefore on less advantageous terms; new regulatory changes introduced in 2014 set the turnover for each plant with a view to achieving "reasonable" profitability based on the plant's overall size, its commissioning date and its geographic location, and introduced a coefficient to spread the Spanish electricity production deficit and enable Spain to pay up-front for only part of the production delivered, with the balance being payable within a period of six months to two years;
- in Italy, the Group's installations operate under a set tariff, plus a variable remuneration based on the state of the electricity market in Italy.

Anaerobic digestion

The original mechanism, introduced in 2006 and amended in 2011, featured an obligation to purchase electricity produced from biogas and a guaranteed feed-in tariff for injected biogas. This price framework was improved by a government decree and orders on 27 February 2013, authorising the coexistence of the two forms of production.

The purchase price for electricity generated from biogas is based on the following components:

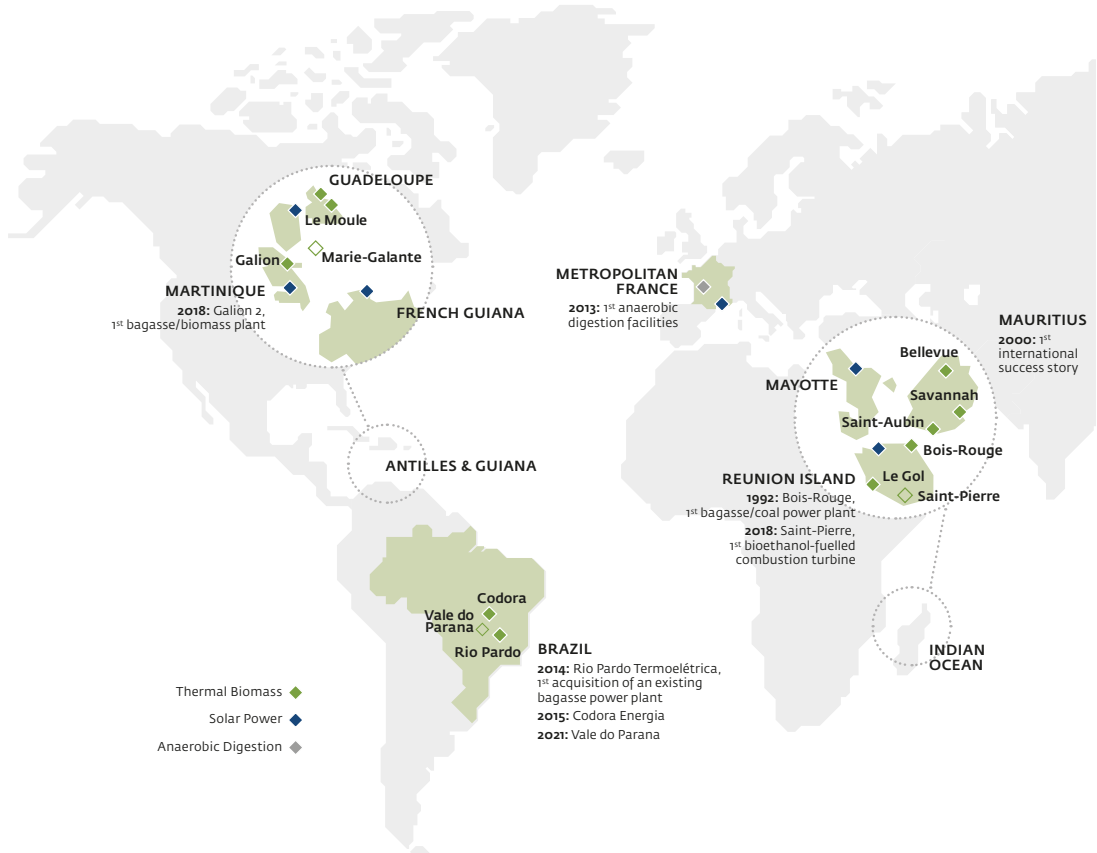
- a basic price, which tapers according to the installed capacity of the production facility;
- a "livestock effluent" bonus, which tapers based on the production facility's installed capacity and the percentage of agricultural biomass in the inputs;
- an "energy efficiency" bonus based on the extent to which heat produced by the plant is recovered.

The price for biogas recovered by injection into the transmission network is based on the following components:

- a basic price, which tapers according to the unit's maximum biogas production capacity;
- bonuses based on the inputs.

In view of the operational and economic problems encountered by most of the players on the collective anaerobic digestion market, a decree dated 20 October 2015 amended the decree of 19 May 2011 determining the pricing framework. As a result, the purchase prices for electricity produced through cogeneration by existing anaerobic digestion facilities were increased. Future facilities with a capacity in excess of 0.5 MW will have access to a bidding process that provides for a guaranteed additional payment for 20 years. The enactment of this new pricing framework has improved the economic perspective for this sector, although plants currently in operation are still not achieving a satisfactory level of profitability. This business was restructured in 2016, with the aim that the plants will gradually break even from 2017.

1.3.3. PRINCIPAL MARKETS

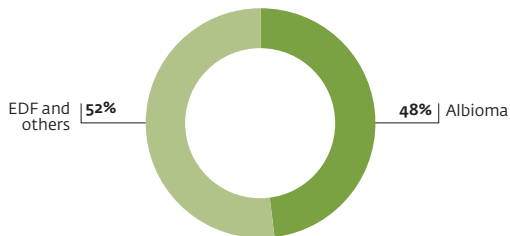


1.3.3.1. Albioma: a front-line player in the electricity production sector in the overseas departments and regions and Mauritius

Albioma is a leading electricity producer in Overseas France alongside EDF, and is a key partner of the Mauritius Central Electricity Board. The Group positions itself vis-a-vis electricity network managers on the alternative energy production market segment. It can thus meet basic electricity needs and also respond to local demand for increased use of renewable energies.

Proportion of total electricity production generated by the Group in the overseas departments and Mauritius in 2017¹

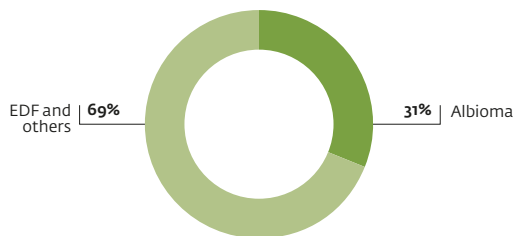
Reunion Island



Martinique



Guadeloupe



Mauritius



¹ The proportion of total electricity production generated by the Group in Mayotte and French Guiana is immaterial, as the Group only has photovoltaic installations.

1.3.3.2. Biomass combustion for electricity generation

Overview of the global market

This market reflects the worldwide rising trend in electricity production by thermal power plants, borne out from year to year. Production is boosted not only by the general factors underpinning the steady increase in electricity demand (population growth, economic development and rising consumption standards in emerging nations, etc.) but also by a series of specific factors:

- declining number of as-yet undeveloped sites suitable for hydroelectric facilities (in many cases poorly located),
- a growing reluctance to build new nuclear power plants in many countries,
- awareness of the obstacle to mass development of wind and solar power posed by the intermittent nature and the consistently high production cost of these forms of energy.

At global level, electricity production from biomass grew at an average rate of 9.7% per year over the period 2002-2016, compared with an average annual growth rate of 3.1% for total electricity production, and 5.5% for total production from all renewable energy sources². A steadily increasing number of coal-fired power plants - some of which will fail to comply with the forthcoming new European environmental standards - are being converted to operate as either dual-fuel coal/biomass or all-biomass plants.

In 2016, some 504 TWh of electricity, representing a little over 2.1% of the global total, was produced from biomass, making it the third-largest source of renewable energy (total output from renewables: 5,930 TWh), after hydro-electricity (4,102 TWh) and wind power (949 TWh) but well ahead of solar power (375 TWh)³.

As regards renewable power generation over the 2002-2016 period at a European level, solid biomass-fuelled electricity production grew at an average annual rate of 10.9% in western Europe (compared to 0.8% for total electricity production and 5.1% for electricity production from all renewable sources). In 2015, solid biomass was used to generate 93.5 TWh of electricity in this region, representing 2.8% of total electricity production (3,322 TWh) and 8.7% of electricity production from renewable sources. This figure of 93.5 TWh ranks solid biomass among the main renewable sources, after hydro power (569 TWh), wind power (301 TWh) and solar power (105 TWh)⁴.

As regards the French market over the same period, electricity production featuring solid biomass grew at an average annual rate of 9.3% in France (compared with -0.4% for total electricity production and +3.3% for renewable production). In 2015, solid biomass was used to produce 3.1 TWh⁵ of electricity in France, representing 0.6% of total electricity production (531 TWh) and 3.0% of renewable production. Based on this figure of 3.1 TWh, solid biomass ranked as the fourth-largest renewable source over the studied period, after hydro power (63.9 TWh), wind power (20.7 TWh) and solar power (8.3 TWh⁶), but offers major competitive advantages in terms of its relative growth outlook.

Strong positions in the French overseas departments and regions and Mauritius

These regional markets are of prime importance for Albioma, and continue to offer growth prospects, in view of their ongoing requirement for additional power generation capacities and the Group's major role in the energy transition in Overseas France. The Group's thermal power plants located in these regions produce a significant proportion of their electricity.

In these markets, Albioma has long been the only significant thermal power generator apart from the traditional national operator, EDF (via its subsidiary EDF Production d'Électricité Insulaire) and the Central Electricity Board on Mauritius. As such, Albioma enjoys a strong competitive position, particularly as multiple barriers to entry exist.

2. Source: International Energy Agency.

3. Source: REN21, *Renewables Global Status 2017*.

4. Source: ENTSO-E, *Electricity in Europe 2016*.

5. Source: Observ'ER, *2017 barometer of the state of renewable energies in France*.

6. Source: RTE, *Bilan électrique 2016*.

1 • THE ALBIOMA GROUP

1.3. Activities and main markets

Firstly, the relatively narrow nature of these markets and geographic and geological constraints preclude the construction of nuclear power plants or even large-scale conventional thermal power plants of the type with which most engineering contractors and operators are familiar. Secondly, topographical restrictions limit the number of sites where power plants could be built. Lastly, the geographical configuration of several of these islands offers little scope for increasing the density of the power grid, to such an extent that many areas are not located near a connection.

In addition, the enactment of Act no. 2015-992 of 17 August 2015 on energy transition for green growth has given Albioma a greater competitive advantage in the French overseas departments and regions: the new 100% biomass projects developed by the Group and the gradual replacement of coal by sustainable biomass in the bagasse/coal plants currently operated by the Group should enable these overseas departments to raise the proportion of electricity production from renewable sources in their energy mix to 50%, all else being equal.

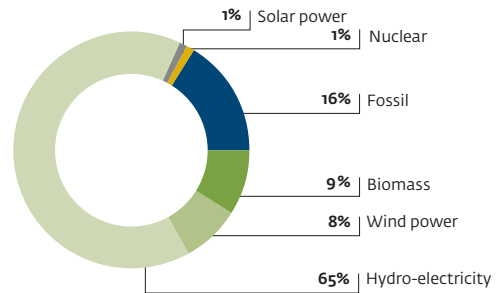
Overview of the Brazilian market

An exceptionally deep market

Brazil is the world's leading sugar producer (41.5 million tonnes of sugar produced during the 2017/2018 campaign (April 2017 to March 2018), representing 22% of total world production and 45% of global exports), the world's number one sugar cane producer (637 million tonnes of cane processed in the 2017/2018 season) and the second-largest ethanol producer after the USA (27 billion litres produced in the 2017/2018 season).

There are currently more than 340 sugar refineries operating in Brazil, making it the world's deepest market for bagasse-based energy production. Today, 7% of the country's electricity is produced by recovering bagasse, despite mediocre performance by existing cogeneration units (with an average of 40 kWh/tonne of cane exported to the electricity grid, compared with 120 kWh/tonne of cane by the Group's most efficient plants in Overseas France).

Brazilian energy mix in 2017



A booming market

The Brazilian electricity market, which is characterised by an installed capacity (158 TW⁷) equivalent to that of France (131 TW) but with a population three times larger, offers very considerable growth potential. According to the most recent version of the Energy Development Plan released by the Ministry of Mines and Energy for the 2015-2024 period, the energy matrix is expected to increase at an average annual rate of 2.3%. In addition, renewable energy sources (hydro-electricity, wind power, solar power and biomass) are expected to increase their market shares to represent 92% of the national installed capacity in 2025, which would place Brazil at the forefront of green energy production.

Sugar and ethanol

Despite the recent recession on the sugar market, which was closely linked to the fall in sugar prices on the international market, expectations that prices will rise again are creating positive market conditions. These recent developments are beneficial for the Group's local partners.

After two seasons during which sugar prices were very low, prices for both sugar and ethanol rose over the 2016/2017 season. The Brazilian sugar cane industry has capitalised on the situation, enabling industry players to increase their investment capacity and consider new sugar mill projects, and to also improve productivity. However, site maintenance suffered during the previous three difficult years, and 2017/2018 production figures did not improve significantly. The situation has been made worse by the dry weather conditions and the ageing sugar fields. Despite this, the long-term prospects for the sugar industry are encouraging: the cycle of sugar production deficits will reduce stocks, which will in turn push up sugar prices. The biofuel sector is also looking up, with the launch of a government programme to support the ethanol sector, called *Renovabio*.

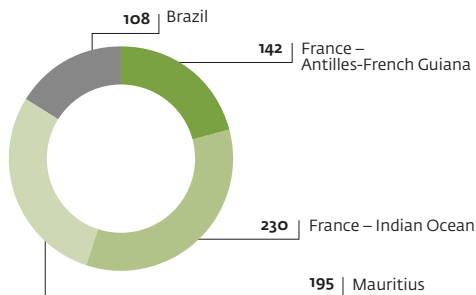
7. Source: Banco de Informações de Geração, ANEEL.

The improved situation will enable Albioma to leverage its recognised expertise in the recovery of bagasse with its sugar-refining partners that have an improved investment capacity.

For the first time since 2014, Brazil's GDP improved, rising by 1% in 2017. The return to growth, combined with interest rates that reached a record low, caused inflation to fall (2017 IPCA index: 2.9%⁸, the lowest rate since 2000). The contraction of economic activity in Brazil naturally impacted energy prices in 2016, with energy distributors finding themselves committed to too many purchasing agreements. The number of calls for tender nevertheless remained steady in 2017, in anticipation of future electricity demand. The trend so far this year suggests that the 2017 economic indicators will remain stable in 2018. It is generally expected that inflation will increase slightly (3.5% in 2018, and 4% in subsequent years) and that interest rates will also rise slightly (6.5% in 2018, and 8.5% in subsequent years), while remaining considerably below the historical average. This continued trend should result in new calls for tender on the regulated market in future years. This economic context presents a valuable opportunity for Albioma.

Installed capacity of the Thermal Biomass activity by geographic region as at 31 December 2017

In MW

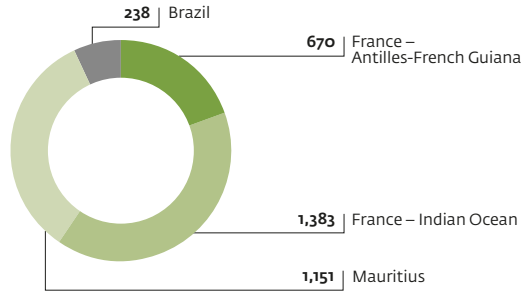


8. Source: Santander.

9. Source: REN21, Renewables Global Status 2016.

Electricity production by the thermal biomass activity in 2017, by geographic region

In GWh



1.3.3.3. Photovoltaic electricity generation

A steadily growing global market

At global level, photovoltaic electricity installed capacity, which was no more than 1,500 MWp in 2000, rose to almost 9,500 MWp in 2007 and then 40,000 MWp in 2010. Growth has remained very strong since, reaching 303,000 MWp in 2016. The global photovoltaic power fleet has therefore continued to expand steadily and significantly since 2007, despite the context marked by economic and financial crises. While Europe was the driving force behind the installation of new production facilities at the start of the millennium, China, Japan and the US remained leading contributors to growth in 2015. The world's emerging markets have contributed significantly to the growth of this market⁹.

In the European Union, photovoltaic electricity installed capacity, which was less than 200 MWp in 2000, rose to almost 30,000 MWp in 2010. The figure broke the 70,000 MWp barrier in 2012 and reached 100,935 MWp in 2016, largely driven by Germany. In 2016, as in 2015, installed capacity rose by approximately 6 GW, essentially in the UK, Germany and France. These three countries alone account for over 70% of all installed photovoltaic capacity in the European Union. This trend can be explained essentially by the opening up of regulated markets and the development of on-site consumption.

1 • THE ALBIOMA GROUP

1.3. Activities and main markets

In France, the photovoltaic power market continues to grow at a steady rate. In 2010, production facilities represented an installed capacity of 1,000 MWp; by the end of December 2017, the installed capacity had risen to 8,044 MWp (including 386 MWp in the overseas departments and regions). The number of new solar power facilities connected to the French electricity grid rose sharply in 2017, with a connected capacity of 837 MWp over the year, excluding the many projects still in the pipeline, representing a total capacity of 2,873 MWp¹⁰.

Albioma is a leading producer of photovoltaic energy in the overseas departments and regions

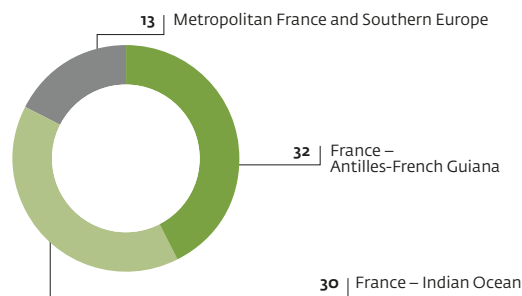
The strategy implemented by the Group since 2006, when it moved into the sector, has consisted in building its solar power business not only in its traditional markets (Guadeloupe, Martinique, Reunion Island and Mayotte) but also in French Guiana, the South of France, Spain and Italy, which benefit from excellent sunshine conditions.

The Group adapts the pace at which it is developing this activity, and the corresponding locations, to reflect the changing mechanisms and regulations applicable in its target regions, while prioritising the construction of photovoltaic plants with storage capabilities.

In 2016, Albioma accounted for 17% of the total photovoltaic installed capacity in the Antilles-French Guiana region, and 15% of the Indian Ocean region, making the Group the leading producer of photovoltaic energy in the overseas departments and regions¹¹.

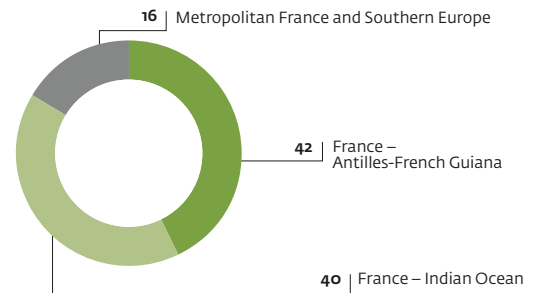
Solar power installed capacity by geographic region as at 31 December 2017

In MWh



Power generation by the solar energy business in 2017, by region

In GWh



1.3.3.4. Anaerobic digestion for biogas and electricity production

Growth in this market is essentially concentrated in the United States and the European Union, which together produced 62.5 TWh of biogas in 2016. In keeping with the European Union's target to cover 20% of its energy requirements with renewables by 2020 (Directive 2009/28/EC of 23 April 2009), it established a programme to support the development of renewable energy industries, resulting in the adoption of a "biogas roadmap" in national renewable energy action plans. The EU also issued directives relating to the reduction of landfill disposal of biodegradable waste and waste recovery and recycling (Directive 2008/98/EC of 19 November 2008).

In application of these directives, several member States have introduced incentives to create anaerobic digestion facilities, in the form of subsidies and attractive tariffs. Germany was among the first countries to implement such a policy. As Germany seeks to phase out nuclear power, significantly expanding anaerobic digestion offers the advantage of broadening the renewable energy spectrum beyond wind and solar power, which suffer the disadvantages associated with their intermittent nature. The agricultural anaerobic digestion sector has also grown very rapidly in Germany. In 2016, the country already had 8,000 agricultural anaerobic digestion units with combined power generating capacity approaching 4,500 MWe.

10. Source: French Government Commission on Sustainable Development, Dashboard: photovoltaic solar energy, Q4 2017.

11. Source: internal statistics and EDF SEI connection data as at 31 March 2016.

In France, addressing the sizeable potential market for anaerobic digestion of livestock rearing and agribusiness waste was a priority of the law on energy transition for green growth, enacted in 2015. Anaerobic digestion represents a significant proportion of total French biogas production, and the pace of new anaerobic digestion connections has increased (22 MW connected in 2017, compared with 17 MW in 2016)¹². However, a number of players in this sector, including Albioma, have experienced both operational and financial problems since 2012, as the pricing system does not enable existing facilities to achieve levels of profitability that are in line with Group standards.

Recent changes to the pricing system (see additional information in section 1.3.2.2 on page 14 of this Registration Document) have resulted in increases in the purchase prices for electricity produced through cogeneration by existing anaerobic digestion facilities. Future facilities with a capacity in excess of 0.5 MW will have access to a bidding process that provides for a guaranteed additional payment for 20 years. The enactment of this new pricing framework has improved the economic perspective for this sector, although plants currently in operation are still not achieving a satisfactory level of profitability. In the light of the strategy review initiated in 2016, the Group has frozen all further development and fully restructured the business.

1.4. Strategic priorities and investment policy

1.4.1. THREE STRATEGIC PRIORITIES, ONE GOAL: RENEWABLE ENERGY SOURCES TO ACCOUNT FOR 80% OF THE GROUP'S TOTAL PRODUCTION BY 2023

1.4.1.1. Work towards the energy transition in Overseas France

French Act no. 2015-992 of 17 August 2015 on energy transition for green growth provides Albioma with a unique strategic opportunity, by introducing two very ambitious objectives for the overseas departments and regions: to increase the proportion of renewable energies in these areas to 50% by 2020, and to achieve energy self-sufficiency by 2030. Albioma will thus become the leader in energy transition in the overseas departments and regions.

The objective, namely to increase the proportion of renewable energies in the energy mix of France's overseas departments and regions to 50%, cannot be achieved without Albioma. The Group's contribution will be twofold, and work is already underway.

- The Group's first area of contribution will be the replacement of coal by new types of sustainable biomass in its bagasse/coal thermal power plants in France. The Energy Transition Act represents a unique opportunity for Albioma to modify its energy mix and move towards fewer greenhouse gas emissions. Tomorrow's facilities will be fuelled by bagasse during the sugar campaign and by other types of biomass during the rest of the year. The phasing out of coal-fired units has already been factored into the multi-year energy plans for Reunion Island and Guadeloupe. The Group's work has focused on using local sources of biomass while avoiding conflicting uses, and more specifically on using other types of waste generated by the sugar cane process, such as sugar cane chaff and distillery bagasse, which is currently not recovered or only on a marginal basis. The emergence of local supply sources represents a major opportunity for these areas, where unemployment rates are high, and the Group is very aware of the need to cultivate such supply sources in partnership with the local ecosystem. In addition, the Group will import biomass in the form of wood pellets to satisfy network needs. The Group will need to ensure that the identified supply sources are certified, so that the imported biomass, which has a much better carbon footprint than imported coal, can qualify as a sustainable source.
- The Group's second area of contribution is the development of 100% renewable energy production facilities. With this in mind, in 2017 the Group pursued two construction projects that symbolise future energy transition in overseas departments and regions: the Galion 2 plant in Martinique and the Saint-Pierre combustion turbine on Reunion Island, which is due to be put into service in the first half of 2018. This strategic stance is also embodied by the Group's decision to step up development of its offering of photovoltaic electricity production facilities with energy storage.
 - The Galion 2 plant (40 MW) will be the first 100% biomass cogeneration plant in Martinique, and it will supply 15% of the island's electricity. Based on a win-win exchange with the Galion sugar refinery, the project aims to safeguard the refinery's future by making it more efficient.

¹² Source: Observ'ER, 2016 barometer of the state of renewable energies in France.

The Galion 2 power plant project is the fruit of 10 years of cooperation between all the stakeholders to increase the share of renewable energy in Martinique from 7% to 22%, helping to drive the island's energy transition while complying with the strictest of environmental regulations. In addition to the bagasse supplied by the Galion sugar mill, the plant will also source new forms of biomass locally, and will import wood pellets from certified sources.

- The Saint-Pierre combustion turbine plan (41 MW) will be the first French peaking power plant to operate essentially with ethanol obtained by distilling sugar cane molasses, which will be produced locally by the COFEPP group's Rivière du Mât distillery on Reunion Island and by the Omnicane group on Mauritius.

The Group has already started work in connection with the second objective contained in the Energy Transition Act for overseas departments and regions, namely energy self-sufficiency by 2030. One strategic priority will be the recovery of indigenous solid recovered fuel (SRF), which will gradually replace imported biomass.

1.4.1.2. Global roll-out of the biomass model

The Group's traditional model based on the high-efficiency recovery of bagasse, which it uses in Mauritius where it operates three bagasse/coal power plants — one of which has been in operation for almost 20 years — and where it has developed a new project to equip the last sugar mill on the island with a high-pressure cogeneration plant, was rolled out in Brazil in 2014. As the world's leading sugar producer, the Group naturally identified Brazil as a priority market for its future international development. The Group now operates two Brazilian plants, both of which use bagasse all year round, and two other projects are in the development phase (Vale do Paraná, where the capacity of the existing cogeneration plant will be increased to 48 MW, and the pending acquisition of a 40 MW bagasse cogeneration plant at the Jalles Machado sugar refinery - with plans to install a new 25 MW turbine to bring the total capacity up to 65 MW). The Group's unparalleled expertise enables it to tap into a major source of productivity, as the cogeneration plants used by the sugar mills tend to have very low generation efficiency rates which the Group can improve upon quite substantially. The successful roll-out of the Group's traditional model

in Brazil is confirmation of its strategic goal, announced in 2012: 40% of the investment programme for 2013-2023 are allocated to the Group's expansion in Brazil, where the Group's objective is now to achieve critical mass in order to absorb its structural costs.

Roll-out of this traditional model elsewhere in the world remains a strategic priority. Other sugar cane producing countries are currently being considered, from a geographic angle (Latin America and Asia) due to the depth of the market, or from the angle of partnerships to support growth of our sugar producing partners or exploit other sources of biomass.

1.4.1.3. Development of high value-added solar projects

The Group has built on over 10 years of experience in photovoltaic energy production to establish itself as a major player in this sector in France's overseas departments and regions, where it now has a 17% market share.

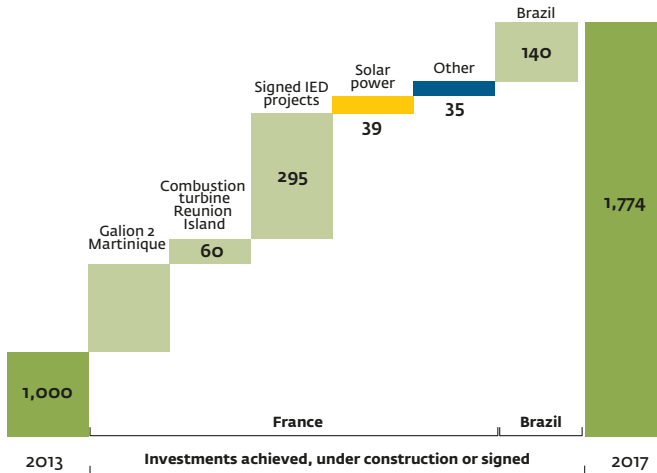
The Group plans to continue its development, and to focus more specifically on projects based on innovative technologies which are, therefore, high value-added projects. This type of project involves the use of storage technologies combined with a complex software architecture capable of producing short-term weather forecasts. The Group will use this technology to gradually offer the Network Manager with a guaranteed supply of energy from an energy source which is naturally variable. With 10 MWp of new projects won in 2016 and 2017 following requests for proposals issued by the French Energy Regulatory Commission, Albioma will increase the total capacity of its plants with storage capabilities to 12.9 MWp by 2019.

1.4.2. 75% OF THE 2013-2023 INVESTMENT PROGRAMME ALREADY COMMITTED

With €774 million of investments secured over four years, the Group is now in advance on the implementation of its €1 billion 2013-2023 investment plan. The investment plan announced in 2012 has therefore been confirmed, and will

continue to be rolled out beyond 2017, with approximately €100 million of new investments per annum on average. The ultimate aim is to double the size of Albioma's industrial assets and net income, Group share, in line with Albioma's unique position as a high-growth and high-yield company.

In millions of euros



After 2017, a target to sign around €100 million investments per year.

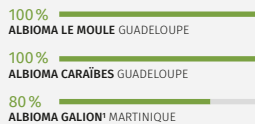
1.5. Organisation

1.5.1. SIMPLIFIED LEGAL ORGANISATION CHART (AS AT THE REGISTRATION DOCUMENT FILING DATE)



THERMAL BIOMASS

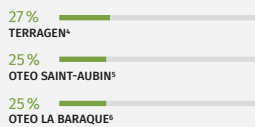
FRANCE - ANTILLES-FRENCH GUIANA



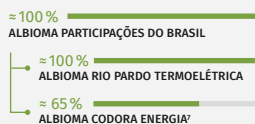
FRANCE - INDIAN OCEAN



MAURITIUS

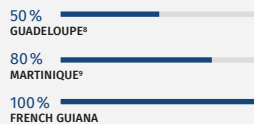


BRAZIL

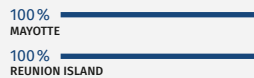


SOLAR POWER

FRANCE - ANTILLES-FRENCH GUIANA



FRANCE - INDIAN OCEAN

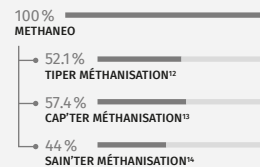


METROPOLITAN FRANCE & SOUTHERN EUROPE



ANAEROBIC DIGESTION

METROPOLITAN FRANCE



1. With the COFEPP group.
2. With the Tereos group.
3. With COFEPP and Tereos.
4. The Group owns 27% of Terragen alongside a consortium (HBM) of sugar production and sugar cane plantation companies in the North of Mauritius, a cooperative investment company owned by sugar industry workers in Mauritius (Sugar Investment Trust) and the State Investment Corporation, a public sector company in Mauritius.
5. The Group owns 25% of Omnicane Thermal Energy Operations Saint-Aubin, together with the sugar producer Mon Trésor et Mon Désert and the Sugar Investment Trust.
6. The Group owns 25% of Omnicane Thermal Energy Operations La Baraque, together with the sugar producer Mon Trésor et Mon Désert and the Sugar Investment Trust.
7. With the Jalles Machado group. In August 2015, Codora Energia was acquired through Albioma Codora Participações, a subsidiary of Albioma Participações do Brasil. Albioma Codora Participações was then absorbed into Codora Energia (now called Albioma Codora Energia) as a result of a reverse merger.
8. The Group owns 50% of Albioma Énergipote Solaire (alongside Énergipote).
9. The Group owns 80% of Albioma Solaire Habitat, Albioma Solaire Antilles and Albioma Solaire Lassalle (alongside the COFEPP group).
10. Companies in the Quant Energia sub-group.
11. Companies in the Sun Developers and Sun Orgiva sub-groups.
12. Together with Séolis Prod and the local biomass association l'Association des Apporteurs de Biomasse du Bassin Thouarsais.
13. Together with Seolis Prod and Avena Méthanisation.
14. Together with Alemda, Vendée Énergie and Société Nouvelle Interplume.

1.5.2. ADDITIONAL INFORMATION ON THE GROUP'S LEGAL STRUCTURE

1.5.2.1. Project companies

For the development and operation of each major industrial installation, in almost all cases the Group uses project companies that it coordinates. The Company acquires shareholdings in these companies ranging from 20% to 100% depending on various criteria including the geographic location, local regulatory constraints and the benefits obtained from the presence of partners. The Company thus generally has a majority holding (an exclusive holding in some cases) in the companies operating the production units located in mainland France and Brazil, and a non-controlling interest in those operating the thermal power plants located in Mauritius.

A list of all companies that are fully consolidated or consolidated according to the equity method as at 31 December 2017 is provided in Note 39 to the consolidated financial statements for the 2017 financial year, in chapter 4 on page 206 *et seq.* of this Registration Document.

1.5.2.2. Main changes to the legal structure over the 2017 financial year

The following transactions took place in 2017:

- early dissolution and transfer of all assets and liabilities of Elecsol Invest 10, Elecsol Invest 13, Voltasogerep Invest, Voltacojonde Invest, Voltagamminvest, Voltasier and Plexus 2010 to their sole shareholders, Elecsol La Réunion 10, Elecsol La Réunion 13, Elecsol La Réunion 18, Elecsol La Réunion 16, Elecsol Saint-André, Elecsol Sainte-Suzanne and Plexus Sol (indirectly wholly-owned by the Company) on 28 April 2017;
- incorporation of Albioma Solaire Caraïbes and Albioma Solaire Guyane 2017 as simplified limited companies (*sociétés par actions simplifiée*) on 9 May 2017, which are wholly-owned by the Company;
- change of Énergipole Quantum's company name on 26 June 2017, to Albioma Énergipole Solaire;
- change of Albioma Guadeloupe's company name on 6 October 2017, to Albioma Services Réseaux;
- sale of all shares held in the Agricole de Pauvres anaerobic digestion unit (UMAP) by Methaneo (which is directly wholly-owned by the Company) on 26 October 2017;
- completion of the liquidation of Isergie (in which the Company had a direct 4% interest) on 1 December 2017;
- early dissolution and liquidation of Methaneo ENR and Methaval (subsidiaries of Methaneo, which is wholly-owned by the Company) on 27 November 2017 and 11 December 2017;
- completion of the liquidation of Teras Méthanisation, Biogaz de Vignes, Energic Méthanisation, Perla, Methaval, Carentan Méthanisation, Biogazillac Méthanisation (subsidiaries of Methaneo, which is wholly-owned by the Company), respectively on 29 June 2017 and 5, 12, 15, 18 and 28 December 2017.

1.5.3. FUNCTIONAL ORGANISATION AND EXECUTIVE COMMITTEE

1.5.3.1. Functional organisation

Since the separation of the functions of Chairman of the Board and Chief Executive Officer in 2016, the Group's structure has been based on six main functional divisions serving three regions. The functional divisions, whose main objectives are to support the operational activities in the geographic regions, define the cross divisional policies and actions applicable to the Group as a whole, and monitor their implementation, are:

- the Industrial Division, which encompasses the Construction Department, the Technical Department, the Procurement Department and the Biomass Supplies Department, together with a new department responsible for energy transition; the Industrial Division supervises the Anaerobic Digestion business;
- the Development and New Businesses Division, which is responsible for the Group's international development and new business lines; this Division is also responsible for overseeing operations in Mauritius;
- the Administrative and Financial Division, which encompasses the Accounts Department, the Management Control Department, the Legal Department and the IT Department; it is also responsible for financing, mergers and acquisitions, and investor relations;
- the Human Resources Division, which is responsible for employee relations, skill development and payroll management;
- the Corporate Social Responsibility and Environment Division, which leads sustainable development initiatives and oversees environmental issues;
- the Safety Division, which supervises industrial safety within the Group.

These six divisions serve the Group's three geographic regions, and each Regional Director is responsible for all the thermal power plants and photovoltaic plants in the region and for local Group development, and also represents the Group in the region. The three regions are:

- Reunion Island-Mayotte, which encompasses the thermal power plants on Reunion Island and the photovoltaic facilities in the Indian Ocean, Metropolitan France and Southern Europe;
- Antilles-French Guiana, which encompasses the thermal power plants in Guadeloupe and Martinique and the corresponding photovoltaic installations;
- Brazil, which is responsible for operations and development in Brazil.

The Company Secretary liaises between all the Divisions and Departments, General Management and the Board of Directors, and is responsible for the secretariat of the Board of Directors and for matters associated with company law and financial markets law, communication, compliance and ethics.

An Executive Committee, which is responsible for overseeing the Group's various business activities, is headed by the Chief Executive Officer and is composed of senior managers from the Industrial Division, the Development and New Business Division, the Administrative and Financial Division and the Human Resources Division, the three Regional Directors and the Company Secretary.

The Management Committee is composed of members of the Executive Committee and senior managers in charge of development and Group support services.

1.5.3.2. Executive Committee

Frédéric Moyne

Chief Executive Officer

Born on 15 October 1975, Frédéric Moyne is a graduate of the Ecole des Hautes Etudes Commerciales (HEC). He started his career at Air Liquide in 1998. In 2001, he joined Séchilienne-Sidec, since renamed Albioma, as an Assistant to General Management, in charge of the financing of Group projects and purchasing. From 2005 to 2008, he was Director of Financing and Investor Relations. Between 2008 and 2011, he served as Head of Southern Europe, which area was then extended to include Metropolitan France, while at the same time retaining some of his previous responsibilities. In 2012, he was appointed Chief Operating Officer in charge of Renewable Energies (Wind / Solar / Anaerobic Digestion) and Group strategy. He was asked to head the development of business in Brazil in 2013. The Board of Directors appointed him Chief Executive Officer with effect from 1 June 2016, when the functions of Chairman of the Board of Directors and Chief Executive Officer were separated.

Pascal Langeron

Deputy CEO – Industrial Division

Born on 7 May 1963, Pascal Langeron is a graduate of the Université de Technologie de Nîmes. He started his career as a technician at APAVE Marseille in 1986. Between 1991 and 1994, he worked for Compagnie Thermique De Bois-Rouge. He then joined Séchilienne-Sidec, since renamed Albioma, where he was successively the Manager of Compagnie Thermique de Bois-Rouge, the Manager of Compagnie Thermique du Moule, Deputy Chief Executive Officer of Compagnie Thermique de Bois-Rouge and Head of the Indian Ocean area. Pascal Langeron served as Chief Operating Officer in charge of France between 2012 and 2016, and was asked to head the Industrial Division in 2017.

Louis Decrop

Deputy CEO – Development and New Businesses

Born on 8 March 1961, Louis Decrop is a graduate of the Ecole des Mines de Nancy and holds an MBA from Columbia University, New York. He started his career as a financial analyst with Eastman Kodak in 1986, before joining Albioma in 1991. He initially worked on the development of the Group's first plants in Bois-Rouge, Le Gol and Le Moule, after which he managed the development of thermal power plants in Mauritius until 2007. Louis was subsequently in charge of the development of wind and solar power plants in metropolitan France. In 2013, he was appointed Development Director for Brazil. In 2015, Louis Decrop was appointed Chief Operating Officer in charge of Albioma's activities in Mauritius and Head of Development for Africa and Asia. He was asked to head the Group Development and New Businesses Division in 2017.

Julien Gauthier

Deputy CEO – Finance

Born on 23 February 1977, Julien Gauthier is a graduate of the Ecole des Hautes Etudes Commerciales (HEC). He started his career at Lehman Brothers, London, where he worked on mergers and acquisitions throughout Europe. He then joined Barclays' structured finance division, where he arranged financing packages for French SMEs. In 2007, he joined Apax Partners as Principal – Business Services investment portfolio, where he also had responsibility for arranging financing for acquisitions and companies in the portfolio. In 2012, he joined Albioma as Chief Financial Officer, and was appointed Deputy CEO in charge of finance in 2015.

Patrice Vivant

Human Resources Director

Born on 3 July 1964, Patrice Vivant graduated from Paris-Dauphine University with an MBA in Human Resources. He initially spent nine years with Thomson-CSF's electronic components branch, as personnel manager and then Human Resources Manager. He then joined the Framatome group in 1996. Over a 15-year period, he held positions as Human Resources Director with multi-site companies in a variety of industrial sectors such as household appliances (Brandt), automotive equipment (Delphi) and electricity production (E.ON). He joined Albioma in December 2013 as Group Human Resources Director.

Nicolas de Fontenay

Antilles-French Guiana Regional Director

Born on 20 March 1964, Nicolas de Fontenay is a graduate of the École Nationale Supérieure Maritime (French Maritime Academy). He started his career as an officer with the Compagnie Générale Maritime in 1991. Between 1996 and 1998 he was in charge of submarine operations for France Télécom. From 1998 to 2000, he was Head of the Transport and Logistics Department at Trouvay & Couvin, a company specialising in oil, gas and water projects in the Middle East. In 2000 he joined Séchilienne-Sidec, which became Albioma in 2013, as Chief Operating Officer of Compagnie Thermique du Moule, since renamed Albioma Le Moule. In 2010, he was sent to Mauritius as General Manager of Compagnie Thermique de Bellevue, since renamed Terragen. He then moved to the Antilles region in 2012 as Director of Thermal Operations. In 2017, he was appointed Antilles-French Guiana Regional Director.

Éric de Bollivier

Reunion Island-Mayotte Regional Director

Born on 21 August 1980, Éric de Bollivier is a graduate of the École Centrale Marseille. He began his career as Operations and Start-Up Engineer at Compagnie Thermique de Bois-Rouge. From 2009 to 2013, he was successively Deputy Chief Executive Officer then Chief Executive Officer of Compagnie Thermique de Bois-Rouge. In 2014 he moved to Paris as Deputy Head of Thermal Operations. In 2017 he was made Head of the Réunion-Mayotte region.

Christiano Forman

Brazil Regional Director

Born on 20 April 1976, Christiano Forman is a graduate in Economics from the PUC-Rio University in Rio de Janeiro, and also holds an MBA from IESE Business School. He began his career with Intelig Telecom and Royal Dutch Shell, holding a number of financial and marketing positions. He then joined GE, working in project development in the United States and Italy, and more specifically on a number of financing projects and the development of the renewable energy sector. He took part in GE's Renewable Energy Leadership Program. Between 2012 and 2015, he was responsible for Acciona Windpower's Brazilian business operations. Acciona manufactures wind turbines. He oversaw the launch of the group's wind turbine business in Brazil, supervised the construction of a number of facilities and actively contributed to building up the group's largest order book. He joined Albioma in 2015, and is currently the Brazil Regional Director in charge of Group activities and development.

Mickaël Renaudeau

Company Secretary

Born on 18 December 1980, Mickaël Renaudeau graduated from the Panthéon-Assas Paris II University with a Master's degree (Magistère) in Company Law. He also holds an advanced studies degree (DESS) in business law and a postgraduate qualification in company law (DJCE). After a period of several years devoted to university lecturing and research, he joined the Anovo group in 2007 as its Corporate Director and Secretary of the Board of Directors. In 2011, he moved to Paris Orléans (since renamed Rothschild & Co), the Rothschild group's listed central holding company, as Company Law Manager within its Group Company Secretariat Department. He joined Albioma in 2013 as Company Secretary and Secretary of the Board of Directors.

1.6. Property, plant and equipment

The Group's property, plant and equipment are described in Note 16 to the consolidated financial statements for the 2017 financial year, in chapter 4 on page 182 of this Registration Document.

The following table shows the Group's main tangible assets used in current operations together with details of their ownership. As a general rule, the Group's plants are held as follows:

- movable assets are fully owned or held under finance leases; fully owned assets have usually been pledged in favour of the relevant lenders until full repayment of the amount owed in connection with the project;
- land and buildings are fully owned or leased under long-term leases or construction leasehold right agreements.

Location	Activities	Total gross capacity (MW)	Land tenure	Facility tenure
Reunion Island	Bagasse/coal cogeneration	60,0	Emphyteutic leases	Full ownership
Reunion Island	Bagasse/coal cogeneration	48,0	Construction lease	Full ownership
Reunion Island	Bagasse/coal cogeneration	64,0	Full ownership	Full ownership
Reunion Island	Bagasse/coal cogeneration	58,0	Full ownership	Full ownership
Reunion Island	Peaking thermal bio-ethanol/heating oil	41,0	Full ownership	Full ownership (in construction)
Guadeloupe	Bagasse/coal cogeneration	64,0	Full ownership	Full ownership
Guadeloupe	Coal-fired base-load thermal	38,0	Full ownership	Financial lease
Martinique	Peaking thermal (heating oil)	40,0	Construction lease	Full ownership
Martinique	Biomass cogeneration	40,0	Emphyteutic leases	Full ownership (in construction)
Mauritius	Bagasse/coal cogeneration	70,0	Full ownership	Full ownership
Mauritius	Coal cogeneration	35,0	Full ownership	Full ownership
Mauritius	Bagasse/coal cogeneration	90,0	Full ownership	Full ownership
Metropolitan France	Ground array solar	8,2	Emphyteutic leases	Full ownership
Reunion Island, Mayotte	Ground array and rooftop solar	30,3	Common-law and emphyteutic leases	Lease with purchase option
Guadeloupe Martinique	Ground array and rooftop solar	15,6	Common-law and emphyteutic leases	Full ownership and lease with purchase option
French Guiana	Ground array solar	16,0	Emphyteutic leases	Full ownership and lease with purchase option
Spain	Ground array solar	2,4	Emphyteutic leases	Financial lease
Italy	Ground array solar	2,0	Emphyteutic leases	Financial lease
Metropolitan France	Anaerobic digestion	2,0	Full ownership	Full ownership
Metropolitan France	Anaerobic digestion	0,5	Full ownership	Full ownership
Metropolitan France	Anaerobic digestion	0,5	Full ownership	Full ownership
Brazil	Biomass cogeneration	60,0 ¹	Use free of charge	Full ownership
Brazil	Biomass cogeneration	48,0 ²	Use free of charge	Full ownership

1. Approximately 20 MW guaranteed.

2. Approximately 21 MW guaranteed.

1.7. Research and development, patents and licences

In view of their current business activities, the Group's companies do not aim to own any processes or to conduct research and development programmes to that end. However, in order to be able to choose the best processes available on the market or to adapt them to the specific needs of the installations managed by the Group, a great many programmes which may be assimilated with research and development activities are currently under way.

The business activities concerned cover several fields, the main ones being as follows:

- recovery of combustion by-products,
- thermal biomass,
- storage of electricity generated by renewable energy production processes,
- network services (involvement in frequency/voltage regulation),
- reducing pollutant emissions by treatment at source,
- monitoring of critical machines to implement a predictive maintenance policy.

All these programmes are now supervised and coordinated by dedicated means. They are analysed to assess whether they are eligible for grants and subsidies available for this type of activity.

In addition, in 2017 the Group began to outsource its innovation activities by investing in a seed fund managed by Demeter Emertec, meaning it will be able to contribute to its investment policy. The fund, which invests in new companies that develop projects in the energy, sustainable mobility and sustainable development sectors, provides the Group with an opportunity to support a fabric of start-ups that could in turn help the Group to address the technological challenges associated with its future development.

1.7.1. THERMAL BIOMASS

Activity is mainly focused in the following areas:

- characterising and researching ways of recycling,
- seeking local industries as sources of substantial additional biomass supplies or to limit planned imports;
- setting up agronomic programmes to study the possibilities of local production of biomass compatible with existing installations.

1.7.2. ELECTRICITY STORAGE

The development of new photovoltaic renewable energy projects, especially in island areas, is facing the issue of reaching this type of variable production's threshold of acceptability for the grid. The possibility of integrating new projects into island grids can be improved by combining them with storage capabilities. The main areas of work in this context are as follows:

- choosing the most suitable type of storage means (batteries, in particular),
- management and supervision of the return of stored energy to the grid,
- the predictability of expected production and its profile on the basis of available meteorological data.

An industrial-scale project (1 MWp) involving storage via lithium-ion batteries has been in operation for more than a year, and has resulted in the launch of a programme to monitor the ageing of batteries in industrial conditions.

1.7.3. NETWORK SERVICES

A current trend on the electricity markets is the signature of contracts for frequency/voltage regulation that are completely independent from the production groups. With a view to penetrating these new markets, at least in those areas where the Group has production facilities, the Group is currently examining:

- regulation possibilities over and above the contractual obligations for existing groups;
- adapting equipment available for the continental market to the technical and economic conditions in the island areas.

1.7.4. PREDICTIVE MAINTENANCE

Almost all critical machines are now covered by systematic maintenance programmes. In addition to reinforcing and structuring inspection programmes, this involves collaborating with manufacturers to develop methods of assessing the technical potential of each function of critical machines in order to optimise the organisation of maintenance operations.

The main items of equipment concerned are:

- combustion turbines,
- steam turbines and their accessories,
- alternators,
- high-power transformers.

1.7.5. PRIMARY REDUCTION OF POLLUTANT EMISSIONS

This section concerns the following:

- solid combustion residues,
- smoke and gaseous products of combustion,
- aqueous discharges.

In all these cases, the same logic is applied: to minimise the formation or introduction of pollutants at the very heart of the processes in order to reduce the need for subsequent treatment. The following main areas of work should be mentioned:

- Aqueous discharges:
 - disinfection of systems using only chlorinated biocides manufactured on site,
 - utilisation of processes for the extraction of combustion by-products that avoid contact with water.
- Combustion by-products:
 - reducing the inclusion of exogenous components resulting in post-treatment problems,
 - controlling the aggregation of clinker and reducing carbon content.
- Gaseous discharges:
 - limiting the formation of nitrogen oxides in combustion zones,
 - limiting the formation of carbon monoxide in the furnace and/or post-combustion reduction.

Note also that at the end of 2016 a system to burn out residual carbon in combustion by-products was commissioned on one of the Mauritius sites. Initial results suggest it will be possible to recover almost all the ash and bottom ash produced on the island for use by the cement industry and the construction and public works sector.

1.7.6. STEAM CYCLES

Work is focused both on the search for ways to optimise existing power plants and on obtaining optimal feedback for the benefit of new projects. The multi-fuel nature of most projects rules out the use of conventional strategies applied to electricity generation plants. The main areas of work are currently:

- reducing secondary losses from turbine steam paths, notably by using sophisticated sealing systems;
- adopting more modern, better-suited blade profiles at selected locations in the steam paths;
- optimising the reheating of water and air in steam cycles, either using energy recovered from processes or by tapping steam at intermediate pressures ;
- improving cold sources;
- studying the possibility of hybrid cycles.

1.8. Internal control and risk management

1.8.1. RISK FACTORS

The Group operates in an environment that is constantly evolving; like any company it is exposed to risks that could have a material adverse impact on its business activities, financial position or results (or on its capacity to achieve its objectives). This section describes the main risks to which the Group is exposed. The Company has assessed the risks that could have a material adverse impact on its activities, its financial position or its results (or on its capacity to achieve its objectives), and considers that all possible material risks are presented below.

The Company has put in place an internal control system, including risk management procedures, in order to prevent and control these risks. The internal control and risk management procedures are described in section 1.8.2 on page 42 *et seq.* of this Registration Document. The elimination of all risks is impossible. Moreover, other risks not listed below because the Group is not currently aware of them or does not consider them to be material as at the date of filing of this Registration Document might have a similar adverse impact in the future.

1.8.1.1. Operational risks

Operational incidents

The operation of industrial units entails risks, which cannot be totally eliminated, relating to industrial accidents (see additional information in section 1.8.1.2 on page 33 *et seq.* of this Registration Document), production facility malfunctions, machine breakages or safety shortcomings.

Such incidents may render part or all of the production facility unavailable, either immediately after the incident or subsequently (for example if a scheduled maintenance shutdown must be extended in order to resolve the incident, in cases where such action may be postponed). In certain cases, unavailability of a facility may significantly impact the Group's trading results.

To reduce these risks, the Industrial Division oversees the maintenance programmes at Albioma's facilities, including in particular management of scheduled production outages. Production equipment suppliers are strictly monitored to ensure that delivered items meet optimal reliability standards. Furthermore, equipment renewal procedures are applied, to mitigate the costs of replacement operations and related down-time. In 2014, General Management decided to put in place a programme to improve maintenance and related functions, with the assistance of an independent firm of consultants. This key initiative has enabled the Group to improve operational management of maintenance, by improving maintenance tools and methods in order to gain a greater level of control over maintenance operations; this led to the creation of medium-term maintenance plans based on an analysis of risks and the criticality of equipment. As a result, improvements were made to stock management, and buffer stock requirements and automatic restocking policies were reviewed.

The industrial risk management system also entails management of stocks of strategic spare parts. The technical incidents at the Le Moule and Bois-Rouge plants in 2014 led to major improvements being made to its system for the management of strategic spare parts, with additional improvements being introduced following technical incidents at the Le Moule plant in Guadeloupe and the Le Gol plant on Reunion Island in 2015. As a result of these incidents, the Group put in place an action plan focused primarily on rotating machinery, condition-based maintenance and reviews of stocks of strategic spare parts, with the aim of improving safety procedures and altering certain machinery in order to once again achieve an availability rate of 90-92%. Related initiatives included an audit of turbine generators in all French thermal power plants in 2016.

The procedures and certifications intended to reduce the risk of occurrence of industrial accidents are described in section 1.8.1.2 on page 33 of this Registration Document.

As a matter of course, operating contracts are drafted to take into consideration the existence of operational risks where operating incidents are caused by force majeure. In the absence of agreement between the parties regarding the contract provisions to be implemented to that effect, any damage suffered by the Group may be covered by its insurance programme, subject to applicable excesses and cover limits, provided the damage relates to an insured event.

Malicious acts

The Group's photovoltaic plants, especially those in Italy, have in the past been the subject of repeated thefts of copper connections, meaning that certain panels cannot operate until the stolen parts can be replaced. A tightening of security and surveillance measures and the introduction of dedicated technical measures has made such thefts more difficult, although the risk of their occurrence cannot be completely ruled out. As at the date of filing of this Registration Document, such malicious acts remain limited and would only have a marginal impact on the Group's results if they re-occurred.

Development

The projects developed by the Group, and more specifically its Thermal Biomass projects, require substantial preliminary development efforts and the period between the first prospective contacts and the industrial commissioning of the installation is typically very long (development periods of between five and ten years).

This requires the Group to invest - at times very substantial amounts - very early on in the process before the construction and/or industrial commissioning of the installation, and therefore long before the installation will begin to contribute to the Group's results. If a project does not go ahead there will be no return on the investment. Moreover, the Group estimates the construction and operation costs of its installations. If the actual costs differ significantly from these estimates the Group's profitability could be adversely impacted.

Given the lengthy development periods, several other factors may cause delays in the construction or industrial commissioning of a project developed by the Group, or even cause a project to be abandoned:

- mobilisation of stakeholders against a project developed by the Group, potentially resulting in administrative proceedings seeking the suspension or cancellation of the permits or authorisations necessary for construction or operation (see additional information in section 1.8.1.9 on page 39 of this Registration Document) or in a blockade (occupation of a site);
- strike affecting a construction site;

- delays in obtaining permits, authorisations and funding – processes that require often uncertain timeframes;
- delays in obtaining authorisation from the Energy Regulation Board prior to signature of an electricity sale agreement with EDF and, more generally, in obtaining authorisation from a supervisory authority;
- non-delivery of an industrial installation under construction, for example if a supplier defaults;
- industrial accident during construction of a facility;
- delays in connecting an installation to the energy distribution network.

Delays in the industrial commissioning of an installation may adversely affect the profitability of a project. Abandoning a project will require the Group to write down the corresponding fixed asset investments and it may be required to repay any associated financing in advance.

In order to reduce these risks, the Group implements a stringent project management process involving internal steering committees and management controllers, the Commitments Committee and the Board of Directors. This process ensures the Group does not commit itself without sufficient visibility of major investments and can call a halt to any project that does not satisfy profitability or risk criteria deemed acceptable by it as early in the process as possible. Moreover, the Group has significantly improved its dialogue with stakeholders in order to identify their concerns as early as possible in the project, and to take them into consideration in all development phases.

The Group's exposure to this type of risk usually increases with time over the development phase and peaks during the construction phase (construction investment commitments and financing).

Access to financing

The Group's capacity to develop its projects, and in particular its Thermal Biomass projects, depends on the availability of long-term financing in the local currency. More specifically, the availability of financing in Brazil is a determining factor in the Group's future development.

If financing tailored to the Group's specific needs were not available, this would limit the Group's capacity to develop. The unavailability of financing could also limit the Group's capacity to refinance certain installations and would expose it to the risk of a substantial drop in profitability. Given the stability of its balance sheet and its contractual arrangements, the risk of unavailability of financing is very limited in France, although it cannot be completely ruled out, particularly in the event of a sharp deterioration in the lending

markets or, more specifically, in the case of the refinancing of power plants using primarily non-renewable energy (the market for financing coal power plants is particularly tense).

Human resources

The technical nature of the Group's business activities means that it requires a high level of availability of qualified staff and must recruit and/or train employees at/ to a high level.

The Group is therefore exposed to a risk that some or all of its qualified employees may be unavailable, and to a risk that it is unable to recruit employees who are sufficiently qualified in view of the highly technical nature of its business activities.

In the event several of its key staff members are unavailable or it is unable to recruit new employees who are sufficiently highly qualified in view of the highly technical nature of its business activities, the performance of the Group's installations could deteriorate.

This risk is managed by:

- the development of an active recruitment policy targeting young engineers who will receive additional in-house training;
- active measures designed to improve employee loyalty, together with the creation of long-term value through the allocation of bonus performance shares to employees;
- the definition and regular review, under the aegis of the Nomination and Remuneration Committee, of a succession plan for key executives, so that recruitment efforts and medium- and long-term training can be adapted as necessary;
- identification, in the project development phase, of recruitment needs and integrated management as part of the project management process.

Internal control errors

The Group has put in place risk management and internal control systems to prevent and manage the risks to which it is exposed. They are described in section 1.8.2 on pages 42 *et seq.* of this Registration Document.

However well designed and correctly applied these systems are, there can be no absolute guarantee that the Group will achieve its objectives. Any system or process has inherent limitations, which may arise from uncertainties surrounding the external operational, economic or financial environment, the use of personal judgement, or malfunctions due to technical or human failures or basic errors.

Accordingly, the Group cannot exclude the risk of a failure of its internal control system, which may expose it to the risk of fraud. Heightening employee awareness of this risk will reduce the likelihood that it occurs.

1.8.1.2. Industrial and environmental risks

Industrial accidents and environmental damage

The operation of power plants, and in particular fuel-powered and anaerobic digestion plants, entails a risk of industrial accidents that could result in the shutdown of the production facilities for a short or longer period of time, or even the partial or total destruction of the installation. Any loss sustained by the Group should be covered by its insurance policies, less the insurance excesses, provided the event resulting in the loss was an insured event. Such an incident could also result in bodily injury, damage to property or environmental damage, which could lead to the Group being sued for compensation and/or facing criminal prosecution.

In particular, Albioma is exposed to:

- fire risks affecting all the Group's activities, given that fuels (bagasse and other types of biomass, coal and oil-based products) and other flammable products are used and stored at its thermal power plants, that flammable methane gas is generated in anaerobic digestion units and that its photovoltaic facilities may be subject to voltage surges or short-circuits;
- explosion risks affecting its thermal biomass activities (high-pressure equipment operation, electrofilters, explosive atmospheres due to the storage of certain types of biomass, etc.) and anaerobic digestion business (although the risk of the digester exploding is limited, as it operates at atmospheric pressure);
- risks affecting the thermal biomass and anaerobic digestion businesses relating to the use of hazardous products (lime, urea, soda, hydrocarbons, etc.) and releases of toxic gases from processes (e.g. carbon monoxide or hydrogen sulphide).

The Group has put in place procedures designed to minimise the risk of such accidents occurring and to reduce their potential impact on individuals, property and the

environment. Some of these procedures were introduced in order to comply with the laws and regulations that are specifically applicable to the Group's business activities, while others are a reflection of the Group's continuing efforts to improve or are the result of a concerted risk management policy put in place in collaboration with its insurers.

Following the introduction in 2011 of the production unit management system as part of the Quality, Safety and Environment (QSE) process, the Group obtained AFNOR certification for the three QSE standards (ISO 9001, ISO 14001 and ILO OSH 2001) for the Albioma Le Gol plant (certification obtained in 2011) and the Albioma Bois-Rouge plant (certification obtained in 2013). The same triple certification was also obtained by Terragen in Mauritius in 2014. OTEO Saint-Aubin obtained ISO 14001:2004 certification in 2014. In 2016, Albioma became France's first producer of photovoltaic electricity to obtain triple certification, namely ISO 9001 (quality), ILO-OSH 2011 (safety) and ISO 14001 (environment). The certification process will be extended to all Group businesses and all locations in the next few years.

Regulatory framework of the Group's business activities

The Group operates its industrial installations within a strictly regulated framework, particularly as regards the environment. All of the Group's thermal power plants and its anaerobic digestion installations (depending on their size and the type of organic matter they process) are governed by laws and regulations applying to classified installations (ICPE). The regulations also require the rehabilitation of sites when the classified activity is discontinued and the provision of financial guarantees for certain installations (see further information in section 1.9.3.1 on page 60 of this Registration Document). More generally, the Group's activities are governed by all the laws and regulations arising from the transposition into French law of the European directives and regulations on the protection of the environment (including in particular Directive 2010/75/EU of 24 November 2010 on industrial emissions).

Classified installations for environmental protection are supervised by the local Prefects and the DEAL (the French environment, planning and housing authorities), which are responsible for inspecting the installations). In the event an operator fails to comply with the applicable conditions it may face criminal action and the Prefect may also impose administrative sanctions, which can include a temporary ban on operating the installation; the Prefect can even propose its closure by means of a Council of 'State decree.

The Group is constantly monitoring compliance of its installations with the applicable laws and regulations. However, despite its efforts the Group cannot completely rule out the risk that it may identify a compliance issue, in which case it will do its utmost to rectify the situation as soon as possible.

Security of employees and individuals present on industrial sites

The Group is exposed to a risk relating to the safety of individuals working on its operational sites, given its industrial activities. The staff who operate the Group's production units and its subcontractors are exposed to risks associated with everyday production and maintenance tasks and also to the risk of an industrial accident.

The Group could incur civil or criminal liability in this connection.

The health and safety of employees and service providers is a major concern for the Albioma group. Albioma has invested in a number of updated operational tools and resources in recent years, including a certified health and safety management system featuring:

- training and awareness programmes;
- internal monitoring of action plans;
- internal health and safety audits;
- ILO OSH 2001 certification, which essentially focuses on occupational safety and health management systems, as recommended by the International Labour Organization in 2002.

In view of the increase in accidents in the workplace in 2014, despite significant efforts to improve employee safety, the Group commissioned an audit of its employee safety procedures. Audit findings were examined in 2015. As a result of the audit, the Group adopted a number of priority initiatives to be routinely implemented by each Group entity. They form part of the 2020 safety master plan, which will be rolled out under the supervision of the Corporate Social Responsibility Committee and the Board of Directors.

1.8.1.3. Climate risks

Given the nature of its business activities and the location of its sites, the Group is exposed to climate-related risks.

The Group's Solar business is more specifically exposed to a risk of a prolonged lack of hours of sunshine, which could adversely affect its results. At the development stage of any project the Group carefully considers the typical hours of sunshine in that location, although despite the high quality of its research it cannot eliminate the risk completely.

The Thermal Biomass and Solar business operations in the Antilles-French Guiana region and the Indian Ocean (French overseas departments and Mauritius) region are exposed to the risk of natural disasters (volcanic eruptions, tropical storms, hurricanes, cyclones, flooding and earthquakes in the West Indies). Any such event could result in the shutdown of the production facilities for a short or longer period of time, or even in the partial or total destruction of the installation. Such potential events are factored in at the time of the design, construction and operation of the production units. In most cases, the wording of the operating contracts (with the exception of the contracts for the Solar business and the Albioma Galion agreement for the sale of electricity) cover the possibility of natural disasters in a force majeure clause. In the absence of agreement between the parties regarding the contract provisions to be implemented to that effect, any damage suffered by the Group may be covered by its insurance programme, subject to applicable excesses and cover limits, provided the damage relates to an insured event.

In Brazil, the variable climatic conditions may result in long periods of drought, alternating with more humid periods. The periods of drought, which restrict use of hydroelectric facilities, may cause electricity spot prices to rise considerably, which is to the Group's advantage. Conversely, humid periods may cause electricity spot prices to fall, to the Group's detriment. However, the Group's exposure to this risk is limited to the part of production that is not protected by guaranteed sale prices on the free or regulated markets.

The Brazilian climate may also affect a sugar mill's ability to meet its contractual commitments to deliver biomass fuel (quantity and quality of the bagasse delivered, including in particular its fibre content), exposing the Group to a counterparty risk. The partnership agreements impose penalties on the sugar mills in the event they are unable to deliver the agreed quantity of biomass, creating a risk associated with the sugar mill's ability to meet its contractual commitment.

The strategy consisting of the guaranteed sale of electricity produced (see additional information in section 1.8.1.11 on page 40 of this Registration Document), the care taken when selecting the sugar mill, and the geographic diversity of Albioma's sites both contribute to the management of climatic risk in Brazil.

1.8.1.4. Risks associated with the impact of climate change

The overseas territories in which the Group operates are exposed to the effects of climate change. The report The economic impact of climate change and adaptation in the Outermost Regions (*Impact économique du changement climatique et de l'adaptation dans les Régions ultrapériphériques*), published in 2014 by Amec Foster Wheeler for the European Commission, predicts in particular:

- an increased risk of and frequency of flooding due to, firstly, an increased frequency of storms and extreme rainfall and, secondly, rising sea levels;
- an increase in the hydric stress risk associated with salt water infiltration contaminating freshwater resources;
- the modification of annual precipitation patterns, with wetter winters and drier summers;
- increased average temperatures;
- soil degradation, leading to an increased risk of surface runoff;
- increased numbers of insect pests and invasive species;
- an increased risk of forest fires.

These climate changes entail a number of environmental risks liable to directly affect the Group's activities, including the risk of flooding and landslides, exposure to extreme climatic events, water stress risks and a risk of reduced availability of biomass resources.

Drawing on this information, Albioma assesses the exposure of its existing and planned facilities to such risks on a case-by-case basis, taking the climate change forecasts into account, and implements any necessary measures. In particular, thorough impact assessments are carried out in connection with operating license applications.

However, the Group is still exposed to financial risks directly or indirectly associated with the impact of climate change. These risks and the measures put in place by the Group to reduce the impacts are described in section 1.8.1.3 on page 34 of this Registration Document. As regards climate change, the Group's strategy, aimed at increasing the proportion of energy produced using renewable sources to 80%, is an

intrinsic part of its low carbon strategy for the core areas of the Group's businesses.

For additional information on this topic, please refer to section 1.9.3.4 on page 64 *et seq.* of this Registration Document.

1.8.1.5. Labour-related risks

Risk of strikes

The Group is exposed to the risk of strikes and other labour disputes, particularly at its Thermal Biomass plants in the overseas departments and regions, where most of its employees currently work. Such events, which may originate within the company or be more generalised (e.g. action affecting the entire electricity and gas industries or general industrial action), may result in the shutdown of the production facilities for short or longer periods of time.

In most cases, the wording of the operating contracts covers the possibility of a national strike with local repercussions in a force majeure clause. However, the Group's results could be adversely affected in the event of the unavailability of its installations due to a local strike.

The Group pays very close attention to the management of its human resources, and ensures in particular that a healthy dialogue is maintained with the employee representative bodies. The Group also associates its employees with the growth of the Group and the creation of value in the long term, through the allocation of bonus performance shares, profit-sharing agreements and incentive schemes. For additional information on these topics, please refer to section 1.9.2.1 on pages 54 *et seq.* and section 6.4 on pages 271 *et seq.* of this Registration Document.

Risk associated with employees with "IEG" status

Some of the Group's employees have "IEG" status (special status for employees who work in the electricity and gas industries [Industries Electriques et Gazières]), meaning that the Group is responsible for the payment of pensions and other benefits granted to employees with this status. The amounts of the resulting obligations and the provisions to be recognised in the consolidated financial statements are calculated on the basis of assumptions (including estimated mortality tables and discount rates) which may change, as may the rules applying to the payment of pensions. Such changes could generate additional charges for the Group, despite its low number of employees, which would result in additional provisions being recognised, with a negative impact on its results.

1.8.1.6. Country-related risks

The Group's presence in Mauritius and in Brazil exposes it to country risks relating to the instability of exchange rates, the existence of political, financial or social unrest, high inflation rates, uncertainties concerning jurisdiction and the applicable laws, and the potential nationalisation or expropriation of private property that could adversely impact the Group's business activities. The consequences of an unfavourable trend in exchange rates or inflation in Mauritius are limited because of the indexing formulae included in the local long-term agreements for the sale of electricity. The consequences of inflation in Brazil are factored in through the indexing of electricity sale prices in sale agreements concluded on the open market or the regulated market, in line with the Group's policy to secure sales of electricity.

In the French overseas departments and regions, the Group is exposed to risks associated with a large-scale political or social crisis that may, in particular, result in general strikes (see additional information in section 1.8.1.5 on page 35 of this Registration Document).

Although the geographic diversification of the Group's portfolio of projects limits the risks, the Group's results could be substantially impacted in the event of a global, long-term crisis affecting one of the regions in which it operates.

1.8.1.7. Credit and counterparty risk, risk of dependency on third parties

In the course of its business activities, the Group is exposed to risks relating to dependency on third parties in a number of ways.

Credit and counterparty risk

Generally, given the stability of the Group's clients in metropolitan France, the French overseas departments and regions and Mauritius, the Group's exposure to a counterparty risk relating to trade receivables is immaterial.

As regards the Thermal Biomass business, the structure of the Brazilian electricity market (see additional information in section 1.3.2.2 on page 13 of this Registration Document on the contractual framework of the Brazilian business activities) is such that the Group will enter into agreements for the sale of its electricity with major industrial and commercial partners and will therefore be exposed to a counterparty risk.

With regard to the Anaerobic Digestion business, the sale of the steam produced to industrial clients exposes the Group to a counterparty risk, limited to a fraction of its turnover, in that the default of a steam client would be likely to call into question the contractually defined tariffs for the purchase of electricity (moreover, this risk is limited to the cogeneration plants).

The Group is exposed to a limited counterparty risk with regard to its suppliers and subcontractors in connection with its French overseas activities. Despite the care taken when selecting them, the inability of a supplier or subcontractor to deliver an agreed service as a result of a default or failure during the construction of an installation, at the time of maintenance or during the operational phase (delivery of fuel), could result in a delay in the industrial commissioning of the plant or the unavailability of the installation, which would have an adverse impact on the Group's results (also see additional information on risks associated with supplies of equipment and fuel).

With regard to its Thermal Biomass business in Brazil, the fact that the Group does not use coal exposes the Group to a material counterparty risk with regard to its sugar-producing partner, which is the sole supplier of bagasse (see additional information below on risks associated with supplies). If the sugar-producing partner is unable to deliver the quantities of bagasse needed to operate the plant, for operational or financial reasons, this could have a material adverse impact on Group performance. Note that the partnership agreements impose penalties on the sugar producers if they are unable to deliver the agreed quantities of biomass. There is therefore a risk associated with the sugar producer's capacity to meet its contractual commitments.

The Group is careful to select reliable partners, based on both operational and financial considerations, which should substantially reduce the risk of such an occurrence, although it cannot be completely eliminated.

Risks associated with supplies

The Group is exposed to a risk of a shortage or delay in supplies of raw materials or fuels needed for its operations, in particular for its Thermal Biomass business:

- in the French overseas departments and regions and Mauritius, a risk of delays and, to a lesser extent given the Group's policy of diversifying suppliers, of an interruption in the supply of coal; the Group builds up and manages a buffer stock of fuel in each of its installations to cover any delays, but it cannot guarantee that it will be able to maintain the availability of its installations in all circumstances;

- in Brazil a risk of an interruption in the supply of bagasse by the sugar-producer, due to its operational failure or financial default (see additional information above on the counterparty risk) or adverse weather conditions (see additional information in section 1.8.1.3 on page 34 of this Registration Document on weather-related risks); the contracts with the sugar-producers provide for penalties in the event of an interruption in the supply of bagasse, but the Group cannot guarantee that it will be able to maintain the availability of its installations in all circumstances; if necessary, the Group could obtain bagasse or other forms of biomass from other suppliers (see additional information in section 1.8.1.11 on page 40 of this Registration Document).

More generally, the Group is exposed to the risk of a shortage of or delay in supplies of strategic parts needed for the proper operation of its installations, which are often located in scarcely industrialised areas. Such supply shortages or delays could lead to the unavailability of the Group's installations (for example, as a result of extending the technical shutdown periods for maintenance work), which would have an adverse impact on its results. The Group manages a buffer stock of strategic parts with long procurement periods, in order to reduce exposure to this risk.

Other risks relating to the Group's dependency on its customers and suppliers

The most important supplier during the last financial year was a supplier of coal. In 2017, invoices from this single supplier totalled €28 million, excluding tax. In 2016, the total amount invoiced by the Group's ten largest suppliers was €182 million, excluding tax, vs. €148 million in 2016.

The Group sells almost all of the electricity it produces under long-term agreements entered into with EDF in France and the Central Electricity Board in Mauritius. The Group's income from EDF came to €358.8 million in 2017, representing 89.0% of consolidated income for the 2017 financial year. This is similar to 2016 (89.5%). Revenue earned with the Central Electricity Board is not included in consolidated income, as the Mauritian power plants are consolidated using the equity method. Any difficulties in relations with these customers could have a material adverse impact on the Group's results.

1.8.1.8. Risks relating to raw materials

The Group's long-term electricity sale agreements allow it to link the variable price of electricity sold to the price of the fuel used. In the case of coal, the price is linked to the price of the last known delivery as at the invoice date, although coal actually consumed may have been taken from stocks delivered previously. This system can generate discrepancies which may have a marginal impact on the results ("stock effect") if the unit price for coal varies between two deliveries. It is impossible to anticipate this impact.

More generally, a drop in the price of coal will have an adverse impact on the Group's income because of the indexing mechanism described above. The stock effect may impact EBITDA and net income, Group share.

1.8.1.9. Litigation risks and main disputes

Risks associated with changes to the regulatory environment

The Group operates all its business activities in a strictly regulated framework, particularly as regards the environment, employment and tax matters. Changes to the regulatory environment that apply to the Group's activities may require it to invest heavily in order to bring its installations into compliance, which could reduce the profitability of its installations.

The clauses designed to preserve the economic balance of the long-term electricity sale agreements for its Thermal Biomass businesses in the French overseas departments (see further information in section 1.3.2.2 on page 11 of this Registration Document) factor in the possibility of such changes to the regulatory framework.

In Brazil (see further information in section 1.3.2.2 on page 13 of this Registration Document on the contractual framework of the Brazilian business activities), the agreements signed do not include any clauses to protect the Group against unfavourable changes in the regulatory environment. More specifically, if the special tax treatment applicable in Brazil (*lucro presumido*) is withdrawn, this could have a material adverse impact on the Group's results.

In the event of any major unfavourable change in regulations, the Group cannot guarantee - despite the care taken in the management of its contracts - that its installations would remain profitable. More specifically, any unfavourable discretionary and/or retroactive change to the regulations applying to tariffs for electricity produced by photovoltaic installations (see, for example, the information included in section 1.3.2.2 on page 14 of this Registration Document on the situation in Spain), to energy generated by anaerobic digestion (see additional information in section 1.3.2.2 on page 14 of this Registration Document), or to the tax regulations applying to its business activities (increasing existing taxes), could affect the Group's results for its current and future Solar and Anaerobic Digestion business activities.

Risks associated with the ownership of non-controlling interests

The Group owns a number of non-controlling interests connected with its activities (more specifically in Mauritius, where the local laws require it to participate as a non-controlling shareholder in the capital of each company tasked with carrying out a project, while at the same time retaining certain project management functions, for which it receives remuneration).

In its capacity as a non-controlling shareholder in these companies, the Group does not exercise full legal or economic control over said companies. Any disagreement with other shareholders could affect the Group's activities, results, ability to achieve its objectives, or right to receive dividends. The Group considers this risk to be immaterial as at the date of filing of this Registration Document.

Litigation risk

Like any other company, the Group's companies may be involved in administrative, tax, legal or arbitration proceedings in the course of their activities. It is assumed that the main situations in which such proceedings could be initiated are:

- possible failure to meet contractual commitments;
- possible non-compliance with legislative or regulatory provisions, particularly those applicable to classified installations for environmental protection (ICPE);
- possible breach of conditions accompanying the grant of tax benefits;
- questioning of tax benefits granted to investments made overseas;
- possible lodging of appeals by third parties against permits or authorisations obtained;

- possible occurrence at the Group's units of incidents or accidents resulting in bodily injury and/or damage to property and giving rise to claims for compensation.

These risks are managed through:

- implementation by all Group entities of a policy of strict compliance with legislative and regulatory standards that apply to them, and the regular monitoring of changes;
- the security of the Group's contractual documentation.

Main disputes (as at the date of filing of this Registration Document)

- The Group's thermal installations experienced significant labour disputes during 2011, mainly concerning the conditions for application of Article 14-6 of the Conditions of Employment of the Electricity and Gas Industries (industries électriques et gazières – IEG). Employees were demanding entitlement to the "colonial compensation" available to State employees working in the French overseas territories pursuant to Article 14-6 of the IEG Conditions of Employment. In 2012, this dispute on the application of the IEG Conditions of Employment was brought before the courts in Guadeloupe and Reunion by the national federation of mining and energy staff (Fédération Nationale des Personnels des Mines et de l'Énergie – FNME-CGT) for each of the Group's thermal power plants, with the trade union demanding a 40% basic wage increase for its members. Similar cases have been initiated by the trade unions representing employees of other electricity producers in the French overseas departments, including EDF. All these cases were then grouped together before the Paris District Court (Tribunal de Grande Instance), which, when preparing the file, asked the Conseil d'Etat for a decision on the legality of certain regulations implementing the IEG Conditions of Employment and for its interpretation of Article 14-6 of the Conditions of Employment. The Conseil d'Etat has dismissed the arguments put forward by FNME-CGT, considering in particular that Article 14-6 of the IEG Conditions of Employment had been deprived of all effect as a result of the adoption of certain laws and regulations post-dating the entry into effect of the IEG Conditions of Employment.
- In 2012, Albioma Bois-Rouge (formerly Compagnie Thermique de Bois-Rouge) initiated proceedings against Alstom Power before the Paris court of first instance seeking compensation for losses incurred in connection with significant damage to the steam turbine acquired from this supplier. The expert appraisal is still ongoing.

- Albioma Bois-Rouge (formerly Compagnie Thermique de Bois-Rouge) was joined to an action brought by Sucrière de la Réunion against its insurer, QBE Insurance Europe, which was refusing to pay out on a claim by its client for operating losses of approximately €1 million. These operating losses were allegedly the result of the shutdown of the Bois-Rouge plant during the 2009 sugar campaign. Sucrière de La Réunion won the case before the appeal court in 2012, without any consequences for Albioma Bois-Rouge. In 2013, QBE Insurance Europe filed a new procedural suit before the lower court. In April 2015, the court again found in favour of Albioma Bois-Rouge. This decision was upheld by the Saint-Denis Appeal Court on 5 April 2017. QBE Insurance then appealed before the Court of Cassation, a procedure currently under review.
- In January 2015, Assaupamar initiated two proceedings before the Fort-de-France Administrative Court, disputing the legality of the authorisation to operate the Galion 2 all-biomass power plant issued by Martinique Prefecture on 14 March 2014, within the framework of the regulations on environmentally-classified facilities (ICPE). Assaupamar sought, firstly, to obtain an interim order suspending the ICPE authorisation and, secondly, to obtain a judgement on the merits cancelling the authorisation. In an interim order dated 24 March 2015, the Judge recorded that Assaupamar had withdrawn its action seeking the suspension of the authorisation to operate the plant. In a decision dated 4 October 2016, the Fort-de-France Administrative Court revoked the operating licence on grounds of a technicality relating to a purportedly incomplete demonstration of the project's compatibility with the requirements of Martinique's development and water management master plan (*Schéma*

Directeur d'Aménagement et de Gestion des Eaux (SDAGE)). Albioma Galion and the Ministry of Environment, Energy and the Sea appealed this decision. On 13 April 2017, the Bordeaux Administrative Appeal Court set aside the decision of the Fort-de-France Administrative Court, and confirmed that the licence to operate the Galion 2 plant was fully valid. The Assaupamar then appealed before the Conseil d'État, a procedure currently under review.

There are no other governmental, legal or arbitration proceedings (including any stayed proceedings or potential proceedings of which the Company is aware) that are likely to have, or have had, any material effect on the Group's financial position or profitability in 2016 or since the end of the year.

1.8.1.10. Liquidity risk

The Group's Financial Department centralises all its subsidiaries' financing needs and negotiations with financial institutions in order to better control financing terms and conditions. Any transactions carried out directly by subsidiaries are closely monitored. The Financial Department aims to maintain sufficient liquidity at all times by efficiently managing the Group's cash and cash equivalents, in particular by putting in place secure financing arrangements in terms of their duration and legal terms and conditions. More specifically, it arranges confirmed credit lines to guarantee optimal flexibility in Group financing. See additional information in Note 24 to the consolidated financial statements for the 2017 financial year in chapter 4 on page 190 *et seq.* of this Registration Document.

The Company has conducted a specific review of its liquidity risk and feels it is in a position to meet its future payment commitments.

At 31 December 2017, the breakdown of the liquidity position compared with that of previous years was as follows:

<i>In thousand of euros</i>	31/12/2017	31/12/2016	31/12/2015
Other current financial assets	17,613	16,511	21,128
Bank accounts	74,440	79,951	27,132
Lines of credit not utilised	55,000	40,000	40,000
Liquidity position	147,053	136,462	88,260

1.8.1.11. Market risks

Risk of unfavourable changes in electricity prices

With regard to its business activities in Metropolitan France, the French overseas departments and Mauritius, the Group is not exposed to any unfavourable changes in market prices for electricity, given the contractual framework in place (see additional information in section 1.3.2.2 on page 11 *et seq.* of this Registration Document).

With regard to the Group's Brazilian activities (see additional information in section 1.3.2.2 on page 13 of this Registration Document), the Albioma model, based on contracts for the long-term sale of electricity produced, is currently being rolled out. In addition to short- and medium-term contracts signed with industrial and commercial partners at predetermined prices, the Brazilian plants have secured long-term

sales on the regulated market (20 years) for part of their production. On average for the period from 2017 to 2019, 75% of energy sales were secured with satisfactory price conditions, thus limiting exposure to the risk of unfavourable changes in electricity prices. The remainder is sold on the spot market, under conditions that may be unfavourable, but the impact on the results of the Group's Brazilian activities will be limited.

Interest rate risk

The Group's interest-rate management policy is coordinated, supervised and managed centrally, with the aim of protecting future cash flows and reducing volatility of financial expenses. As at 31 December 2017, the Group's borrowings were split as follows:

In thousand of euros	31/12/2017					31/12/2016				
	Bank overdrafts, accrued interest and loan issue costs	Project debt	Payables relating to call options on non-Group interests	Corporate debt	Total	Bank overdrafts, accrued interest and loan issue costs	Project debt	Payables relating to call options on non-Group interests	Corporate debt	Total
BORROWINGS FROM FINANCIAL INSTITUTIONS										
Fixed rate	(1,054)	127,769	-	85,000	211,715	-	144,173	-	85,000	229,173
Variable rate	(4,472)	411,566	-	-	407,094	159	317,165	-	-	317,324
Total	(5,526)	539,335	-	85,000	618,809	159	461,337	-	85,000	546,496
LEASE LIABILITIES										
Fixed rate	-	8,150	-	-	8,150	-	8,675	-	-	8,675
Variable rate	-	80,318	-	-	80,318	-	92,624	-	-	92,624
Total	-	88,468	-	-	88,468	-	101,299	-	-	101,299
Total financial debt	(5,526)	627,803	-	85,000	707,277	159	562,636	-	85,000	647,795

Financial debt included variable-rate debt of €486.4 million in 2017, compared with €409.9 million in 2016. This increase is primarily due to new loans to finance the IED compliance work, and loan facility drawdowns for the construction of the Galion 2 plant in Martinique and the Saint-Pierre combustion turbine on Reunion Island.

Since interest rate changes cannot be passed on to customers, companies with variable rate financing agreements have put in place appropriate hedges in the form of swaps, i.e. swapping variable interest rates for fixed interest rates.

The interest rate hedges are described in Note 25 to the consolidated financial statements for the 2017 financial year, in chapter 4 on page 193 *et seq.* of this Registration Document. Sensitivity of financial assets and liabilities to variations in interest rates is described in Note 33.1 to the consolidated financial statements for the 2017 financial year, in chapter 4 on page 199 *et seq.* of this Registration Document.

Currency risk

The Group publishes its consolidated financial statements in euros, and in 2017 94.8% of its income and 91.4% of its EBITDA was recognised in euros.

The Group's transactions are carried out mainly in euros, except for:

- coal purchases by the subsidiaries, which are denominated in US dollars, with sale prices to clients specifically taking into account exchange rate movements;

- purchases of machinery, essentially in connection with the construction of new power plants;
- the business of the Brazilian companies: in the development of its Thermal Biomass business in Brazil, the Group is now exposed to a euro/Brazilian real currency risk that may affect its results when the financial statements of its Brazilian subsidiaries are converted into euros, and this will make it more difficult to compare performances from one year to the next. For example, if the euro appreciates against the Brazilian real, this will reduce the contribution to the consolidated results made by subsidiaries that prepare their financial statements in the Brazilian currency. As regards long-term assets, the Group has put in place a hedging policy aimed at reducing currency risks associated with financing in the Brazilian currency;
- the activity of companies in which Albioma holds non-controlling interests in Mauritius and whose financial statements are prepared in Mauritius rupees. Currency risk arises mainly from the impact of the movement in the exchange rate on the overall amounts recognised using equity accounting (recognised directly in equity), the revaluation of financial debt, denominated in certain cases in euros, and the partial indexation to the euro of electricity sale agreements. Also, the Group has recognised embedded currency derivatives (Euro/Mauritian rupee) relating to electricity sale contracts.

The Group does not use any other financial instruments for currency hedging purposes.

At 31 December 2017, currency risks were as follows:

Value in euros of assets in BRL

<i>In thousand of euros</i>	31/12/2017	31/12/2016	31/12/2015
Assets	87,225	104,332	91,676
Liabilities	(28,220)	(36,954)	(33,235)
Net position before management	59,005	67,378	58,441
of which, Group share	47,937	55,977	49,282
of which, minority shareholders	11,068	11,401	9,159
Off-balance sheet position, Group share	4,092	4,603	3,446
Net position after management, Group share	52,029	60,580	52,728

Value in euros of assets in Mauritian rupees

<i>In thousand of euros</i>	31/12/2017	31/12/2016	31/12/2015
Assets	22,794	23,761	24,651
Liabilities	-	-	-
Net position after management, Group share	22,794	23,761	24,651
Off-balance sheet position, Group share	-	-	-
Net position after management, Group share	22,794	23,761	24,651

Sensitivity to currency risk in 2017

Euro/Brazilian real

Brazilian real	Impact on net income		Impact on shareholder's equity	
	5% increase	5% decrease	5% increase	5% decrease
	(0.1%)	0.1%	0.7%	(0.6%)

Euro/Mauritian rupee

These net positions in Mauritian rupees are subject to a hedge of a net investment in a foreign operation (see additional information in Note 17 to the financial statements for the 2017 financial year, in chapter 4 on page 183 *et seq.* of this Registration Document). As such, a movement in the euro/Mauritian rupee exchange rate would have no material impact on shareholders' equity.

Equity risk

Equity risk is limited due to the nature of the Group's cash investments (money market mutual funds benefiting from good ratings and subscribed with recognised institutions). As at the date of filing of this Registration Document, there are no treasury shares (see additional information on treasury shares in section 6.3.6 on page 266 *et seq.* of this Registration Document).

Risk relating to significant off-balance sheets commitments

The Group has entered into off-balance sheets commitments in connection with its day-to-day operations.

See additional information in Note 34 to the consolidated financial statements for the 2017 financial year in chapter 4 on page 201 *et seq.* of this Registration Document.

1.8.2. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES**1.8.2.1. Definition and objectives of internal control and risk management**

The Company's internal control system applies to the Company and to all its fully-consolidated subsidiaries and to some of its subsidiaries consolidated using the equity method. Its objectives are to ensure that:

- the implementation of the strategy defined by the Board of Directors, translated into economic and financial objectives and measures aimed at operational efficiency, is carried out in accordance with applicable laws and regulations;
- the strategic orientations defined by the Board of Directors are converted by General Management into effectively implemented action plans;
- the internal processes, in particular those that help to safeguard the Group's assets, operate in a satisfactory manner;

- the Group's financial and accounting information is accurate, reliable and fairly presented.

The internal control system incorporates a risk management system, whose objectives are to:

- create and maintain the Group's values, assets and reputation;
- ensure the Group's decision making and processes are secure with a view to helping it to achieve its objectives;
- ensure the Group's actions are consistent with its values;
- mobilise the Group's employees around a common vision of the main risks and increase their awareness of the risks inherent in their activity.

By helping to prevent and control the risks to which the Group is exposed in the implementation of its strategy, the internal control system contributes to the management of the Group's activities, the effectiveness of its operations and the efficient use of its resources.

However, the internal control and risk management systems, no matter how well they are designed and applied, cannot provide an absolute guarantee that the Group's objectives will be achieved. Any system or process has inherent limitations that may result from uncertainties in the external operating, economic and financial environment, the use of judgement or problems that may arise from technical and human failures or from ordinary error; risk management choices are made, ultimately, by weighing the benefits against the costs incurred.

The internal control system is based on a rational and effective Group structure, within which the internal control staff are identified with a view to managing the risk management system and the internal control procedures.

1.8.2.2. Group structure

The structure introduced in 2016, when the functions of Chairman of the Board of Directors and Chief Executive Officer were separated, is described in section 1.5.3 on page 25 *et seq.* of this Registration Document. This change in governance entailed a number of changes to the organisation of the internal control function, in particular as a result of the definition by the Board of Directors of the respective powers of the Chairman of the Board of Directors and the Chief Executive Officer (see additional information in section 2.3.3.1 on page 96 *et seq.* of this Registration Document).

The Group's structure in 2017 was based on operating divisions, created by combining its three businesses (Thermal Biomass, Solar Energy and Anaerobic Digestion) and the regions in which it operates:

- Thermal Biomass France
- Thermal Biomass - Brazil
- Thermal Biomass - Mauritius
- Solar Power - France and Southern Europe
- Anaerobic Digestion

At head office, the central departments formed a separate operating division, providing central support services. In 2016, these central departments were:

- Technical and Construction Department
- Purchasing and Maintenance Department
- Industry and Innovation Department
- Administrative and Financial Division, including the Legal Affairs Department, the Accounting Department and the Management Control and Information Systems Department
- Corporate Social Responsibility Department
- Human Resources Division
- Safety Division
- Company Secretariat.

1.8.2.3. Responsibility for internal control

Although certain designated employees have been given responsibility for the Group's internal control procedures, all employees have a part to play. For an internal control system to be effective, it is vital that all employees are made aware of the Group's values and culture of commitment. Various top-down communication methods are used to achieve this, including seminars (e.g. seminars for Management Committee members, for senior management and for operational staff) and internal information documents, providing all employees with important information on the latest developments within the Group and updates on strategy implementation. All employees are therefore able, regardless of their position, to ensure that their actions, on a day-to-day basis, are at all times consistent with the Group's values and strategy.

The following bodies responsible for internal control procedures are:

- the Board of Directors (and, within it, the Chairman of the Board of Directors) and its specialised Committees, whose operating methods and main tasks are described in section 2.3.3 on page 96 *et seq.* of this Registration Document;

- General Management, the Executive Committee and the Management Committee;
- The Administrative and Financial Division and the other functional departments
- the internal audit function.

Throughout 2017, the Group continued to reinforce its system for delegating powers and signatures, which enables the duties and responsibilities of all the relevant parties to be defined clearly and precisely. The existing procedures are currently being adapted to take account of the new organisation introduced in 2017.

The Board of Directors and its specialised Committees

The Board of Directors has ultimate control over General Management's implementation of the Group's strategy. It is assisted by the work of its specialised Committees. By authorising structuring projects, it ensures the continuity of its strategy in a manner that is consistent with the levels of risk and profitability that it, together with General Management, has deemed to be acceptable.

The Board of Directors is responsible for the ongoing monitoring of the Group's operating performance and financial position, progress on projects and the main sustainable development indicators, based on the monthly reports produced by the Administrative and Financial Division.

In collaboration with the Audit, Accounts and Risks Committee and the Corporate Social Responsibility Committee, the Board of Directors also plays a major role in the monitoring of the risk management process. The Audit, Accounts and Risks Committee regularly reviews the effectiveness of the internal control systems and risk mapping.

Lastly, the Audit, Accounts and Risks Committee has a key role to play in the internal audit function (see additional information in section 2.3.3.1 on page 104 *et seq.* of this Registration Document).

Chairman of the Board of Directors

The separation of the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016 (see additional information in section 2.2.1 on page 74 *et seq.* of this Registration Document) resulted in a number of changes to the internal control structure due, in particular, to the definition by the Board of Directors of the respective powers of the Chairman of the Board of Directors and the Chief Executive Officer.

The Chairman of the Board of Directors is now responsible for ensuring, in conjunction with the Audit, Accounts and Risks Committee, the effectiveness of the internal control system and, more specifically, the internal audit function; to that effect the Chairman of the Board of Directors shall be entitled to access internal audit reports at any time and shall be entitled to order internal audits, provided he first informs the Chief Executive Officer.

General Management

General Management implements the strategy defined in conjunction with the Board of Directors and, in this regard, is responsible for the proper functioning of the internal control and risk management system it puts in place, taking into account the objectives defined by the Board of Directors.

As regards short-term matters, General Management ensures the Group's operations are carried out smoothly, monitors achievement of objectives, prescribes any corrective actions deemed necessary and verifies their implementation in conjunction with action plans it is responsible for implementing.

As regards longer-term matters, General Management also plays a major role in disseminating the Group's values and strategic directions.

Executive Committee

The Executive Committee meets twice a month, which enables it to monitor all events of significance to the Company in real time and to react promptly if necessary. The Committee is also a forum for analysis, reflection and discussion on cross-divisional matters with a view to formulating action plans to be implemented by the operational departments and the functional departments.

The Management Committee

The Management Committee meets on a monthly basis. It is the mainstay of the Group's systems for sharing information and disseminating its strategy and values. It is informed each month, via the monthly reporting packages drawn up by the Administrative and Financial Division, of progress on projects, operational performance of the Group's activities, its financial position and the main corporate social responsibility indicators.

Management Committee meetings provide an opportunity to share the action plans drawn up by General Management and, where relevant, to amend such action plans on the basis of the shared information. Once a year, General Management organises a two or three-day Management Committee seminar, during which key strategic options are discussed.

The Administrative and Financial Division and the other functional departments

The Administrative and Financial Department, which oversees the Legal Affairs Department, the Accounting Department, the Management Control Department and the Information Systems Department, is responsible, in particular, for the accuracy, reliability and fair presentation of the accounting and financial information it produces.

It is also responsible, in conjunction with the Management Committee and the Board of Directors, for producing the monthly reporting package, which forms the basis for the ongoing monitoring of the Group's activities.

Since 2014 the Administrative and Financial Division also encompasses the internal audit function, which was given a formal structure over the same year; the internal audit function reports to General Management and the Audit, Accounts and Risks Committee.

All the other functional departments are involved in implementing the internal control system. The following departments in particular are, via their day-to-day actions, crucial to the achievement of the system's objectives:

- the Technical and Construction Department, the Industry and Innovation Department and the Purchasing and Maintenance Department, which are now part of the Industrial Division, whose actions are vital for preserving the value of the Group's assets;
- the Human Resources Division, by ensuring that the Group's operations are carried out in accordance with the legislative and regulatory provisions applicable to the Group and with its Memorandum and Articles of Association, by regularly ensuring that the Group's human resources are suitable for its needs, by helping to draw up succession plans and by ensuring employees receive an adequate level of training to enable them to fulfil their duties;
- the Legal Affairs Department, by ensuring, in particular, the legal security of operations;
- the Information Systems Department, by ensuring that the Group's information systems offer a level of security that is adequate to guarantee data integrity and retention;
- the Corporate Social Responsibility and Environment Division (formerly the Environmental and Social Responsibility Department), which is responsible for monitoring the compliance of the Group's operations with environmental requirements and the implementation of resulting action plans, also verifies the consistency of non-financial data communicated to the market and ensures the interests of the Group's stakeholders are properly taken into consideration in its business operations;

- the Safety Division, created in 2017, which supervises industrial safety within the Group;
- the Company Secretariat, which is responsible for the Secretariat of the Board of Directors and the specialised Committees and for monitoring matters associated with company law, stock market laws, compliance and ethics, assists the Administrative and Financial Division in the financial communication control process and oversees institutional and regulatory communication.

The internal audit function

Functionally, the internal audit function forms part of the Administrative and Financial Division, and reports to General Management and the Audit, Accounts and Risks Committee. The Chairman of the Board of Directors is now responsible for ensuring, in conjunction with the Audit, Accounts and Risks Committee, the effectiveness of the internal control system and, more specifically, the internal audit function; to that effect the Chairman of the Board of Directors shall be entitled to access internal audit reports at any time and shall be entitled to order internal audits, provided he first informs the Chief Executive Officer.

The internal audit function is responsible for the permanent monitoring of the Group's internal control system. It carries out assurance engagements to assess the level of internal control in application of Group procedures. These procedures focus in particular on the organisation and functioning of all functions (processes) and Group structures (companies, departments).

Audits conducted by the internal audit function are listed in the annual audit plan drawn up on the basis of the Group's risk mapping and audited entities' track records or phase of development; the plan is submitted to General Management and the Audit, Accounts and Risks Committee.

An audit report is prepared following any internal audit, and is presented to General Management and the Audit, Accounts and Risks Committee. The report details any problems identified and the resulting potential risks, and contains recommendations to be implemented within the framework of corrective action plans, which will be monitored at the highest level by the Audit, Accounts and Risks Committee.

Internal audit findings are communicated to the Statutory Auditors, who are also involved in the internal audit process.

1.8.2.4. The risk management process

In the performance of its activities, the Group is exposed to a variety of risks. The main risk factors the Group faces are described in section 1.8.1 on page 30 *et seq.* of this Registration Document.

The Group considers the identification and full understanding of the various categories of risks to which it is exposed to be essential. A full understanding of the relevant risks will enable the Group to determine the human, technical, legal and financial measures required to prevent and deal with such risks.

The Group has introduced and regularly updates a risk mapping system that provides it with a summarised, standardised framework enabling it to identify the risks to which it is exposed, and to assess, in a matrix format, the likelihood of their occurrence and the magnitude of their impact. On the basis of the work of the Audit, Accounts and Risks Committee and, with regard to employment, social and environmental risks, that of the Corporate Social Responsibility Committee, the Board of Directors reviews this risk mapping at least once a year to ensure that it is comprehensive and that the action plans implemented by General Management are effective as a result. Specific cases corresponding to risks identified during risk mapping or new risks are also regularly referred to the Board of Directors so that it can specifically analyse their potential impact and review the corrective action plans prepared by General Management.

The Group is committed to continuously improving the completeness and effectiveness of its risk mapping. In conjunction with the work carried out by the Corporate Social Responsibility Committee, the Group has introduced unified mapping incorporating employment, environmental and social risks. The Corporate Social Responsibility Committee is involved, together with the Audit, Accounts and Risks Committee, in reviewing this unified risk mapping. The Audit, Accounts and Risks Committee and the Corporate Social Responsibility Committee are both closely involved in reviewing risk mapping and therefore improving both the level of detail of the analysis (modulation of standard risks according to geographic region as well as probability of occurrence and impact) and the comprehensiveness of risks managed. The medium-term changes to the process for identifying risks and defining preventative or corrective actions aim to increase the involvement of the operational managers, as part of a bottom-up approach enabling the risk management process and the mapping of risks to be managed at the lowest possible level within the Group.

The process for mapping risks and monitoring the Group's risk mapping and its insurance policy are closely linked. Said policy is reviewed in close collaboration with risk mapping, to ensure that the level of coverage the Group has is constantly being amended in line with the risks it has identified (see

additional information in section 1.8.3 on page 49 *et seq.* of this Registration Document).

1.8.2.5. Control activities and procedures

Business management procedures

Standardised processes for collecting and processing information facilitate the preparation of the monthly reporting package, which enables the various parties involved to monitor, on a monthly basis, developments in the Group's operating and financial performance and to formulate, implement and adapt the necessary action plans. The Administrative and Financial Division and, within it, the Management Control Department, have significantly strengthened this collection process in connection with the continuous improvement initiative concerning the accuracy and relevance of the indicators used.

More generally, the Group is pursuing a global strategy to standardise information reporting:

- as regards technical or operating information (daily and monthly reports submitted by the heads of the production units, special reports analysing incidents, regular reports on the maintenance and servicing of production equipment, reports on construction projects and reports on accidents in the workplace);
- as regards financial information, in line with the procedures for producing accounting and financial information (see below), but also to ensure the monitoring of budget performance, the Group's commitments, debt and cash;
- as regards non-financial information, in line with the procedures for producing non-financial information, verified by an independent third-party body (see the additional information in section 1.9 on page 50 *et seq.* of this Registration Document), which is obtained using an integrated data compilation and analysis tool for non-financial information, which will be gradually adapted to be used by the Management Control Department to compile and analyse production data.

Strategic planning is carried out in conjunction with the budgetary process. The budget and the business plan are drawn up each year on the basis of information reported by the operating entities and by each Department as part of a standardised process. The budget and the business plan drawn up by the Administrative and Financial Division on the basis of the strategic orientations proposed by General Management are approved by the Board of Directors. The budget is adjusted when the half-yearly financial statements are prepared, and the Board of Directors is kept informed.

The combination of the monthly reporting package and the budgetary process enables actual and estimated data to be reconciled and the market to be informed of any adjustments to the objectives.

Procedures applicable to projects and for deciding on, making and monitoring investments

The Company is committed to continuously improving its procedures for deciding on, making and monitoring investments, which are intended to formalise the steps to be taken and the resources involved in each stage of the project (expression of interest, feasibility study, commercial proposal, making the investment and transferring it to the internal or external operator). This methodology involves meetings that are held as projects move from one stage to the other. Accordingly, investment decisions are approved only at the conclusion of a standardised cycle punctuated by launch, finalisation and commitment meetings, involving the Commitments Committee and, subsequently, the Board of Directors.

With respect to projects, a risk control by project process enables the Group to anticipate at an early stage the impacts of various risks to the forecast internal rate of return, to ensure that it remains consistent with the standards approved by the Board of Directors and, where relevant, to size the investment accordingly. Cross-functional project management by the internal steering committees, composed of members of all the functional departments and the regional management team, enables decisions to be made about critical resources (financial and human), thereby securing completion of the projects concerned. As a result of the scaling up of Group investments, and the corresponding increase in its commitments, a management controller has been specifically assigned to each developed project entailing a material commitment, who is responsible for monitoring the level of commitments and payments made, ensuring they remain in line with the project investment budget and the related cash flow forecasts.

Procedures applicable to the procurement policy and the maintenance and management of strategic supplies

The procurement policy focuses, in particular, on applying in practice the combined principles of looking for quality offers, choosing the best offers in the Group's interest, and making an equitable selection of suppliers. Particular attention is paid to the ethical reputation of suppliers and the compliance of their practices with the Group's corporate

social responsibility commitments. In 2013, the Group drew up general procurement terms and conditions setting the Group's procurement standards and comprising a specific clause dealing with the corporate social responsibility of its suppliers. It also introduced a standard framework agreement for use by its suppliers.

A Procurement Operations Guide was circulated within the Group in 2014, which describes the best practices of which staff have already been made aware by the Procurement and Maintenance Department (systematic use of competitive tendering, formalisation of purchase requisitions, approval levels, segregation of duties, stock management, etc.).

The Group's strategic procurement management process incorporates procedures aimed at safeguarding purchase prices and securing deliveries by avoiding stock outages (daily monitoring of stocks of coal and orders delivered by ship, and procedures for warning the authorities in the event of a stock outage that could result in production being halted). Strategic stock management is carried out at each operating level and controlled centrally. This function was substantially reinforced in 2014 in view of feedback regarding technical problems affecting some of the Group's thermal plants on Reunion Island and Guadeloupe in the first half of this financial year.

In addition, maintenance of the Group's plants is monitored by means of Computer-Aided Maintenance Management (CAMM), which was significantly strengthened in 2013. This enables the Group to ascertain the age of its equipment, formalise purchase requisitions associated with maintenance (issue of work orders discussed before approval, to which are attached the purchase requisitions) and to impose approval levels pre-determined on the basis of restricted access rights, by complying with the main segregation of duties principles. It can also be used as a budget control tool to monitor financial commitments.

More generally, in 2014 General Management decided to put in place a programme to improve maintenance and related functions, with the assistance of an independent firm of consultants. Reunion Island was the first to roll out this programme. This key initiative has enabled the Group to improve operational management of maintenance, by developing or improving maintenance tools and methods in order to gain a greater level of control over maintenance operations; this led to the creation of medium-term maintenance plans based on an analysis of risks and the criticality of equipment. As a result, improvements were made to stock management, and buffer stock requirements and automatic restocking policies were reviewed.

In 2015 the technical incidents at the Le Gol plant on Reunion Island and the Le Moule plant in Guadeloupe drove the Group to commit to reviewing its stock of strategic spare parts for the Thermal Biomass business in France (€4 million over three years) in order to minimise unavailability periods caused by operating incidents that required the temporary or permanent replacement of industrial equipment. At the same time, the annual shutdowns of the French thermal plants were reorganised within the framework of a Group maintenance plan.

Procedures applicable to the operation of the production units

The implementation, since 2011, of the production unit management process in connection with the Quality-Safety-Environment (QSE) process enabled the Group to obtain, in 2012 and 2013, AFNOR certification with respect to the three QSE standards for the following facilities: Albioma Le Gol (certification obtained in 2011) and Albioma Bois-Rouge (certification obtained in 2013). The same triple certification was also obtained by Terragen in Mauritius in 2014. OTEO Saint-Aubin obtained ISO 14001:2004 certification in 2014.

In 2016, Albioma became France's first producer of photovoltaic electricity to obtain triple Quality-Safety-Environment (QSE) certification: triple certification was obtained for the Group's entire Solar business, thanks to its integrated management system that meets international standards on quality (ISO 9001), health and safety (ILO-OSH 2011) and the environment (ISO 14001).

This process is part of an overall approach that seeks to adopt and maintain sustainable development policies for all of the Group's activities, limit negative environmental impacts and preserve biodiversity. The Group intends to extend it to the Albioma Le Moule and Albioma Caraïbes facilities by 2018, then to all its activities, regardless of their location.

In addition to this certification work, the Group continued to implement the employee safety management process in 2017. The increase in accidents in the workplace observed in 2014 led the Group to carry out a general audit of its employee safety procedures, assisted by an independent firm of consultants, at the end of 2014, and the findings were presented in 2015. As a result of the audit, the Group put in place a number of priority initiatives to be implemented by each Group entity on a daily basis. They form part of the 2020 safety master plan followed up by the Corporate Social Responsibility Committee and the Board of Directors on a regular basis.

Procedures applicable to the production of the accounting and financial information

Organisation of the Administrative and Financial Division

The Administrative and Financial Division, under the responsibility of General Management, is responsible for managing the accounting and financial processes governing the production of the accounting and financial information. These processes involve the Accounting Department and the Management Control Department, and require implementation of procedures specific to the finance and cash departments (centralisation of cash flows, interest rate risk hedging and monitoring of financial debt). The consolidation and accounting processes for the Brazilian companies are outsourced.

The Management Control Department is responsible, at local and central level, for implementing the controls required at each stage of the preparation of the accounting and financial statements.

Accounting standards

The Group has a single accounting framework (with the exception of the Brazilian companies), covering both general accounting procedures in respect of the Group's transactions (financial accounts) and the more detailed, analytical information by business sector (management accounts).

Management tools

The monthly reporting package drawn up by the Administrative and Financial Division is the main management tool used for the Group's activities, covering both operating performance of the production units and financial performance. It is based on information collected and consolidated each month in accordance with a standardised process, under the responsibility of the Management Control Department.

This management tool plays a key role in the production of the monthly, parent company and consolidated financial statements.

Processes used in the preparation of the accounting and financial information

The Group's transactions are input into the accounting systems by the accounts staff, under the control of the Accounting Department. The accounting process is computerised using a single platform throughout the Group, whose operation is specifically regulated (restrictions on access).

The accounts of each legal entity included in the consolidation scope are closed on a monthly basis. This monthly closing is carried out by the accounts staff in accordance with a standardised process (downloading of provisions and orders issued by the computer-aided maintenance management system, inventory reports, recognition of commissioning of property, plant and equipment, payroll, etc.) which includes a review by the Accounting Department (cut-off entries, checks of bank reconciliations, etc.). Trial balances are extracted from which monthly financial statements are drawn up, which are then checked for consistency by the Management Control Department. This extract is sent to a third-party service provider responsible for the consolidation and for producing, under the responsibility of the Administrative and Financial Division, the monthly consolidated financial statements.

Checks are carried out at several stages in the process, to ensure that:

- intra-Group transactions have been correctly eliminated;
- the consolidation adjustments are consistent;
- the accounting standards have been correctly applied;
- the accounting and financial information is consistent with the budgets and management information.

The annual consolidated and parent company financial statements and the half-yearly consolidated financial statements, audited (in the case of yearly statements) or reviewed (in the case of half-yearly statements) by the Statutory Auditors, are produced using the same process based on a detailed timetable provided by the Administrative and Financial Division to all parties involved.

Audit, Accounts and Risks Committee

The role of the Audit, Accounts and Risks Committee is described in detail in section 2.3.3.1 on page 104 *et seq.* of this Registration Document. In particular, this Committee reviews the Company's parent company and consolidated financial statements prepared on an annual and half-yearly basis prior to their approval by the Board of Directors by verifying the effectiveness of the financial information preparation process.

Role of the Statutory Auditors

The accounting and financial information produced by the subsidiaries included in the consolidation scope and used to prepare the consolidated financial statements is the subject of a limited review at the half-yearly closing and

a full audit at the year-end closing, carried out by a team of two independent Statutory Auditors. In this regard, the Chief Financial Officer and the legal representatives of all Group entities give a formal undertaking to the Statutory Auditors as to the accuracy, reliability and fair presentation of the accounting and financial information for which they are responsible.

Audits are carried out locally by a Statutory Auditor from the Company's team of Statutory Auditors or by a third party. The financial statements of consolidated subsidiaries are audited on an annual basis and are certified by the Statutory Auditors concerned.

The effectiveness of the Statutory Auditors' work and their independence are regularly reviewed by the Audit, Accounts and Risks Committee.

1.8.3. INSURANCE POLICY

1.8.3.1. General remarks

The Group has taken out insurance cover with well-known firms for the risks of the various entities it comprises, including:

- "Construction" policies put in place for new investments;
- "Damages" policies, the major types of these being: "All risks except" and "Consecutive damages and operating losses following certain events";
- "Civil Liability" policies, covering both general and professional liability, "Civil liability for environmental damage" and "Civil liability of corporate officers";
- motor car and personal accident insurance.

However, the Group cannot guarantee that these policies are or will be sufficient to cover the losses that might arise from a major operational stoppage at its power plants, to repair or replace the damaged sites or to compensate for the consequences of any action by a third party. The Group's financial position and results could be materially affected if it were to suffer a serious incident that is either uninsured or not sufficiently insured, or which significantly exceeds the coverage limits imposed by the insurance firms, or if it was subject to a delay in the settlement of its insurance claims.

Furthermore, the Group's insurance policies are subject to annual revisions by its insurers. There is no guarantee that the level of premiums will not increase or that insurance rates will not become volatile. A significant increase in insurance premiums for any of the Group's business activities could have an adverse impact on its results.

The total amount of premiums paid by the Group in respect of its various insurance policies came to 4.1 million in 2017 (same amount as in 2016).

1.8.3.2. Summary of main policies

Damage and operating losses policies

Thermal Biomass

As at 1 January 2018, the Group's thermal power plants in France and Mauritius¹³ were covered by the following insurance policies:

- First-line policy with an insured amount of €1,209 million for direct loss and damage and €443 million for operating losses, with a variable excess depending on the plant and the type of loss or damage (minimum of between €400,000 and €800,000 million for direct loss and damage, and between 30 and 45 days for operating losses), with an aggregate pay-out limit per plant (€250 million, limited to two plants) or a specific limit per event (i.e., storms, hurricanes and machine breakage);
- Second-line policy with an insured amount of €620 million for direct loss and damage and €206 million for operating losses, with an excess of €250 million and an aggregate pay-out limit per plant of €150 million.

In Brazil, the facilities are covered by "all risks except" policies for BRL 177 million for direct loss and damage and BRL 45 million for operating losses for Albioma Rio Pardo Termoelétrica, and BRL 151 million for direct loss and damage and BRL 40 million for operating losses for Codora Energia.

Solar Power

As at 1 January 2018, the Group's photovoltaic installations were covered by several insurance policies for a total amount of €143.7 million for direct loss and damage and €43.9 million for operating losses.

¹³ Excluding OTEO La Baraque and OTEO Saint-Aubin. Anaerobic digestion

Anaerobic digestion

As at 1 January 2018, the Group's Anaerobic Digestion installations were covered by comprehensive construction/assembly-testing policies and are also covered against anticipated operating losses, comprehensive operating risks and consecutive operating losses, which are taken out by each plant for an amount corresponding to 80% of the replacement value of each anaerobic digestion unit or the operating losses over a 12-month period, with a variable excess based on the plants and the type of damage or loss.

Operational civil liability

Thermal Biomass and Solar

As at 1 January 2018, the Group's Solar and Thermal Biomass activities in Overseas France were covered by operational civil liability policies for €40 million per claim, and also have civil liability after delivery coverage/professional civil liability coverage of €40 million per claim and per annum. The Group's Brazilian subsidiaries were covered by operational civil liability policies for BRL 20 million.

Anaerobic digestion

At 1 January 2018, the Group's anaerobic digestion installations were covered under operational civil liability policies and also have post-handover civil liability/professional civil liability coverage per plant, for varying cover amounts that reflect plant size.

Civil liability for environmental damage

As at 1 January 2018, the Thermal Biomass activities (excluding Brazil) and Anaerobic Digestion activities were insured for €30 million over three years (€20 million per claim) against environmental damage (including depollution costs, which are covered for up to €5 million).

Civil liability of corporate officers

As at 1 January 2018, the managers of Albioma and its subsidiaries were covered for an amount of €50 million per annum (two lines of €25 million each) against the risk that their civil liability is incurred.

Albioma's Brazilian subsidiaries were covered for BRL 62 million.

1.9. Corporate social responsibility information

1.9.1. REPORTING SCOPE AND METHODOLOGY

Subject to the clarifications set out below and in accordance with Article L. 225-102-1 of the French Commercial Code, the following information concerns Albioma subsidiaries (as defined in Article L. 233-1 of the Commercial Code) and the companies it controls (as defined in Article L. 233-3 of the Commercial Code), in other words, companies that are consolidated using the full consolidation method (see explanations in Note 39 to the consolidated financial statements on page 206 *et seq.* in Chapter 4 of this Registration Document). As the entities in Mauritius are consolidated using the equity method, they are not included in the reporting and consolidation scope with regard to corporate social responsibility information.

The employment and social information concerns all operational entities (excluding Mauritius) and the head office. However, the environmental information only concerns the operational entities (excluding Mauritius), given the small contribution by head office to Group data. In 2017, the consolidation scope was expanded to include Albioma Saint-Pierre and reflect that plant's employment-related information.

The information collected in 2017 was defined so as to enable comparison with the data published in 2015 and 2016. The measurement and reporting methodologies, defined in a unified reference document issued annually to all employees, was revised in 2017 to allow for specific factors relating to the varied geographical locations of the Group's constituent companies, and to standardise their respective data collection practices.

The related responsibilities, scope, controls and reporting calendar are governed by an annually-reviewed protocol. Information is collected and consolidated under the responsibility of the Group's Corporate Social Responsibility and Environment department. Information is subjected to internal consistency tests prior to consolidation and publication. Information is independently verified in accordance with applicable statutory and regulatory requirements (see the auditor's statement of completeness and reasoned opinion concerning the fairness of the information relating to the 2017 financial year presented in section 1.9.5 on page 69 *et seq.* of this Registration Document).

Over the course of 2017, Albioma produced an internal CSR policy roadmap, setting out environmental, employment and social commitments to address the key challenges faced by the Group. The data collected in 2017 will form the baseline for tracking the targets in this roadmap in future years.

1.9.2. EMPLOYMENT INFORMATION

Albioma's internal CSR roadmap features three employment-related commitments.

1. Ensure occupational health and safety
 - Develop a shared safety culture
 - Involve subcontractors in our safety processes and help them to meet our requirements
2. Support and motivate employees as we transform our businesses
 - Nurture talent
 - Encourage employees to play their part in the Group's energy transition
3. Actively promote equal opportunities
 - Increase the proportion of female employees hired
 - Take part in efforts to combat youth unemployment

1.9.2.1. Employment

Total workforce and breakdown of employees according to gender, age and geographic location

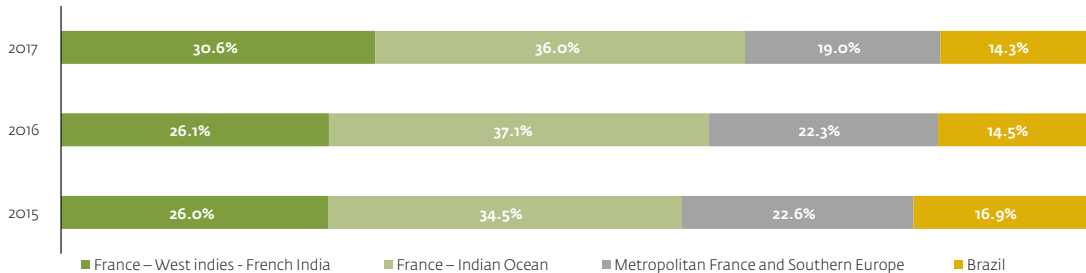
At 31 December 2017, Albioma saw a year-on-year increase in headcount (+8%) and full-time equivalent payroll (+2%).

	2017	2016	2015
Total workforce as at 31 December	483	448	461
Annual full-time equivalent (FTE) workforce	463,9	453,6	447,1

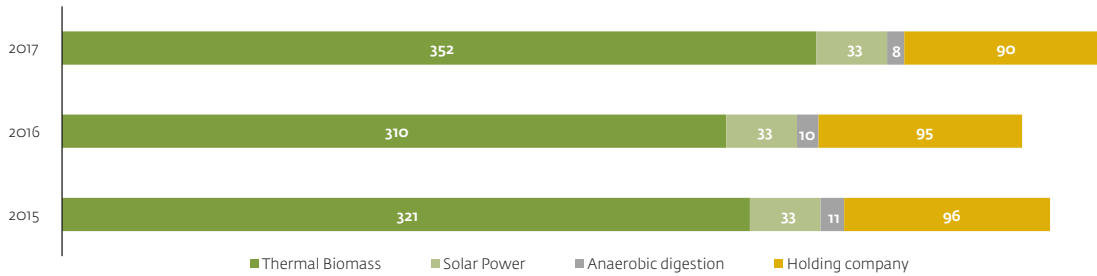
Most Albioma employees are located in Overseas France. The share of employees in the West-Indies-French Guiana region increased by 26% year-on-year, as a result of hiring in Martinique. This recruitment increased headcount in the Thermal Biomass division, which accounted for nearly three-quarters of the Group's personnel in 2017, ahead of the holding company and the Solar and Anaerobic Digestion businesses. The number of female employees increased again between 2016 and 2017 (+10%). There were 454 permanent staff at 31 December 2017 (428 in 2016), representing 94% of total headcount.

Albioma has a target of having 5% of its workforce made up of trainees and people in volunteering and work-study programmes. At 31 December 2017, the actual percentage stood at 4.9%, higher than the 2016 figure of 4.7%.

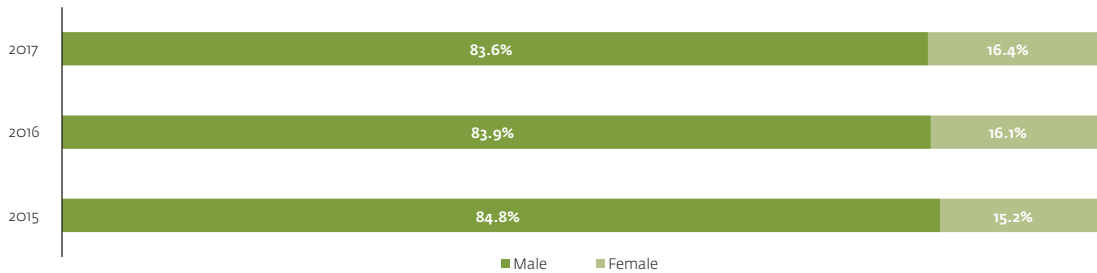
Breakdown of workforce by geographic location, as at 31 December



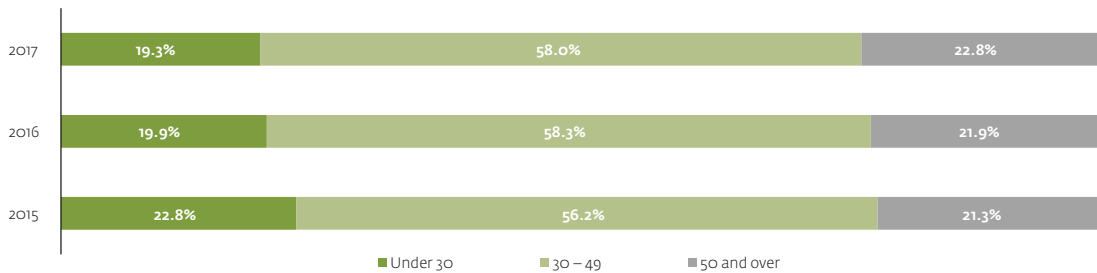
Breakdown of workforce by business sector, as at 31 December



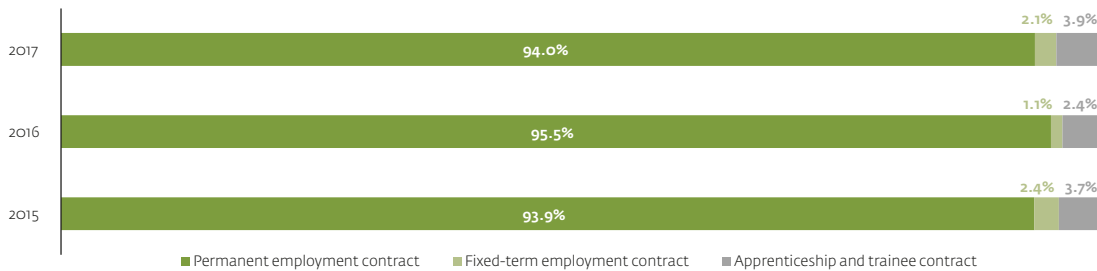
Breakdown of workforce by gender, as at 31 December



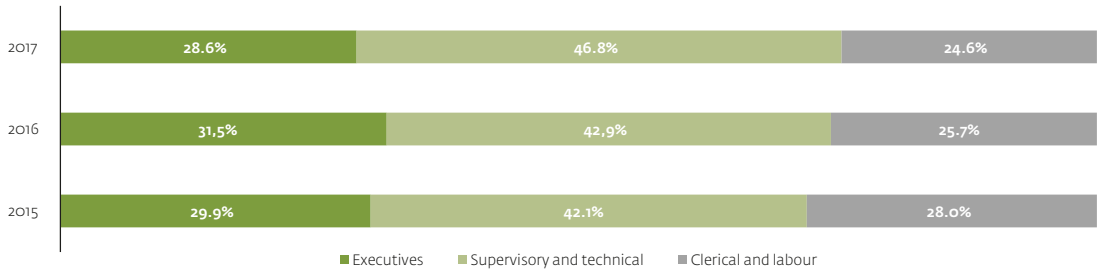
Breakdown of workforce by age, as at 31 December



Breakdown of workforce by type of contract, as at 31 December



Breakdown of workforce by employee category, as at 31 December



Hires and dismissals

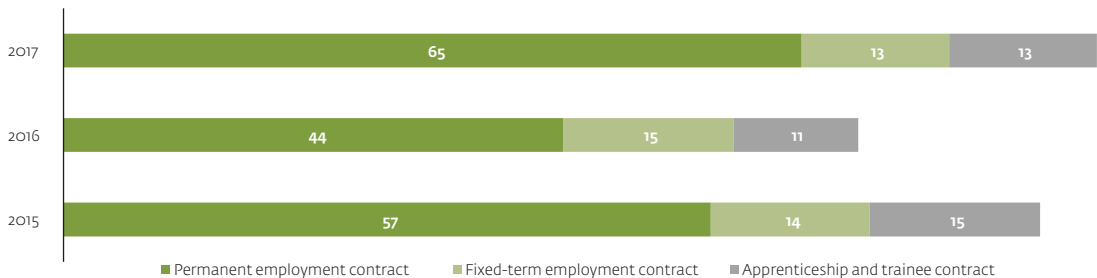
In 2017, Albioma recruited 91 employees (compared with 70 in 2016), of whom 31 were hired by Albioma Galion in preparation for the planned startup of the Galion 2 all-biomass power plant in 2018.

The number of workers hired on permanent contracts increased by 48% year-on-year, accounting for 71% of all hires in 2017.

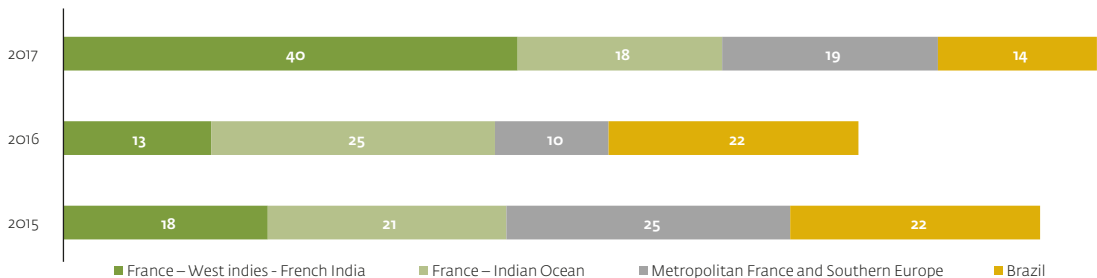
A total of 57 employees left the Group in 2017 (compared with 75 in 2016), of whom 23 resigned, 15 departed upon completing a vocational training contract and 6 were dismissed.

From 15.7% in 2016, the staff turnover rate increased to 16.5% in 2017. The turnover rate represents the average Group hires and departures over the year, as a share of the total workforce on 31 December of the previous year.

Breakdown of recruitments by type of contract



Breakdown of recruitments by geographic, as at 31 December



Remuneration

Remuneration policy

The Group operates a remuneration policy based on local employment market conditions, fairness considerations within the Group, applicable legislation and, in some cases, collective bargaining agreements and specific rules relating to employees in the electricity and gas industries (IEG).

Albioma's remuneration policy reflects each individual's responsibilities and performance as well as collective performance, through a profit-sharing plan, an incentive scheme, an employee savings scheme, the allotment of performance-related bonus shares and a range of benefits.

Changes in gross average monthly salaries

Albioma determines its salary policy in accordance with the procedures stipulated in the Labour Code, informed by the Group's budget objectives. The resulting baseline pay is supplemented by profit-sharing and/or incentive schemes that link all employees' remuneration to the Group's economic performance.

In France, employees with "IEG" status (a special status for workers in the electricity and gas industries) benefit from mandatory industry-wide annual salary negotiations, which determine the percentage by which the "national base salary" is increased and propose a rate applicable to career advancement, measures automatically applicable on the basis of seniority and measures applicable to individual promotions. Pay for "non-IEG" Group employees is reviewed individually in accordance with Albioma's remuneration policy and employees' individual and collective performance.

In 2017, the average gross monthly salary in France increased by 1.3%¹⁴. This calculation does not include Albioma Galion and Albioma Saint-Pierre, in order to maintain a constant scope enabling comparison between 2016 and 2017; it should be noted, however, that the workforce at these two companies increased significantly over the course of the year.

In Brazil, the change in employee remuneration resulted from a combination of annual pay negotiations and factors relating to promotions and individual performance. In particular, the year-on-year change in remuneration reflects the inflation rate in Brazil. Local laws and regulations require annual pay review negotiations. The first collective bargaining agreement, covering salaries and other aspects, was introduced in 2015 at the Albioma Rio Pardo Termoelétrica plant.

Profit-sharing, incentive and employee savings plans

The Group's profit-sharing, incentive and employee savings plans are described in this section.

Albioma

Company savings plan

The Company savings plan, introduced on 1 December 1999, enables Company employees, with the help of their employer, to build up a portfolio of securities and buy shares in an employee shareholder company investment fund (FCPE Albioma).

Employees can make voluntary payments into the savings plan and also pay in amounts received under the collective incentive scheme or profit-sharing plan; these are supplemented by company contributions. Amounts invested in the savings plan are locked in for a five-year period, subject to the cases for early withdrawal allowed by French law.

Employees who have worked for the company for more than three months are able to invest up to 25% of their annual remuneration in the savings plan.

Incentive scheme

The Company has introduced a succession of incentive schemes since 2006. The most recent covers the 2015-2017 period and entitles employees who have worked for the Company for more than three months to an incentive bonus linked to the Company's profitability and growth.

Profit-sharing plan

The Company set up a profit-sharing plan in 2003, which has subsequently been amended on several occasions. The plan entitles all employees who have worked for the Company for more than three months to a share of the special profit-sharing reserve, calculated on the basis of the Company's profits in accordance with the provisions of Article L. 3324-1 of the French Labour Code. The special profit-sharing reserve is shared among employees proportionally to their salary.

Operating companies

The following special provisions apply to the operating companies:

"Thermique Réunion" economic and employment unit (UES) (Albioma Bois-Rouge - Albioma Le Gol)

Albioma Bois-Rouge and Albioma Le Gol operate an inter-company savings plan and an inter-company retirement savings plan set up under the terms of collective bargaining agreements introduced in 2008; these plans are funded

by voluntary payments from employees, re-investment of incentive payments and company contributions.

These companies also operate three-year incentive schemes, first introduced in 2009. These incentive plans were renegotiated in 2016.

A special profit-sharing agreement covering all companies in the UES was set up in 2010.

“Thermique Guadeloupe Albioma” economic and employment unit (UES) (Albioma Le Moule - Albioma Caraïbes)

Albioma Le Moule operates an inter-company savings plan and an inter-company retirement savings plan set up under the terms of collective bargaining agreements introduced in 2008. In 2012, the company introduced an incentive scheme covering the 2012-2014 period, subsequently extended by tacit renewal to cover 2015, 2016 and 2017. A special profit-sharing agreement has also been in place since 2010.

Albioma Caraïbes operates an inter-company savings plan and an inter-company retirement savings plan set up under the terms of collective bargaining agreements introduced in 2008. In 2012, the company introduced an incentive scheme covering the 2012-2014 period, subsequently extended by tacit renewal to cover 2015, 2016 and 2017. A special profit-sharing agreement has also been in place since 2011.

Albioma Solaire Antilles – Albioma Solaire Guyane

A company savings plan was set up for these two companies in 2013. It offers employees the possibility of building up a securities portfolio with the help of their employer. Employees who invest their incentive bonuses in the plan benefit from preferential tax treatment. The savings plan is funded by voluntary employee payments, reinvestment of sums received under the profit-sharing plan and company contributions. Amounts invested are locked in for a five-year period, subject to the cases for early withdrawal allowed by French law. Employees who have worked for these companies for more than three months can invest up to 25% of their annual remuneration in the savings plan.

A series of incentive schemes have been introduced since 2010. The most recent three-year agreement, signed in 2016 and common to both companies, entitles employees who have worked for their company for more than three months to a percentage of the payroll provided the scheduled number of hours of electricity produced by all the photovoltaic installations managed by each of the companies is exceeded.

Albioma Solaire Réunion – Albioma Power Alliance – Plexus Sol – Albioma Solaire Mayotte

A company savings plan was set up for these four companies in 2013. It offers employees the possibility of building up a securities portfolio with the help of their employer. Employees who invest their incentive bonuses in the plan benefit from preferential tax treatment. The savings plan is funded by voluntary employee payments, reinvestment of sums received under the profit-sharing plan and company contributions. Amounts invested are locked in for a five-year period, subject to the cases for early withdrawal allowed by French law. Employees who have worked for these companies for more than three months can invest up to 25% of their annual remuneration in the savings plan.

A series of incentive schemes have been introduced since 2010. The most recent three-year agreement, signed in 2016 and common to all four companies, entitles employees who have worked for their company for more than three months to a percentage of the payroll provided the scheduled number of hours of electricity produced by all the photovoltaic installations managed by each of the companies is exceeded.

Albioma Galion

A series of incentive schemes have been introduced since 2010. The most recent three-year agreement, signed in 2016, entitles employees who have worked for the company for more than three months to a percentage of the payroll based on the facility’s technical performance coefficient and the production sold to EDF.

Brazil

Incentive schemes based on collective performance indicators have been operating at Albioma Rio Pardo Termoelétrica and Albioma Codora Energia since 2014 and 2015, respectively.

Stock-option and bonus performance share plans

The Company’s policy on stock options and the allotment of bonus performance shares is described in section 6.4.1 on page 271 of this Registration Document, together with the main features of the plans in place as at the date of filing of this Registration Document.

Retirement plans

Mandatory supplementary retirement plans for Group employees in France have been operated for a number of years. This was a voluntary decision for Albioma, while for the thermal power plants it is consistent with the policy applicable to the Electricity and Gas Industries branch, which concern thermal power plant employees in France.

14. The method used to calculate the change in gross monthly salary was revised in 2017, and now reflects the basic salary of the average headcount, on a full time-equivalent basis.

The following employees are registered with mandatory defined benefit or defined contribution collective supplementary retirement plans:

- all Company employees (defined contribution supplementary retirement plan);
- the employees of Albioma Bois-Rouge, Albioma Le Gol, Albioma Le Moule, Albioma Caraïbes et Albioma Galion, who are registered with plans based on two branch-wide agreements:
 - a directly applicable agreement executed in 2004 specifically concerning employees residing in Overseas France, setting up a defined contribution supplementary retirement plan and, for certain employees, a defined benefit supplementary retirement plan,
 - a national agreement executed in 2008 setting up a defined contribution supplementary retirement plan for special status employees, with effect from 1 January 2009, which is operated in each of the relevant Group companies.

All employees of the Brazilian entities are covered by the statutory State-run pension scheme.

1.9.2.2. Organisation of work

Organisation of working time

All Group companies comply with statutory, regulatory and contractual obligations relating to working hours, and those contained in the Memorandum and Articles of Association. Employees' working hours depend on their status and the business sector in which they work.

Working hours

In hours	2017	2016	2015
Number of hours worked	825,984	786,770	712,267
of which hours of overtime	47,944	42,859	42,431
Overtime / hours worked	5.8%	5.4%	6.0%

The increase in working hours (+5%) and overtime (+12%) between 2016 and 2017 is mainly attributable to the recruitment of additional employees at Albioma Galion. The ratio of overtime hours to total working hours increased in 2017 to a level similar to 2015.

Breakdown of working hours

	2017	2016	2015
Percentage of employee working split shifts (fixed day hours)	64.0%	66.1%	63.8%
Percentage of employees working continuous shifts (alternating hours)	36.0%	33.9%	36.2%

Albioma's thermal power plants operate around the clock, supplying base-load electric power to the network. As a result of which, some employees are expected to work non-standard hours. Working times, periods and breaks for employees who work continuous shifts at French plants are determined in conjunction with the occupational physician and employee representative bodies. In Brazil, working times are specified in the collective bargaining agreement signed in 2017.

In 2017, the proportion of employees working rolling shifts increased as a result of recruitment at the Galion plant.

Absenteeism

The rate of absenteeism increased slightly in 2017, primarily due to an increase in sick leave resulting from occupational accidents.

	2017	2016	2015
Net absenteeism rate ^{1,2}	4.3%	4.2%	6.1%

1. Ratio between hours of absence and theoretical working hours (excluding overtime). The calculation is based on absences measured in working days, with the exception of absences relating to occupational accidents, which are measured in calendar days.
 2. The values for 2015 and 2016 have been restated to include sick leave resulting from occupational accidents.

1.9.2.3. Employee-management relations

Organisation of employee-management dialogue

Within the Group, employee representation is organised as described below.

France

For the Company, a single representative body (*délégation unique du personnel*) was set up in 2009.

For thermal plants in Overseas France:

- on Reunion Island, Albioma Bois-Rouge and Albioma Le Gol together form the "UES Thermique Réunion" economic and employment unit, which has a central works council and a single representative body covering both companies;
- in Guadeloupe, with effect from 31 January 2014, Albioma Le Moule and Albioma Caraïbes together form the "UES Thermique Guadeloupe Albioma" economic and employment unit, which has a central works council and a single representative body at each company.

A Group Committee has been set up, supplementing the bodies established at plant level and in the regional economic and employment units. The purpose of this committee is to enhance employee-management dialogue. The Group Committee met three times in 2017.

Brazil

In Brazil, there are no formal employee representation bodies at Albioma Rio Pardo Termoelétrica or Albioma Codora Energia. Local laws and regulations require annual pay review negotiations.

Review of collective bargaining agreements

In 2017, all Group employees in France were covered by a collective bargaining agreement or had special IEG status. Albioma's employee-management dialogue policy facilitates the signing of a number of collective bargaining agreements every year. In 2017, eight agreements were signed (compared with 10 in 2016).

1.9.2.4. Health and safety

The Group operates industrial facilities, and as such is exposed to risks to the health and safety of its employees and partners.

In 2017, a Safety department was set up to better understand accident risks within the Group and to implement Albioma's safety policy. The process of implementing this policy - via the Safety Master Plan approved by the Corporate Social Responsibility Committee in 2016 - began in late 2017. The plan includes six formal commitments:

- upgrade and standardise our requirements;
- increase commitment by our managers;
- encourage involvement by all workers;
- involve and align our subcontractors;
- acknowledge and promote our efforts and results;
- learn from and capitalise on mistakes and shortcomings.

Implementation of a communication plan accompanying the safety master plan began in early 2018.

Health and safety conditions in the workplace

The Group has invested in operational resources at each industrial facility, to address health and safety issues affecting their employees and partners.

The two thermal power plants on Reunion Island (Albioma Le Gol and Albioma Bois-Rouge) have introduced a certified health and safety management system, featuring:

- ILO OSH 2001 certification, which essentially focuses on occupational safety and health management systems, as recommended by the International Labour Organization in 2002;
- training and awareness programmes;
- internal monitoring of action plans;
- internal health and safety audits.

In early 2018, these two plants were successfully audited and their ILO OSH 2001 certification maintained.

All of the Group's French photovoltaic plants have also held ILO-OSH 2001 certification since 2016.

Safety induction briefings are provided to all subcontractors at the Group's French facilities, to ensure that they comply with Albioma's safety requirements. At certified sites, additional efforts are made to uphold compliance with safety procedures by subcontractors, including twice-yearly meetings to present Albioma's safety commitments and annual performance reviews that may potentially result in a subcontractor being barred.

In 2015, Albioma set out 10 golden rules for workplace safety, and issued them to all employees in the form of a booklet. All employees are expected to be familiar with the golden rules. Based on real-life examples, the golden rules form a practical guide to appropriate behaviour in situations involving a risk of accident. The golden rules are also presented to all subcontractors as part of the safety induction briefing.

A QHSE manager or safety technician has been appointed at each Group facility to enforce applicable safety standards.

Review of occupational health and safety-related collective bargaining agreements

Two collective agreements relating to health and safety were concluded in 2017. These agreements concern the two Brazilian plants, Albioma Rio Pardo Termoelétrica and Albioma Codora Energia.

The rollout of the Albioma safety policy is supported by regular dialogue between management, internal and independent experts, the occupational physician and employee representatives. In France, in accordance with legal and regulatory requirements, Health, Safety and Working Conditions Committees (CHSCT) meet quarterly in each eligible Group company. A number of extraordinary meetings of these committees were also held in 2017.

Accidents and occupation diseases

Accidents and near-accidents are constantly monitored by the Safety department, both within the operational companies and at the Group's work sites. All instances are systematically reported, including a situation analysis and corresponding action plan, to Group management, regional managers, plant managers and all quality, safety and environment (QSE) managers, as well as other employees with a role in upholding the safety policy.

A total of 17 occupational accidents occurred in 2017, resulting in 910 days of sick leave over the course of the year. These figures are higher than in 2016, reflecting increases in both the frequency and severity of occupational accidents.

	2017	2016	2015
Accident frequency rate	20.6	16.5	18.3
Accident severity rate	1.10	0.80	0.55
Work-related illness	-	-	-
Number of fatal accidents	-	-	-

The higher severity rate was attributable to extended sick leave by an employee at the Albioma Le Moule plant (who suffered a relapse following an initial period of leave in 2015, resulting in 357 days of sick leave in 2017).

In 2017, as in previous years, no fatal accidents occurred and no occupational diseases were reported.

1.9.2.5. Training

Training policy

Albioma treats the career development of Group employees as a key issue and a high-priority objective. Accordingly, the CSR roadmap includes a specific commitment relating to training.

The Group has set a target of achieving an average of 35 hours of training per employee per year.

Total training hours

Total training hours increased significantly (+41%) year-on-year in 2017. This increase is attributable to preparations for the entry into service of the Albioma Galion 2 plant, where each new employee received extensive regulatory and technical training.

For the second consecutive year, the average number of training hours per employee exceeded the Group's annual training target of 35 hours per employee.

In hours	2017	2016	2015
Total training hours	31,779	22,466	15,700
Average number of hours of training per employee	66	50	34
of which, training on safety	29	31	13

Excluding Albioma Galion, and the non-recurrent impact of the effort to prepare employees at the Albioma Galion 2 plant, the rest of the Group still achieved its target, at 44 hours of training per employee in 2017.

1.9.2.6. Equal opportunities

Upholding equal opportunities is one of the eight commitments adopted by Albioma in its internal CSR roadmap. Two objectives were defined to guide implementation of this commitment: increase the share of female workers among new employees hired by the Group; and provide work integration for young job seekers.

Measures to promote gender equality

The number of female employees increased to 79 in 2017 (from 72 in 2016). This increase was in line with the overall increase in headcount; the percentage of women in the workforce remained unchanged year-on-year. The proportion of female new hires decreased in 2017, as a result of mainly male recruitment by Albioma Galion. Women accounted for 56% of new employees at head office in 2017.

	2017	2016	2015
Women as a percentage of total workforce	16%	16%	15%
Women as a percentage of executives	20%	19%	21%
Women as a percentage of newly recruited employees	21%	27%	26%

Measures to promote the employment and inclusion of people with disabilities

As the proportion of employees with disabilities is an indicator specific to French employment law, it has been calculated for the France scope (excluding Brazil). This proportion decreased in 2017, following a reduction in outsourcing to the sheltered employment sector.

	2017	2016	2015
Percentage of employees with disabilities ^{1,2}	1.2%	1.4%	1.3%

1. Beneficiaries of the 'BOE' obligation to employ people with disabilities (France scope).

2. The figure for 2016 stated in the 2016 Registration Document has been adjusted

Anti-discrimination policy

The Group strives to fight all forms of discrimination. Albioma considers promoting multi-culturalism and diversity in our human resources to be a positive factor for the Group's efficiency, creativity, reputation and attractiveness to talented workers. These commitments are set out in an Anti-Discrimination Charter.

1.9.2.7. Promotion of and compliance with the Fundamental Conventions of the International Labour Organization

Upholding the freedom of association and the right to collective bargaining

As explained in section 1.9.2.3 on page 56 *et seq.* of this Registration Document, the Group is organised such that the freedom of association and the right to collective bargaining are protected.

Elimination of discrimination in respect of employment

In accordance with its Anti-Discrimination Charter, Albioma has undertaken, *inter alia*, to:

- eliminate any form of discrimination at the time of recruitment and ensure that all employees have the same promotion opportunities, irrespective of their ethnicity, nationality, culture or social background, or their political, sexual, philosophical or religious opinions, preferences or beliefs;
- promote gender equality;
- when recruiting or promoting, ensure that no type of job is reserved or excluded on the grounds of a candidate's or employee's origins,
- ensure that the employee representative bodies serve as a forum for discussion of any issues concerning the elimination of all forms of discrimination.

Elimination of compulsory or forced labour

In accordance with its Anti-Discrimination Charter, Albioma has undertaken to comply with and respect the Fundamental Conventions of the International Labour Organization, including the elimination of compulsory or forced labour.

Effective abolition of child labour

In accordance with its Anti-Discrimination Charter, Albioma has undertaken to uphold the Fundamental Conventions of the International Labour Organization, including the effective abolition of child labour.

1.9.3. ENVIRONMENTAL INFORMATION

Albioma pays particular attention to environmental protection, and minimising the Group's impacts is a high priority.

Much of the Group's environmental protection efforts focus on the Thermal Biomass business, which accounted for 90% of total installed capacity in 2017.

Photovoltaic power generation does not generate any atmospheric emissions or discharges into water. Consequently, the Solar Power business is monitored primarily with regard to its impact on land use and biodiversity conservation, as well as the fate of end-of-life equipment.

In the Anaerobic Digestion business, the main topics of interest from an environmental perspective are the process's liquid and solid digestate emissions. The quality and agronomic properties of this digestate, which consists of organic matter and minerals, make it suitable for use on farmland. The Group is also particularly attentive to the olfactory characteristics of the organic matter entering the process.

In France, the thermal power plants and the TIPER anaerobic digestion facility are subject to regulations on environmentally-classified facilities (ICPE). More generally, Albioma's environmental initiatives are based on understanding and analysing the Group's environmental impacts, ensuring regulatory compliance and operating a continuous improvement process in the area of emissions reductions and resource management.

1.9.3.1. General environmental policy

Albioma's environmental policy, as defined within the framework of the internal CSR roadmap, is based on three commitments, each with a set of related targets.

1. Working towards energy transition

- Decrease our carbon footprint
- Continue reducing our gaseous emissions
- Harness the digital transformation to enhance our industrial performance

2. Use resources sustainably

- Use energy resources more efficiently
- Decrease, recycle and recover our waste
- Optimise our use of water resources

3. Protect biodiversity

- Promote sustainable use of agricultural and forestry resources for fuel
- Help to protect wildlife and minimise our impacts at our plants and in surrounding areas.

Organisational response to environmental issues and environmental certification processes

At corporate level, environmental matters are the responsibility of the Corporate Social Responsibility and Environment department, which steers, leads and coordinates all such initiatives. This department oversees collection of environmental data and consolidates it at Group level. The Corporate Social Responsibility Committee, which reports to the Board of Directors, is consulted regarding all strategic matters relating to implementation of the Group's environmental policy, ahead of deliberations by the Board of Directors on such matters (see notes in section 2.3.3.1 on page 106 *et seq.* of this Registration Document).

Group subsidiaries have responsibility for addressing environmental issues in the field. Each subsidiary is in charge of identifying and reducing its own environmental impacts, and of deploying Group policy at local level. The principal operational subsidiaries have appointed a Quality/Safety/Environment (QSE) manager. This function is supported by two Industrial Risks Engineers, respectively serving the West Indies-French Guiana and Reunion Island regions. These engineers ensure that plants comply with environmental protection requirements.

To ensure effective management of environmental issues, the Group has developed an active certification policy for its facilities. Environmental management is approached through an integrated general Quality/Safety/Environment management policy, in accordance with the ISO 14001 certification process. Each certified facility has designated managers responsible for monitoring environmental impact reduction plans.

The whole Solar Power business in France, as well as the Albioma Bois-Rouge and Albioma Le Gol thermal power plants on Reunion Island, are covered by ISO 14001, ISO 9001 and ILO-OSH 2001 triple certification. In 2017, 49% of the Group's production was covered by triple certification.

Environmental protection-related employee training and information initiatives

Albioma makes its environmental preservation requirements clear to all employees. All employees at certified facilities are trained in environmental issues, enabling them to understand and manage the main environmental risks encountered in the course of their work. Raising awareness of environmental issues is another feature of everyday life at the Group's facilities, not least as a result of systematic efforts by Quality/Safety/Environment managers. Lastly, the Sustainable Development report, published annually, also helps to spread information within the Group.

As part of the internal communication plan implemented during the first half of 2018, Albioma is to produce a newsletter, each edition of which will include a CSR & Environment section.

Resources allocated to environmental risk prevention and anti-pollution measures

In order to comply with regulatory requirements and uphold the Group's environmental priorities, the various production facilities allocate a portion of their resources to preventing environmental risks and reducing pollution and related environmental impacts.

Expenditure on environmental risk prevention and anti-pollution measures increased significantly between 2016 and 2017 (+165%). The increase reflects investment in improvements at power plants to ensure compliance with the atmospheric emissions limits stipulated in the Industrial Emissions Directive (IED - Directive 2010/75/EU). In 2017, 94% of the total amount related to such compliance works, which in recent years have focussed on the Albioma Le Gol and Albioma Bois-Rouge plants.

<i>In thousand of euros</i>	2017	2016	2015
Expenditure on pollution and environmental risk prevention	48,886	18,469	9,117

This compliance programme will be rolled out across all French thermal power plants in the coming years, with work to be completed by 1 January 2020, which is the application deadline stipulated in the IED Directive for facilities located in non-interconnected areas.

Provisions and guarantees relating to environmental risks

The Group was not concerned by any environmental disputes in 2017.

Albioma is required to provide financial guarantees under the terms of the regulations applicable to environmentally-classified facilities (*Installations Classées pour la Protection de l'Environnement - ICPE*) and in accordance with the Order of 31 May 2012, which stipulates the list of classified facilities subject to the obligation to provide financial guarantees in application of Point (5°) of Section R. 516-1 of the Environmental Code. The total cost of safely decommissioning Group facilities is currently assessed to be €830,143. As of 31 December 2017, the Group had provided financial guarantees representing 50% of the estimated cost, with 10% of the outstanding amount to be paid in each year for the next five years.

1.9.3.2. Pollution

Measures to prevent and mitigate air, water and ground pollution

Albioma makes ongoing investments to improve its production facilities and strives to reduce emissions into the atmosphere, water and the ground. The Industry department is responsible for carrying out and monitoring work at thermal power plants.

The Group has committed to a major investment programme to combat atmospheric emissions with the aim of ensuring that its thermal power plants comply with the atmospheric emissions limits stipulated in the IED directive. The related works began in 2016 at the Albioma Le Gol power plant, and continued in 2017 at the Albioma Le Gol and Albioma Bois-Rouge facilities. The main purpose of the flue gas treatment systems being installed at these plants is to cut emissions of sulphur oxides, nitrous oxides and particulate matter.

Atmospheric emissions

In tonnes	2017	2016	2015
Sulphur dioxide (SO _x) emissions ¹	5,446	6,822	6,141
Nitrous oxide (NO _x) emissions	5,369	5,430	4,802
Carbon monoxide (CO) emissions ¹	1,298	1,442	1,592
Particulate emissions	677	812	364

1. Scope: France

In 2017, sulphur oxide emissions fell sharply (-20%) year-on-year, as a result of extended power plant shutdowns to enable the installation of flue gas treatment systems, and by the pilot phase of sulphur scrubbing equipment operation at the Albioma Le Gol plant.

The extended outage at the Albioma Le Gol plant was also responsible for decreases in emissions of nitrous oxide (-1%) and carbon monoxide (-10%).

Particulate matter emissions also decreased in 2017 (-17%), mainly as a result of improvements at the Brazilian Albioma Codora Energia and Albioma Rio Pardo Termoelétrica plants. Albioma is assessing the potential benefits of installing sulphur oxide and carbon monoxide measuring systems at its Brazilian plants, even though such measurements are not mandatory under Brazilian regulations.

Consideration for odour-related and noise pollution

The prefectural orders applicable at the Group's French thermal plants and agricultural anaerobic digestion units provide for regular measurements of noise emissions from

facilities. Measurement campaigns are therefore carried out and, where appropriate, their results are used as inputs for environmental action plans. At the Albioma Saint-Pierre combustion turbine plant, scheduled to begin operating in 2018, a noise-abating industrial housing was installed, enclosing the turbine inside a metal chamber to protect local residents from noise pollution caused by the plant's operation. Suppliers are required to supply equipment that operates at a sound pressure level below 85 decibels (measured at a distance of 1 m).

The impact study conducted by Albioma for its projects under development identified the risks of noise-related nuisances at its worksites, enabling the Group to plan appropriate corrective measures.

Processing agricultural waste creates odour-related nuisances in the vicinity of the Group's anaerobic digestion units. To limit their impact, an air extraction and handling unit has been installed, together with automated loading hall door closing systems. A study of the ventilation and air handling system will be conducted for the Tiper Méthanisation unit in 2018, to shed light on the source of certain persistent odours, and Methaneo is to set up a working group specialising in odour-related nuisances.

1.9.3.3. Circular economy

Waste prevention and management

Waste prevention, recycling and reuse, alternative recovery solutions and disposal

In its Thermal Biomass and Anaerobic Digestion businesses, Albioma works closely with its agribusiness partners, recovering co-products from their activities and supplying them with energy in return.

Albioma's Thermal Biomass business model is based on a process for recovering energy from bagasse, a sugar cane by-product. The Anaerobic Digestion business recovers waste from livestock rearing and agribusiness residues, processing them to produce biogas, which is then either used to generate electricity and heat or is injected directly into the public gas network.

The circular economy is central to Albioma's business model, with the Group's activities naturally driving a virtuous cycle of waste reduction.

Combustion by-products

Biomass and coal combustion by-products, in the form of ash and slag, account for most of the solid waste released by the Group's activities.

Accordingly, particular focus is given to these substances, with the twin aims of limiting their environmental impact and developing waste recovery solutions.

In tonnes	2017	2016	2015
Ash	225,198	197,564	188,735
of which, biomass ash	114,039	88,227	78,931
of which, coal ash	111,160	109,337	109,803
Coal slag	40,811	42,848	37,551
Gypsum	3,244	3,535	3,634

In France, most of the ash produced by burning bagasse is recovered by spreading it on farmland. This practice improves the physicochemical properties of the soil and provides essential elements to spur crop growth. The agronomic benefit of bagasse ash is officially recognised: in 2015, the French national food health, safety, environment and work agency (Agence Nationale de Sécurité Sanitaire de l'Alimentation, de l'Environnement et du Travail - ANSES) granted a license authorising Albioma to market bagasse ash from its French power plants. In Brazil, all biomass ash is also recovered by spreading it on agricultural land. In 2017, the volume of biomass ash increased (+29%) as a result of increased bagasse consumption by the Albioma Codora Energia plant, which benefited from an abundant sugar harvest.

For several years, the Group has also been studying the options for recovering ash and slag generated by burning coal. In particular, Albioma is assessing the possibility of recovering coal combustion by-products for use as raw materials in the construction and roads industries. This process continued in 2017, in cooperation with research institutions and private-sector partners. A testing phase began in early 2018, focussing on recovering coal combustion by-products from the Albioma Caraïbes power plant for use in concrete manufacturing. Alternatives to landfill disposal are another focus: in 2017, coal slag from the Albioma Caraïbes power plant was used for a quarry restoration project. Note that coal ash and slag from the Albioma Bois-Rouge power plant are mixed when removed and stored; this mixture is recorded as coal ash only.

The special wet-process sulphur scrubbing system installed at the Albioma Le Gol and Albioma Caraïbes plants generates gypsum, as the product of a reaction between dissolved lime and sulphur oxides. One means of recovering this gypsum is to use it in the cement production process. Albioma Le Gol has been working hand in hand with a cement manufacturer since 2007; as a result of this partnership, all gypsum produced by the plant in 2017 was successfully recovered.

In early 2018, tests relating to the recovery of this by-product also began with an industrial partner of the Albioma Caraïbes power plant.

Recovering bagasse ash for agronomic purposes and seeking recovery solutions for coal combustion by-products are prime examples of Albioma's commitment to the circular economy.

Anaerobic digestion by-products

The two main emissions from collective anaerobic digestion units are a liquid digestate and a solid digestate. These two by-products are recovered for agricultural use, via a spreading plan. An application for a license to market these digestates as fertilizers was initially submitted to the French national food health, safety, environment and work agency (ANSES) in 2016. The licensing process continued in 2017, with the result expected during the first half of 2018.

In tonnes	2017	2016	2015
Digestate	70,361	69,494	62,543

Industrial waste

Albioma ensures that its other industrial waste is managed by properly certified partners, and recycled whenever possible.

In tonnes	2017	2016	2015
Non-hazardous industrial waste	5,483	5,156	4,128
Hazardous industrial waste	317	248	388

The quantity of non-hazardous industrial waste generated by the Group's activities increased in 2017 (+6%) due to the non-recurrent generation of volumes of sludge from sewage works and tank clearing operations at the Albioma Le Moule plant. In 2017, sludge from tank clearing and sewage works accounted for approximately 68% of all discharged non-hazardous industrial waste.

The increase in the quantity of hazardous industrial waste (+28%) was due to combustion turbine cleaning operations at the Albioma Galion plant in Martinique.

Food waste prevention initiatives

In view of the nature of Albioma's activities and the Group's business model (see notes in section 1.3.1 on page 8 *et seq.* of this Registration Document), and in keeping with the provisions of Article R. 225-105 of the French Commercial Code, information relating to food waste prevention initiatives was not considered relevant for the purpose of this Registration Document.

Sustainable use of resources

Water consumption

Albioma's activities require the approach to water management to be adapted on a case-by-case basis, to suit the areas in which its facilities are located. To control its water consumption, the Group includes optimisation and reuse strategies when designing its production facilities, and has developed multiple initiatives designed to reduce the need for water during operations. For example, the Group's most recent thermal power plant units consume less water as a result of a more economical design and the use of dry cooling towers that operate with ambient air rather than a water supply to condense steam used for power generation.

Water consumption is measured continuously at local level and the Group's total consumption is tracked in a monthly indicator. Total water consumption remained stable between 2016 and 2017. In 2017, the water intensity of generated energy decreased, year-on-year (-3%). This result is consistent with the trend established in 2015 and 2016.

Recycled water as a share of total extracted raw water increased (+48%) between 2016 and 2017. Albioma aims to increase recovery rates for its aqueous discharges and is considering how to achieve this goal.

	2017	2016	2015
Raw water extraction (thousands of cu. m) ¹	7,972	7,974	7,405
Water intensity of power generation activity (cu. m/MWh) ¹	1,91	1,96	2,04
Recycled water as a share of total raw water extraction	9.7%	6.5%	5.9%

1. The figure of 2016 started in the 2016 Registration Document has been adjusted.

Fuel consumption and fuel efficiency measures

In 2017, the quantity of recovered biomass rose (+7%), not least as a result of a good sugar harvest in France and Brazil, resulting in a 3% increase in bagasse consumption. The plentiful harvest enabled coal consumption to be reduced (-2%).

The other categories of consumed biomass include agro-industrial waste recovered in anaerobic digestion units, cane straw and wood chips consumed in the Brazilian plants, and green waste recovered at the Albioma Le Gol power plant. Consumption of these other types of biomass increased year-on-year in 2017 (+44%), as a result of an increase in the quantity of sugar cane and wood chips consumed by the Brazilian plants.

In thousands of tonnes	2017	2016	2015
Total biomass consumption	1,673	1,570	1,326
of which, bagasse consumption	1,489	1,442	1,227
of which, consumption of other biomass	184	127	99
Coal consumption	848	868	833
Heating oil consumption	30	30	30

Energy consumption and energy efficiency measures

The power required by the Group's production facilities is generally produced onsite. Consequently, electricity is only purchased from the grid during plant startup phases. Onsite consumption is measured by a manager at each site, and consumption data is monitored monthly by head office. Engineers with the Industry department are specifically assigned to monitor and improve plant performance. Energy performance is also monitored closely by the Corporate Social Responsibility and Environment department, with the aim of improving the Group's use of energy resources.

At the thermal power plants, the performance indicator used to measure energy efficiency during sugar harvests is the electricity yield per tonne of cane crushed. In 2017, this indicator increased (+4%) as a result of improved operating efficiency at the Brazilian plants.

In kWh produced per tonne of cane crushed	2017	2016	2015
Electricity yield per tonne of sugarcane ¹	118	113	111

1. The figures for 2015 and 2016, as stated in the respective Registration Documents, have been restated to include electricity sent by the Brazilian plants to their sugar refining partner.

Land use

Land use is a focus of particular attention for Albioma's ground-array photovoltaic activities. During the design process for its photovoltaic power plants, the Group researches solutions to avoid encroaching onto farming land wherever possible, and where applicable, offset any impact on agricultural activities.

Solutions to develop sheep farms on grazing land occupied by photovoltaic panel arrays have been implemented. Albioma has also begun operating a photovoltaic plant on restored land over a landfill site on Reunion Island.

Soil protection is also a focus of attention by the Group's thermal power plants and anaerobic digestion units. For every new project, Albioma conducts an initial soil condition survey in accordance with the regulatory framework applicable to environmentally-classified facilities (ICPE). Environmental impacts associated with land development, including soil erosion, pollution and water runoff, are also assessed for every new projects.

Energy production by the Group's thermal power plants and anaerobic digestion units is also closely linked to the corresponding agricultural production cycles. By recovering bagasse and agricultural effluent and then spreading the resulting by-products on agricultural land, these two businesses contribute to a virtuous cycle that helps to enrich the soil.

1.9.3.4. Climate change

Greenhouse gas emissions

Cutting Albioma's greenhouse gas emissions is a direct goal of the energy transition strategy implemented by the Group for its French thermal power plants, as biomass is considered to have a zero emission factor in EU Commission Regulation 601/2012 of 21 June 2012, on monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of 13 October, 2003.

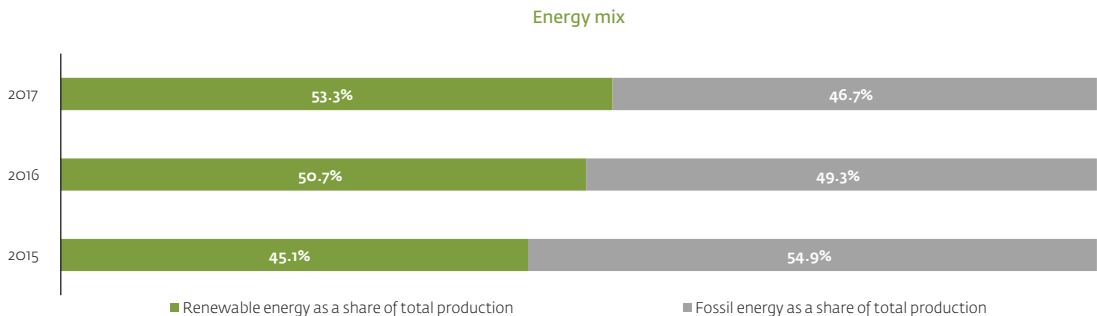
	2017	2016	2015
Direct greenhouse gas emissions (thousands of tonnes CO ₂ equivalent)	2,145	2,229	2,110
of which carbon dioxide (CO ₂) emissions	2,116	2,193	2,075
of which nitrous oxide (N ₂ O) emissions	22	24	23
of which methane (CH ₄) emissions	8	12	12
Carbon intensity of electricity and steam production (grams CO ₂ per kWh) ¹	513	548	580

1. The figures for 2016 and 2015 have been restated to include nitrous oxide and methane emissions.

In 2017, lower coal consumption resulted in a decrease in direct greenhouse gas emissions (-4%). The greenhouse gas intensity of the Group's energy production activities continued to decrease (-6%).

Fighting climate change and adapting to its consequences

The Albioma Group energy transition strategy features a target of deriving 80% of energy production from renewable sources by 2023, intrinsically supporting the fight against climate change. Renewable energy as a share of total energy production increased in 2017, as a result of the good sugar harvest in France and Brazil.



Forecasts by the Intergovernmental Panel on Climate Change (IPCC) point to climate changes in the Caribbean and Indian Ocean regions¹⁵.

- changing rainfall patterns, resulting in greater fluctuations in precipitation levels between years, and in an increase in the mean quantity and intensity of precipitation;
- more and more powerful storms and cyclones;
- higher average temperature;
- rising sea level.

These climate changes entail a number of environmental risks liable to directly affect the Group's activities, including the risk of flooding and landslides, exposure to extreme climatic events, water stress risks and a risk of reduced availability of biomass resources.

Drawing on this information, Albioma assesses the exposure of its existing and planned facilities to such risks on a case-by-case basis, taking the climate change forecasts into account, and implements any necessary measures.

Furthermore, in accordance with the regulations applicable to new projects for environmentally-classified facilities (ICPE) since the environmental licensing process was reformed with effect from 1 March 2017, Albioma assesses each new project's vulnerability to risks arising from climate change, as well as the climate change risks created by the new project.

1.9.3.5. Biodiversity protection

Measures to preserve or enhance biodiversity

In its internal CSR roadmap, Albioma identifies protecting biodiversity as one of the three core commitments of the Group's environmental policy.

One of the levers of action defined in the Group's energy transition strategy is to replace coal with biomass at its bagasse/coal thermal power plants and to commission new plants fuelled exclusively with biomass. Although priority is

given to recovering local biomass resources, the operational rollout of this strategy requires some biomass to be imported in the form of wood pellets or chips.

Conscious of the risks to biodiversity and ecosystem balance potentially created by non-sustainable forest management, Albioma proactively introduced contract provisions requiring all biomass suppliers to obtain forestry certification, thereby ensuring that forests are managed sustainably and appropriate biodiversity protection measures implemented. Furthermore, the procedures adopted by Albioma in order to comply with the requirements of the European Union Timber Regulation (995/2010/EU) include assessing the risk of biomass suppliers delivering protected species¹⁶. Where applicable, risk mitigation procedures must be implemented.

For each new project, Albioma conducts biodiversity risk and impact studies. These studies may result in biodiversity offset measures or recommendations (e.g. adapting facilities or blending them into the landscape, creating natural habitats, etc.), which are systematically taken into account and implemented by the Group. For the Albioma Saint-Pierre combustion turbine project on Reunion Island, scheduled to begin operating in 2018, an ornithological study was carried out with support from a local specialist, Société d'Études Ornithologiques de La Réunion, to check that there were no breeding and nesting areas of three protected species of bird (the white-tailed tropicbird, Mascarene swiftlet and Mascarene martin). Preventive measures to mitigate risks to local populations of Barau's petrel – a species endemic to Reunion Island that is attracted by lights at night, but is unable to take off again if forced to land – have been deployed, consisting in installing suitably designed lighting systems.

15. Intergovernmental Panel on Climate Change, *Climate Change 2014: Impacts, Adaptation, and Vulnerability, Part B: Regional Aspects – Working Group II Contribution to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*, 2014.

16. Species listed in Appendices I and II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and species on the International Union for Conservation of Nature's "Red List".

1.9.4. SOCIAL INFORMATION

The Social aspect of Albioma's internal CSR roadmap centres on two commitments.

1. Expand our responsible purchasing practices

- Ensure that our biomass procurement is traceable and sustainable
- Enhance our inclusion of CSR considerations in purchasing procedures

2. Work more closely with local communities

- Foster dialogue with third-party stakeholders
- Play a part in driving local socioeconomic development
- Conduct public interest initiatives that are consistent with our business

1.9.4.1. Territorial, economic and social impact of the Group's activities...

...in terms of employment and local development

Albioma is the partner of choice for the agribusiness sector. The Group's business model is based on long-term partnerships with local stakeholders in the sector. This local presence contributes to the protection of thousands of jobs upstream of the Group's activities, in particular via the 'bagasse premium'. This mechanism passes on a fraction of revenues from bagasse recovery-based electricity production to sugarcane growers and refineries. The sugarcane sector represents 18,300 jobs on Reunion Island¹⁷ and 10,000 jobs in Guadeloupe¹⁸.

Wherever the Group operates, its subsidiaries:

- create jobs by recovering biomass obtained from co-products and by-products of agribusiness processes;
- develop their employees' skills while providing fair pay and incentives;
- generate significant business for the industrial fabric and local service providers;
- increase the added value of goods and services purchased from suppliers and partners;
- generate tax revenues for public authorities and income for shareholders and lenders.

The share of local purchasing, based on orders placed during the year, increased from 2016 to 2017. In 2017, a significant

share of Group expenditure was for investments to ensure compliance with the atmospheric emission levels stipulated by the IED directive (see details in section 1.3.2.1 on page 11 of this Registration Document), in particular at the Albioma Le Gol and Albioma Bois-Rouge plants. Some of the necessary flue gas treatment equipment is not available locally, however, and must therefore be imported. Whenever possible, Albioma uses local contractors to install these systems.

	2017	2016	2015
Proportion of local purchases ¹	46%	41%	45%
Amount of taxes paid to local authorities (in thousands of euros) ²	11,238	8,662	8,711

1. As a percentage of the Group's total purchases in France, excluding fuel.

2. Scope: France.

As the amount payable in respect of the "territorial economic contribution" (*contribution économique territoriale - CET*) exceeded 3% of the added value created, Albioma Group companies applied for concessions in the form of a tax cap. The Group has been granted concessions since 2014, reducing the amount of taxes paid to local authorities.

The most significant local economic impact relates to the Thermal Biomass business, in the form of the virtuous partnership established with sugar refineries. Adopting a circular economy approach, Albioma recovers co-products of the sugarcane processing industry and provides its sugar refinery partners with the electricity and steam they need for production. Its energy efficiency expertise also means it can help to improve the sugar refineries' operational performance (improving certain energy-intensive industrial processes; reducing the number of shutdowns and failures; reducing maintenance costs).

	2017	2016	2015
Steam sent to sugar refineries (in thousands of tonnes)	2,220	2,063	2,018
Estimated savings for sugar refineries ¹ (in thousands of tonnes)	19,978	18,569	18,161

1. Steam was sold at an estimated price of €9 per tonne (after deducting the cost of fuel supplied by sugar refineries).

The quantity of steam piped to sugar-refining partners increased in 2017, as the plentiful sugar harvest enabled refineries to deliver more bagasse to Albioma's French and Brazilian power plants.

17. Source: Sugar industry newsletter: Lettre de l'Industrie du Sucre de La Réunion (April 2014).

18. Source: Prefecture of the Guadeloupe region (June 2015).

...on local populations and residents

Albioma's power generation activity directly helps to provide an essential service to local populations. Albioma produces a substantial proportion of the electricity consumed on Reunion Island and in Guadeloupe (see details in section 1.3.3.1 on page 16 of this Registration Document).

	2017	2016	2015
Net electricity produced and sold ¹ (in MWh)	2,404	2,408	2,315
thermal	2,290	2,291	2,197
photovoltaic	95	98	98
anaerobic digestion	19	20	20
Number of households whose electricity is supplied by Albioma ²	751,195	752,638	723,532
Number of people whose electricity is supplied by Albioma ³	1,652,628	1,655,804	1,591,770

1. Group's total net production sold, excluding Mauritius.
2. This value is calculated based on the average annual electricity consumption of French households, excluding heating and hot water (3,200 kWh, according to the French energy agency ADEME, 2015).
3. It is calculated based on the average number of individuals per household in France (2.2 according to the French statistics office, INSEE, 2011).

As a base-load electricity producer, Albioma supplies electricity continuously, which helps to stabilise the local electrical network. This stability is particularly important for electrical networks in non-interconnected regions. Maintaining high availability at its thermal power plants is therefore crucial for the Group. In 2017, the Group's French power plants reported an availability rate of 90%, higher than the corresponding 2016 and 2015 figures.

	2017	2016	2015
Thermal plan availability rate ¹	90%	89%	87%

1. This rate corresponds to the average availability rates of the French thermal power plants weighted to factor in net power output. The availability rate is the ratio between the maximum energy produced by the plant and the maximum demand for energy.

1.9.4.2. Relationships with partners

Dialogue with partners

An assessment of possible interactions with partners was launched in 2014, overseen in particular by the Corporate Social Responsibility Committee. This initiative was rolled out to several facilities in operation, and consulting with local partners has been a systematic requirement for all new projects since 2015. Dialogue with third-parties is coordinated jointly by Regional management and the Corporate Social Responsibility and Environment department.

Albioma is currently working on an inventory of all Group partners. Enhancing communication with third parties is a key challenge for Albioma's corporate social responsibility policy, with a medium-term goal of developing a more organised, systematic, formal and regular dialogue.

The Albioma Le Moule and Albioma Caraïbes thermal power plants hold annual open day events, hosting school trips and student tours, with the aim of sharing the Group's industrial culture and demonstrating its openness to the younger generations.

Partnerships and sponsorships

Partnership with the national forestry office (Office National des Forêts - ONF) in Martinique

In Martinique, ONF is tasked with sustainable, multi-role management of more than 16,000 hectares of publicly-owned forest. In addition to its missions in areas such as surveillance (to ensure that the managed land remains undamaged), physical protection against natural hazards, conservation of biodiversity and natural habitats, production of wood-based and other resources and consideration for the social functions of forested areas (including public recreation and landscape aspects, in particular), the Office National des Forêts performs public-interest missions for the State or local authorities and provides contractual services for public and private sector customers.

Anticipating the need to secure local biomass supplies for the Albioma Galion 2 power plant, the Group has been consulting with the Office National des Forêts since 2015, with the aim of developing a biomass production industry supplied by public and privately-owned Martinican forests. This initiative yielded a framework agreement relating to a programme of joint actions to develop a wood-for-energy industry in Martinique. In particular, this agreement provides for studies relating to the qualification and mobilisation of wood resources from private forests, establishing a technical and regulatory framework for the wood-for-energy industry and engaging with partners to promote its emergence.

Local sponsorship actions

Albioma subsidiaries organise local sponsorship actions every year. In 2017, these contributions more than doubled year-on-year (+112%). Albioma's corporate philanthropy efforts included donations to sports clubs, a cancer charity and a school.

In thousands of euros	2017	2016	2015
Financial contributions for sponsorship	36.6	17.3	10.3

1.9.4.3. Subcontracting and suppliers

Inclusion of social and environmental considerations in purchasing policy

Expanding responsible purchasing practices is one of the eight commitments adopted by Albioma in its internal CSR roadmap.

The Group's standard purchasing terms and conditions have included a corporate social responsibility clause since 2014. This document, stating Albioma's requirements and commitments, is issued to all Group suppliers.

Purchases of imported fossil fuels are sourced from recognised, quality suppliers that in turn order from producers that uphold good CSR practices.

Albioma has also included biomass certification requirements in its imported biomass procurement contracts. These requirements were defined following an internal assessment of the level of assurance provided by the various forestry certification systems, and were approved by the Corporate Social Responsibility Committee. By this means, the Group upholds environmental, employment-related and social criteria at each stage in its biomass supply chain.

Lastly, the certified thermal plants conduct annual assessments of their strategic suppliers, which include health, safety and environmental criteria.

Importance of subcontracting and consideration of subcontractors' and suppliers' corporate social responsibility

Importance of subcontracting

Albioma works with subcontractors when the necessary expertise is not available in-house, and during busy periods due to maintenance shutdowns. The Group uses local subcontractors whenever possible, and supports upskilling initiatives as necessary.

	2017	2016	2015
Subcontracting costs (in thousands of euros) ¹	39,045	39,536	39,692
Subcontracting costs as a percentage of operating costs ¹	14%	14%	13%

1. Scope: France, excluding investments.

Consideration of subcontractors in the Group's health and safety policy

As for the Group's own employees, Albioma is attentive to the health and safety of subcontractors working at its plants and worksites. Accidents involving subcontractors are monitored by the Safety department. Encouraging and supporting subcontractors' efforts to comply with our safety requirements is one of the six commitments in the Safety Master Plan (see details in section 1.9.2.4 on page 57 of this Registration Document).

1.9.4.4. Fair practice

Anti-corruption efforts

Albioma's business practices are designed to prevent corruption-related risks. In 2017, as in previous years, the Group did not encounter any corruption-related incidents.

In 2016, a fraud risk audit was conducted by an independent analyst, with the aim of assessing the Group's exposure to such risks. With effect from 2017, all internal audits now systematically include a section relating to fraud, both in France and in Brazil.

Measures in favour of health and safety among local residents

The licence application procedures for environmentally-classified facilities such as the Group's thermal power plants and the Tiper Méthanisation anaerobic digestion unit, include "health risk" aspects. Albioma complies fully with regulatory measures on health risk prevention and management, and in particular the memorandum of 9 August 2013 relating to classified facilities listed in Annex I of the European Directive on industrial emissions.

1.9.4.5. Other actions to uphold human rights

Albioma complies with the Fundamental Conventions of the International Labour Organization, notably those relating to human rights (see details in section 1.9.2.7 on page 59 of this Registration Document).

1.9.5. INDEPENDENT THIRD PARTY'S REPORT ON THE CONSOLIDATED ENVIRONMENTAL, EMPLOYMENT AND SOCIAL INFORMATION PRESENTED IN THE REGISTRATION DOCUMENT (WHICH INCLUDES THE MANAGEMENT REPORT)

This is a free English translation of the Independent Third Party's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Shareholders,

In our capacity as Independent Third Party, certified by COFRAC number 3-1058 (scope available at www.cofrac.fr), and member of the Mazars network of one of the company's Statutory Auditors, we hereby report to you on the consolidated human resources, environmental and social information for the year ended 31 December 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code (Code de commerce).

COMPANY'S RESPONSIBILITY

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the protocol used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

INDEPENDENCE AND QUALITY CONTROL

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the protocol used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, it is our responsibility to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

It is however not our responsibility to attest compliance with other legal dispositions where appropriate, in particular those included in article L. 225-102-4 of the French Commercial Code (vigilance plan of parent companies) and law n° 2016-1691, dated 9 December 2016, said Sapin II (fight against corruption).

Our work involved 4 persons and was conducted between November 2017 and March 2018 during a 6-week period.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the Independent Third Party performs its engagement and with ISAE 3000¹⁹ concerning our conclusion on the fairness of CSR Information.

I - ATTESTATION REGARDING THE COMPLETENESS OF CSR INFORMATION

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

19. ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in section 1.9 of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

II - REASONED OPINION ON THE FAIRNESS OF THE CSR INFORMATION

Nature and scope of our work

We conducted 10 interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important²⁰:

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of entities selected by us²¹ on the basis of their activity, their contribution, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 30% of headcount considered as material data of social issues and between 25% and 55% of quantitative environmental data²² considered as material data of environmental issues.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the Company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more

20. HR information: Total Headcount and breakdown by gender, breakdown of hires by type of contract, proportion of interns and apprentices, number of departures, average gross monthly wage, number of worked hours, number of overtime hours, absenteeism rate, social dialogue policy, number of collective agreements, occupational injury frequency rate, occupational injury severity rate, number of training hours, number of training hours dedicated to safety.

21. Albioma Solaire Réunion, Albioma Codora Energia, Albioma Le Moule, Albioma Caraïbes.

22. SO_x, NO_x and dust emissions, quantity of combustion by-products, consumption of raw materials (coal, biomass, fuel, oil), electricity yield per ton of sugarcane, part of renewable energy produced, water intensity of energy produced, GHG intensity of energy produced.

extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no other material misstatements have come to our attention that cause us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris La Défense, 26 April 2018.

The Independent Third Party,

Mazars SA

Daniel Escudeiro
Partner

Edwige Rey
CSR & Sustainable Development partner

1 • THE ALBIOMA GROUP

1.9. Corporate social responsibility information

2 CORPORATE GOVERNANCE

2.1. Background information	74	2.4. Remuneration of corporate officers	120
2.1.1. Compliance with the AFEP-MEDEF corporate governance code for listed companies	74	2.4.1. Corporate officer remuneration policy	120
2.1.2. Report of the Board of Directors prepared pursuant to Article L. 225-37 of the French Commercial Code	74	2.4.2. Remuneration received by corporate officers for the 2017 financial year	121
2.2. Organisation of General Management and status of the Chief Executive Officer	74	2.4.3. Remuneration received by corporate officers for the 2018 financial year	133
2.2.1. Organisation of General Management	74	2.4.4. Shareholders' vote on the remuneration of the corporate officers	136
2.2.2. Status of the Chief Executive Officer	75	2.5. Summary of transactions carried out in 2017 in the Company's shares by the corporate officers, their family and friends	137
2.2.3. Powers of the Chief Executive Officer	75	2.6. AFEP/MEDEF Code recommendations not applied by the Company	137
2.2.4. List of the main offices and positions held by the Chief Executive Officer during the 2017 financial year and the five previous years	77	2.7. Regulated agreements and commitments, information on related parties	138
2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work	78	2.7.1. Special report by the Statutory Auditors on regulated agreements and commitments	138
2.3.1. Composition of the Board of Directors	78	2.7.2. Agreements governed by Article L. 225-37-4 (2 ^o) of the Commercial Code	142
2.3.2. List of the main offices and positions held by the Directors during the 2017 financial year and the five previous years	84	2.7.3. Information on related parties	142
2.3.3. Conditions for the preparation and organisation of the work of the Board of Directors	96		
2.3.4. Specific procedures relating to taking part in General Meetings of shareholders	119		

2.1. Background information

2.1.1. COMPLIANCE WITH THE AFEP-MEDEF CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES

Pursuant to the decisions of the Board of Directors meeting of 19 December 2008, the Company voluntarily complies with the corporate governance code for listed companies published by AFEP and MEDEF (the "AFEP-MEDEF Code"), last updated in November 2016. The Company also applies the principles defined in the AFEP-MEDEF Code's implementation guidelines, published by the High Committee on Corporate Governance and most recently updated in December 2016.

The Company attaches paramount importance to the quality of the Group's governance and ensures application of the best practices defined by the AFEP-MEDEF Code, which is available on the internet at the following address: www.afep.com.

In accordance with the recommendations of the French securities regulator (Autorité des Marchés Financiers) and Article L. 225-37 of the French Commercial Code (Code de commerce), the provisions of the AFEP-MEDEF Code that the Company has not applied are summarised in a table (section 2.6, page 137 of this Registration Document) setting out the reasons for this choice.

2.1.2. REPORT OF THE BOARD OF DIRECTORS PREPARED PURSUANT TO ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE

The information that follows, together with the information in section 8.6.5, page 324 of this Registration Document, constitutes the special report of the Board of Directors on corporate governance referred to in Article L. 225-37 of the French Commercial Code, as amended by ordinance no. 2017-1162 of 12 July 2017.

2.2. Organisation of General Management and status of the Chief Executive Officer

2.2.1. ORGANISATION OF GENERAL MANAGEMENT

At its meeting of 1 March 2016, the Board of Directors decided, as proposed by the Chairman and Chief Executive Officer, to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016. At the same meeting the Board decided to appoint Frédéric Moyne - until then Chief Operating Officer Brazil - as Chief Executive Officer, with Jacques Pétry continuing to hold office as Chairman of the Board of Directors.

This decision was in line with the succession plan reviewed annually by the Board of Directors on the basis of the work carried out by the Nomination and Remuneration Committee.

It reflects the shared desire of the Board of Directors and Jacques Pétry to ensure that the succession of the Chief Executive Officer is organised in as efficient a manner as possible, in the interests of both the Company and its shareholders.

In the context of this period of transition, the Board of Directors took the view that it was important that Jacques Pétry could contribute effectively to the organisation of this succession, not only by helping his successor assume his new role but also by remaining involved at the highest level and over the long-term in the implementation of the strategic orientations defined by the Board of Directors. The Group therefore decided that, to ensure it is able to continue to implement its strategy, it would structure its senior management in such a way as to separate the functions of Chairman of the Board of Directors and Chief Executive Officer.

Frédéric Moyne was appointed Chief Executive Officer with effect from 1 June 2016, for a term of four years expiring at the close of the General Meeting to be held in 2020 to vote on the financial statements for the 2019 financial year. Jacques Pétry was appointed for the same four-year term, beginning on 1 June 2016 and expiring at the close of the General Meeting to be held in 2020 to vote on the financial statements for the 2019 financial year, to carry out the separate function of Chairman of the Board of Directors.

The effectiveness of this new organisation is guaranteed by the close collaboration between the Chief Executive Officer and the Chairman of the Board of Directors, based on the following principles (see additional information in section 2.3.3.1 on page 96 *et seq.* of this Registration Document on the powers and status of the Chairman of the Board of Directors):

- the Chief Executive Officer shall provide the Chairman of the Board of Directors with regularly updated information on the Group's affairs, the implementation of its strategies and the main investment projects;
- whenever he deems this necessary, the Chairman of the Board of Directors is entitled to obtain from the Chief Executive Officer any information that might shed light on the works of the Board of Directors and its Committees;
- the Chief Executive Officer may seek the opinion of the Chairman of the Board of Directors on any topics, including in particular strategy, communication and governance;
- the Chief Executive Officer systematically consults the Chairman of the Board of Directors with regard to the definition of strategic business policies before they are put to the Board of Directors for approval.

At its meeting of 30 March 2018, the Board of Directors examined a number of proposals by the Chairman of the Board of Directors that aim to modify the Company's governance in the medium term. The Board of Directors accordingly:

- observed that the handover of responsibilities of Chief Executive Officer to Frédéric Moyne was proceeding in optimal conditions and that, all other things being equal, the handover could be considered completed at the close of the General Meeting called to vote, in 2019, on the financial statements for the 2018 financial year;
- observed that the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer had clearly facilitated this handover, but that such a separation would cease to be justified after its completion, in particular given the size of the Company. The Board therefore agreed that, with effect from the General Meeting called to vote on the financial statements for the financial year ending 31 December 2018, the combination of the functions of Chairman of the Board of Directors and Chief Executive Officer would be the most appropriate corporate governance method in view of the Company's strategic context;
- agreed that, all other things being equal, if the functions of Chairman of the Board of Directors and Chief Executive Officer are indeed combined with effect from the General Meeting called to vote on the financial statements for the financial year ended 31 December 2018, Frédéric Moyne will be appointed Chairman of the Board of Directors. To that effect, the Board of Directors took note that the current Chairman of the Board of Directors has stated that, when requested by the Board, he will tender his resignation as Chairman of the Board of Directors and as a Board member from that date.

2.2.2. STATUS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is appointed by the Board of Directors for a term of office set by the Board.

Pursuant to the Memorandum and Articles of Association, the Chief Executive Officer must be aged under 70. In the event he reaches this age limit when in office, the Chief Executive Officer shall be automatically deemed to have resigned and a new Chief Executive Officer shall be appointed.

Following the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, the Board of Directors has clarified certain points concerning the status of the Chief Executive Officer, in particular as regards his exclusivity obligation. Accordingly, the Chief Executive Officer undertakes to devote all his time and efforts to his office; with the exception of non-professional activities and executive or non-executive corporate offices held within another Group company, any other activities and in particular any

corporate office in a non-Group company shall require prior authorisation by the Board of Directors.

The Chief Executive Officer is bound by the same obligations as the Directors with regard to stock-market ethics (see additional information in section 2.3.1.2 on page 82 of this Registration Document).

He is also bound by the same obligations as the Directors with regard to integrity. Accordingly, at the time of his appointment as Chief Executive Officer and during the review of the position of corporate officers for the 2017 financial year (Board of Directors' meeting of 5 March 2018), Frédéric Moyne made the same declarations as each of the Directors, as required by Annex 1 of Commission (EC) Regulation no. 809/2004 of 29 April 2004. He formally confirmed that he:

- is not linked to any member of the Board of Directors via any family ties;
- has not been convicted of fraud during the last five years;
- has not been associated with any insolvency, receivership or liquidation as a member of an administrative, management or supervisory body or as a senior manager;
- has not been accused and/or publicly and officially sanctioned by any statutory or regulatory authorities (including appointed professional bodies);
- has not been prevented by a court, during the last five years, from acting as a member of an administrative, management or supervisory body of a listed company (or from offering financial securities to the public) or from taking part in managing or running the business of such a company.

2.2.3. POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of the Company. He shall exercise these powers within the limits of the Company's objects and subject to any powers expressly granted by law to the General Meeting of shareholders and the Board of Directors. He shall represent the Company in its dealings with third parties; the Company shall be bound by any actions or decisions of the Chief Executive Officer that do not fall within the scope of the Company's objects, unless the Company can prove that the third party was aware that the action or decision in question fell outside the scope of the objects, or could not have been unaware thereof in view of the circumstances. However, mere publication of the Memorandum and Articles of Association is not sufficient proof thereof.

2 • CORPORATE GOVERNANCE

2.1. Background information

Over and above any powers expressly granted by law to the General Meeting of shareholders and the Board of Directors, the powers of the Company's Chief Executive Officer are restricted in two ways.

- Barring special authorisations from the Board of Directors, the Chief Executive Officer was, during 2017, authorised to furnish sureties, pledges and guarantees under the following conditions:
 - to any tax and customs authorities, for an unlimited amount;
 - in connection with the purchase of fuel by any Group subsidiary, provided that the total amounts effectively guaranteed at any point in time do not exceed €20 million, or its equivalent value in any other currency;
 - for any other reason, and to any other beneficiary, provided that the total amounts effectively guaranteed at any point in time do not exceed €30 million, or its equivalent value in any other currency, and also provided that such sureties, pledges and guarantees are furnished in connection with commitments entered into by a Group subsidiary.
- Modifications were made to this authorisation when it was renewed for the 2018 financial year at the Board meeting of 15 December 2017. As a result, barring special authorisations from the Board of Directors, the Chief Executive Officer is now authorised, for the 2018 financial year, to furnish sureties, pledges and guarantees under the following conditions:
 - to any tax and customs authorities, for an unlimited amount;
 - for the purchase of biomass fuels by any of the Company's subsidiaries and holdings, for a maximum aggregate value of €40 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €2.5 million (or its equivalent value in any other currency);
 - for the purchase of other fuels by any of the Company's subsidiaries and holdings, for a maximum aggregate value of €30 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €10 million (or its equivalent value in any other currency);
 - for any other reason, and to any other beneficiary, for a maximum aggregate value of €30 million each year (or its equivalent value in any other currency) and for a maximum per guarantee of €30 million (or its equivalent value in any other currency), provided that such sureties, pledges and guarantees are furnished in connection with commitments entered into by a Group subsidiary.
- Pursuant to the Board of Directors' Internal Regulations, last updated on 28 February 2017, the Board of Directors must authorise:
 - all major investments, with the exception of capital expenditure for maintenance work, necessary for industrial or external growth projects during the year and, if applicable, the financing thereof;
 - all capital expenditure for maintenance work that entails immediate or future commitments that significantly exceed the amounts budgeted therefor, as stated in the budget approved by the Board of Directors;
 - all significant sales or contributions of assets;
 - and any significant transaction that is not part of the strategy approved by the Board of Directors or that entails immediate or future commitments that significantly exceed the budget approved by the Board of Directors.

2.2.4. LIST OF THE MAIN OFFICES AND POSITIONS HELD BY THE CHIEF EXECUTIVE OFFICER DURING THE 2017 FINANCIAL YEAR AND THE FIVE PREVIOUS YEARS

Frédéric Moyne, Director and Chief Executive Officer

- Born on 15 October 1975, he has French nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): none
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 20,743 Albioma shares as at 31 December 2017

Frédéric Moyne's biography is provided in section 1.5.3.2 on page 26 of this Registration Document.

Other offices and positions (information at 31/12/2017)

WITHIN THE ALBIOMA GROUP

Quant 2008 A SRL (Italy)	Director
Quant Energia Italia SRL (Italy)	Director

OUTSIDE THE ALBIOMA GROUP

None

Other terms of office and positions held during the last five years, expired at 31/12/2017

Expiry

WITHIN THE ALBIOMA GROUP

Quantum Caraïbes SAS	Member of the Commitments Committee	2017
Albioma Participações do Brasil LTDA (Brazil)	Chief Executive Officer	2016
Albioma Rio Pardo Termoelétrica LTDA (Brazil)	Chief Executive Officer	2016
Albioma Codora Energia SA (Brazil)	Chief Executive Officer	2016
Albioma Codora Participações LTDA (Brazil)	Officer	2015
Albioma Rio Pardo Participações SA (Brazil)	Chief Executive Officer	2015
Methaneo SAS	Member of the Supervisory Board	2014
Éoliennes des Quatre-Vents SAS	Chairman	2014
Quant 2008 A SRL (Italy)	Director	2013
Quant Energia Italia SRL (Italy)	Director	2013
Albioma Solaire Fabrègues SAS	Chairman	2013
Albioma Solaire Fabrègues SAS	Chairman	2013
Quantum Énergie Marsillargues SAS	Chairman	2013
Quant Energia Cingoli Treia SRL (Italy)	Director	2013
Quant Energia Pettovallone SRL (Italy)	Director	2013
Albioma Biomasse Mimizan SAS	Chairman	2013
Albioma Guyane Énergie SAS	Chairman	2013
Quantum Énergie SMDC SAS	Chairman	2013

OUTSIDE THE ALBIOMA GROUP

None

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

2.3.1. COMPOSITION OF THE BOARD OF DIRECTORS

2.3.1.1. Composition of the Board of Directors at 31 December 2017

The table below summarises the composition of the Board of Directors at 31 December 2017. Additional information on the corporate officers in office on this date is provided in section 2.3.2.1 on page 84 *et seq.* of this Registration Document. Information on changes to the composition of the Board of Directors since the beginning of the 2017 financial year and on changes to the composition of the Board of Directors that the General Meeting that will be held on 30 May 2018 will be asked to approve is also provided in sections 2.3.1.5 and 2.3.1.6 on page 83 *et seq.* of this Registration Document. At 31 December 2017, the Company's Board of Directors comprised nine members:

- Chairman of the Board of Directors;
- Chief Executive Officer;
- Five independent Directors (including the Deputy Chairman of the Board of Directors, who is also the Lead Director);
- Financière Hélios (controlled by Altamir), the Company's main shareholder, which held 10.50% of the capital at 31 December 2017;
- Bpifrance Investissement, acting on behalf of the ETI2020 fund which it manages, a Company shareholder, which held 5.08% of the capital as at 31 December 2017.

On this date, the members of the Board of Directors did not include:

- any Directors appointed by the employees (Article L. 225-27 of the French Commercial Code);
- any Directors representing the employee shareholders (Article L. 225-23 of the French Commercial Code), given that the percentage of the capital held by employees of the Company or of any related companies at 31 December 2017 was lower than 3% (see the information provided in section 6.3.4, on page 266 of this Registration Document).

In addition, a works council representative is systematically invited to all Board meetings and may attend in a non-voting capacity.

1. Furthermore, given its size, the Company is not subject to the provisions of Article L. 225-27-1 of the French Commercial Code, arising from Law no. 2013-504 of 14 June 2013 on job security and is therefore not required to take, in 2017, any measures that would result in the appointment of salaried Directors.

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Full name	Offices held within the Company	Date of first appointment	Last renewal date ¹	Expiry date ²
Jacques Pétry	Director Chairman of the Board of Directors	29/10/2011 ³ 29/10/2011	31/05/2017 01/03/2016 ⁴	2021 GM 2020 GM
Michel Bleitrach	Independent Director	17/05/2006	27/05/2014	2018 GM
	Deputy Chairman of the Board of Directors	21/10/2011	27/05/2014	2018 GM
	Lead Director	01/03/2016	n/a	2018 GM
	Chairman of the Audit, Accounts and Risks Committee	13/04/2016	n/a	2018 GM
	Member of the Remuneration Committee Member of the Nomination and Remuneration Committee	13/04/2016 ⁵ 13/04/2016	n/a n/a	2018 GM 2018 GM
Frédéric Moyne	Director	31/05/2017	n/a	2021 GM
	Chief Executive Officer	01/03/2016 ⁶	n/a	2020 GM
Jean-Carlos Angulo	Independent Director	30/05/2013	31/05/2017	2021 GM
	Chairman of the Commitments Committee	13/04/2016 ⁷	31/05/2017	2021 GM
	Member of the Corporate Social Responsibility Committee	30/05/2013	31/05/2017	2021 GM
Bpifrance Investissement	Director	31/05/2017	n/a	2021 GM
	Member of the Remuneration Committee	31/05/2017	n/a	2021 GM
	Member of the Audit, Accounts and Risks Committee	31/05/2017	n/a	2021 GM
	Member of the Corporate Social Responsibility Committee	31/05/2017	n/a	2021 GM
Émilie Brunet	<i>Permanent representative of Bpifrance Investissement in its capacity as Director, member of the Commitments Committee, member of the Audit, Accounts and Risks Committee and member of the Corporate Social Responsibility Committee</i>		n/a	n/a
Marie-Claire Daveu	Independent Director	28/05/2015	31/05/2017	2019 GM
	Chair of the Corporate Social Responsibility Committee	28/05/2015 31/05/2017	31/05/2017 n/a	2019 GM
Financière Hélios	Director	12/07/2005 ⁸	31/05/2017	2021 GM
	Member of the Remuneration Committee	19/12/2008	31/05/2017	2021 GM
Maurice Tchenio	<i>Permanent representative of Financière Hélios in its capacity as Director and member of the Commitments Committee</i>		24/06/2015 ⁹	n/a
Valérie Landon	Independent Director	13/04/2016 ¹⁰	n/a	2019 GM
	Member of the Remuneration Committee	13/04/2016	31/05/2017	2019 GM
	Member of the Audit, Accounts and Risks Committee	13/04/2016	31/05/2017	2019 GM
Ulrike Steinhorst	Independent Director	19/09/2017 ¹¹	n/a	2021 GM
	Chair of the Nomination and Remuneration Committee	19/09/2017	n/a	2021 GM

1. Or, for members of specialised Committees of the Board of Directors, date of most recent confirmation by the Board of Directors of the composition of that Committee.

2. GM n: term of office will expire at the close of the General Meeting to be held in year n to approve the financial statements for the previous financial year.

3. Provisional appointment by the Board of Directors to replace Nordine Hachemi, for the remainder of the latter's term of office as Director, ratified by the shareholders at the General Meeting of 14 March 2012.

4. Effective from 1 June 2016.

5. Michel Bleitrach was previously a member and Chairman of the Commitments and Monitoring Committee, which is now the Commitments Committee.

6. Effective from 1 June 2016.

7. Jean-Carlos Angulo was previously a member of the Commitments and Monitoring Committee, which is now the Commitments Committee.

8. Provisional appointment by the Board of Directors to replace Bruno Turpin, for the remainder of the latter's term of office as Director, ratified by the shareholders at the General Meeting of 17 May 2006.

9. During the period prior to his appointment as permanent representative of Financière Hélios in its capacity as a Director, Maurice Tchenio was a member of the Company's Board of Directors in a personal capacity. He resigned on 24 June 2015 at the same time as he was appointed permanent representative of Financière Hélios in its capacity as a Director. The Board of Directors first appointed Maurice Tchenio as Director on a provisional basis on 21 October 2011, to replace Edgard Misrahi for the remainder of the latter's term of office as Director; the appointment was ratified by the shareholders at the General Meeting of 14 March 2012.

10. Provisional appointment by the Board of Directors to replace Franck Hagège, for the remainder of the latter's term of office as Director, ratified by the shareholders at the General Meeting of 24 May 2016.

11. Provisional appointment by the Board of Directors to replace Michèle Remillieux, for the remainder of the latter's term of office as Director, subject to ratification by the shareholders at the General Meeting of 30 May 2018.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

2.3.1.2. Status of Directors

Appointment of Directors

The Board of Directors is composed of between three and twelve members, appointed by the shareholders at a General Meeting. Their term of office lasts four years and expires at the close of the General Meeting called to vote on the financial statements of the year just ended, held in the year in which said term of office expires.

As an exception, in the event of a vacancy following the death or resignation of a Director, the Board of Directors may, between two General Meetings, appoint Directors on a temporary basis, for the remainder of the term of office of the Director who has died or resigned. In such an event, this temporary appointment is subject to ratification by the shareholders at a General Meeting, although the lack of ratification does not invalidate the deliberations of the Board of Directors adopted in the presence of the Director appointed temporarily. However, this process cannot be used when the death or resignation of a Director results in the number of Directors falling to fewer than three.

No more than one-third of the total number of Directors in office may be aged over 70. Whenever this maximum is exceeded, the oldest Director who has not held or does not hold office as Chairman of the Board of Directors, or who has not held office as Chief Executive Officer of the Company, shall stand down at the next General Meeting, unless the aforementioned proportion has been re-established as a result of a decision of the Board of Directors.

As at 31 December 2017, just one director (Michel Bleitrach), and the permanent representative of Financière Hélios in its capacity as a Director, were aged over 70. Accordingly, the number of Directors aged over 70 was below the threshold of one-third of all Directors in office, and the average age of the members of the Board was 58.3 years, compared to 65.2 years 12 months earlier.

Pursuant to the Memorandum and Articles of Association, the Directors must hold at least four hundred (400) Company shares in registered form throughout their term of office. In the event a Director does not hold the aforementioned number of shares at the time of his appointment or ceases to hold the aforementioned number at any time during his term of office, he/she shall be deemed to have automatically resigned unless he/she remedies the situation within a period of six (6) months. At 31 December 2017, all the Directors held the minimum number of shares required by the Memorandum and Articles of Association; all such shares are registered shares, held directly or via an intermediary.

Independence of Directors

At least once every financial year, the Board of Directors reviews the position of each of its members with regard to the independence criteria set out by the AFEP-MEDEF Code. Pursuant to this Code and in accordance with the Board of Directors' Internal Regulations, a Director is considered to be independent if he/she has no relationship of any kind whatsoever with the Company, its Group or its Management that could risk colouring the Director's judgement.

The criteria used and examined by the Board of Directors are those set out in the AFEP-MEDEF Code. As such, to be considered as an independent Director, the Director must not:

- be an employee or corporate officer of the Company, an employee or director of its parent company or of a company within its consolidation scope and not have been such during the previous five years;
- be an employee or corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee appointed as such or a corporate officer of the Company (currently or who has held such a position within the previous five years) holds a directorship;
- be a customer, supplier, investment bank or commercial bank that is significant for the Company or its Group, or for which the Company or its Group represents a material proportion of its business;
- have close family ties with a corporate officer;
- have been an auditor of the Company at any time in the past five years;
- have been a Director of the Company for more than 12 years.

Furthermore, the Board of Directors examines the links between the Directors and any significant shareholder in the Company.

During the annual review of the position of the Directors for the 2016 financial year, undertaken at the Board of Directors meeting of 28 February 2017, the following Directors were deemed to qualify as independent Directors:

- Jean-Carlos Angulo;
- Michel Bleitrach;
- Marie-Claire Daveu;
- Valérie Landon;
- Michèle Remillieux.

None of the Directors qualifying as independent Directors had any direct or indirect business relationship with the Company or its Group.

The Board of Directors thus found that the following did not qualify as independent Directors:

- Jacques Pétry, given that he held office as the Company's Chief Executive Officer until 1 June 2016;
- Financière Hélios (represented in its capacity as a Director by Maurice Tchenio), given its status as the Company's main shareholder, along with the Apax Partners group to which it was affiliated.

At its meeting of 31 May 2017 held following the General Meeting on the same day, at which the Board of Directors appointed Frédéric Moyne and Bpifrance Investissement as members of the Board, the Board also:

- found that Frédéric Moyne did not qualify as an independent Director, given that he has held office as the Company's Chief Executive Officer since 1 June 2016;
- found that Bpifrance Investissement (represented in its capacity as a Director by Émilie Brunet), did not qualify as an independent Director, given the significant amount of capital it holds in the Company through the ETI 2020 fund which it manages (see additional information in section 6.3.2.2 on page 264 of this Registration Document).

Lastly, at the Board of Directors' meeting of 19 September 2017, at which the Board decided to provisionally appoint Ulrike Steinhorst as a Director for the remainder of Michèle Remillieux' term of office, the Board also reviewed her position. As a result, the Board of Directors found that Ulrike Steinhorst also qualified as an independent Director. She does not have any direct or indirect business relationship with the Company or its Group.

These findings were confirmed at the time of the annual review of the position of the Directors for the 2017 financial year, carried out at the Board of Directors meeting of 5 March 2018. The proportion of independent Directors, namely 55.6%, was therefore higher than the 50% minimum recommended by the AFEP-MEDEF Code for uncontrolled companies at that date.

Management of conflicts of interest

Over and above the considerations relating to the independence of Directors, the Board of Directors regularly checks that all the Directors are in a position to freely exercise their judgement at all times.

The position of Directors concerning potential conflicts of interest between their duties with regard to the Company and their private interests or other duties is thus examined by the Board of Directors alongside the review of their independence. Each Director is asked to:

- formally confirm his/her undertaking to inform the Board of Directors, in accordance with the provisions of the Directors' Charter, of any situation involving a conflict of interest or potential conflict of interest, and, in the event of a known conflict of interest, to abstain from participating in discussions and voting on the corresponding resolution;
- formally inform the Board of Directors of the existence of such situations involving a known or potential conflict of interest.

None of the declarations made by the Directors during the review of their position (Board meetings of 28 February 2017, 19 September 2017 and, most recently, 5 March 2018) revealed the existence of any known conflict-of-interest situation.

Multiple offices

At its meeting of 1 March 2016, in line with its decision to separate the functions of Chief Executive Officer and Chairman of the Board of Directors with effect from 1 June 2016, the Board of Directors amended the Directors' Charter, in order to make the rules on the number of offices held in non-Group companies more flexible for the Chairman of the Board of Directors. The rules applying to the Directors and the Chairman of the Board of Directors as set out in the updated Directors' Charter are listed below (see additional information on the rules applicable to the Chief Executive Officer with effect from the separation of the functions on 1 June 2016 in section 2.2.2 on page 75 of this Registration Document):

- Directors, including the Chairman of the Board of Directors, cannot hold more than four other offices in listed non-Group companies, including foreign companies;
- the Chairman of the Board of Directors must inform the Board of Directors before accepting any office in any listed or unlisted non-Group company;
- the Chairman of the Board of Directors must obtain the Board of Directors' consent before accepting any office in a listed non-Group company;

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

■ the Directors, including the Chairman of the Board of Directors, must keep the Board of Directors informed of all offices and significant positions they hold in listed or unlisted non-Group companies, including membership of specialised committees set up by boards of directors.

On the date of filing of this Registration Document, all Directors of the Company, including the Chairman of the Board of Directors, complied with these obligations. The significant terms of office and roles held by corporate officers during the 2017 financial year are set out in section 2.3.2.1 on page 84 *et seq.* of this Registration Document.

Stock market ethics

The Directors are required to comply with the applicable rules regarding the prevention of insider misconduct and insider trading. For this purpose, the Directors appear on the list of permanent insiders maintained by the Company, as they have regular access, in the performance of their duties, to privileged information concerning the Company and its Group.

Each Director is responsible for determining whether information he/she holds is privileged and, in consequence thereof, deciding whether or not he/she is entitled to use or transmit such information, and whether or not he/she is entitled to carry out any transactions in the Company's securities. Where appropriate, the Directors may seek support from the Secretary of the Board of Directors to determine whether or not any actions they intend to take comply with the applicable rules regarding the prevention of insider misconduct and insider trading.

The Directors are also required to refrain from carrying out any transactions in the Company's securities during the following closed periods:

- periods beginning thirty calendar days before and ending two trading days after, firstly, the announcement of the Company's annual results and, secondly, the announcement of the Company's half-yearly results;
- periods beginning fifteen calendar days before and ending two trading days after publication of quarterly financial information in respect of the first and third quarters of the financial year.

Lastly, in accordance with the provisions of Articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code and Articles 223-23 and 223-26 of the AMF General Regulations, the Directors and managers, their family and friends are required to disclose to the AMF all transactions in the Company's securities that they carry out when the amount of such transactions exceeds €20,000 in any calendar year.

The disclosures are made via the AMF's on-line system for filing information (Organisation Numérique de la Direction des Émetteurs – ONDE), where applicable by the Secretary of the Board of Directors when the Directors have expressly authorised the Secretary to make such disclosures. They are then made public by the AMF on its website.

A summary of transactions in the Company's securities disclosed during the 2017 financial year is provided in section 2.5 on page 137 of this Registration Document.

Declarations made pursuant to Annex 1 of Commission (EC) Regulation no. 809/2004 of 29 April 2004

During the review of the Directors' position (Board meetings of 28 February 2017, 19 September 2017 and, most recently, 5 March 2018), each Director formally confirmed that he/she:

- is not linked to any other members of the Board of Directors via any family ties;
- has not been convicted of fraud during the last five years;
- has not been associated with any insolvency, receivership or liquidation as a member of an administrative, management or supervisory body or as a senior manager;
- has not been accused and/or publicly and officially sanctioned by any statutory or regulatory authorities (including appointed professional bodies);
- has not been prevented by a court, during the last five years, from acting as a member of an administrative, management or supervisory body of a listed company (or from offering financial securities to the public) or from taking part in managing or running the business of such a company.

2.3.1.3. Balanced representation of men and women on the Board of Directors

At 31 December 2017, four women sat on the Board of Directors out of a total of nine Directors, representing 44.4% of the Directors in office, compared to 42.9% as at 31 December 2016. This increase in the proportion of female Directors is the result of changes made to the composition of the Board of Directors during the 2017 financial year (see additional information in section 2.3.1.5 on page 83 of this Registration Document. At this date, the gender balance on the Board was therefore consistent with the requirements of Article L. 225-18-1 of the French Commercial Code, arising from law no. 2011-103 of 27 January 2011 on the balanced representation of men and women on boards of directors and supervisory boards and gender equality, Article 5 (II) of the same law, and the recommendations set out in the AFEP-MEDEF Code.

The proposed changes to the composition of the Board of Directors put to the General Meeting of 30 May 2018 for approval will not affect the compliance of the composition of the Board with the foregoing laws and Code.

2.3.1. Staggering the renewal of Directors' terms of office

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors, supported by the Nomination and Remuneration Committee, ensures that the Directors' terms of office are staggered so as to avoid a mass renewal and to foster harmonious renewal.

The natural staggering of the terms of office of the Directors in office at 31 December 2017, whose renewal was spread over three financial years (2018, 2019 and 2021, see additional information in section 2.3.1.1 on page 79 of this Registration Document), does not require the implementation of any specific provisions in this regard.

2.3.1.5. Changes made to the composition of the Board of Directors during the 2017 financial year

The General Meeting of 31 May 2017:

- renewed the appointments as Director of Jacques Pétry, Jean-Carlos Angulo, Financière Hélios and Michèle Remillieux for a term of four years to expire at the close of the General Meeting to be held in 2021 to vote on the financial statements for the 2020 financial year;
- appointed Bpifrance Investissement as a Director for a term of four years to expire at the close of the General Meeting to be held in 2021 to vote on the financial statements for the 2020 financial year. Given that Bpifrance Investissement, acting on behalf of the ETI 2020 fund, which it manages, had crossed the 5% capital and voting rights thresholds on 27 March 2017, the Board of Directors wished to give it the opportunity to be represented on the Board;
- appointed Frédéric Moyné, the Company's Chief Executive Officer, as a Director for a term of four years to expire at the close of the General Meeting to be held in 2021 to vote on the financial statements for the 2020 financial year. Given Frédéric Moyné's success as Chief Executive Officer and the fact that he will waive the benefit of his contract of employment with effect from 1 June 2017, the Board of Directors would like him to be fully involved in the Board's decisions.

In addition, as Michèle Remillieux tendered her resignation as Director on 19 September 2017, the Board of Directors decided on the same day, as recommended by the Nomination and Remuneration Committee, to provisionally appoint Ulrike Steinhorst as Director for the remainder of Michèle Remillieux' term of office, i.e., until the close of the General Meeting to be held in 2021 to vote on the financial statements for the 2020 financial year. The General Meeting of 30 May 2018 will be asked to ratify this provisional appointment.

As a result of these changes, the Board of Directors reviewed the composition of its specialised Committees twice. At its meeting of 31 May 2017, the Board of Directors accordingly appointed Bpifrance Investissement a member of the Commitments Committee, a member of the Audit, Accounts and Risks Committee, and a member of the Corporate Social Responsibility Committee, and also appointed Marie-Claire Daveu as a member of the Nomination and Remuneration Committee. She also chairs the Corporate Social Responsibility Committee. Ulrike Steinhorst was appointed chair of the Nomination and Remuneration Committee at the Board meeting of 19 September 2017.

2.3.1.6. Terms of office due to expire and changes to the composition of the Board of Directors to be put to the General Meeting of 30 May 2018 for approval

As Michel Bleitrach had informed the Board of Directors that he does not wish to stand for office as a Director again when his term of office expires at the close of the General Meeting of 30 May 2018, the Board of Directors decided, at its meeting of 5 March 2018, as recommended by the Nomination and Remuneration Committee, to ask the General Meeting to vote on the appointment of Pierre Bouchut as a Director for a four-year term of office to expire at the close of the General Meeting held in 2022 to vote on the financial statements for the 2021 financial year. The Board of Directors has reviewed Pierre Bouchut's situation during its meeting of 24 April 2018 and considers that he qualifies as an independent Director. If the shareholders approve the appointment at the General Meeting, Pierre Bouchut will replace Michel Bleitrach as Chair of the Audit, Accounts and Risks Committee. Additional information on this candidate is provided in section 7.2.1.7 on page 300 *et seq.* of this Registration Document.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

The General Meeting of 30 May 2018 will also be asked to ratify the provisional appointment of Ulrike Steinhorst as Director, decided by the Board of Directors at its meeting of 19 September 2017, for the remainder of Michèle Remillieux' term of office following her resignation, i.e., until the close of the General Meeting held in 2021 to vote on the financial statements for the 2020 financial year. Additional information on this proposal is provided in section 7.2.1.6 on page 299 *et seq.* of this Registration Document.

The Board of Directors would then comprise nine members, namely:

- five Independent Directors (i.e., 55.6% of the Directors, which remains higher than the 50% rate recommended by the AFEP-MEDEF Code in uncontrolled companies);
- four female Directors² (i.e., 44.4% of women on the Board, which is in line with the requirements of Article L. 225-18-1 of the French Commercial Code, resulting from law no. 2011-103 of 27 January 2011 on the balanced representation of men and women on boards of directors and supervisory boards and gender equality, article 5 (II) of the same law, and the recommendations set out in the AFEP-MEDEF Code);
- and just one Director aged over 70³ (i.e., 11.1%, with an average age that has fallen to 57).

2.3.2. LIST OF THE MAIN OFFICES AND POSITIONS HELD BY THE DIRECTORS DURING THE 2017 FINANCIAL YEAR AND THE FIVE PREVIOUS YEARS

2.3.2.1. Directors in office as at 31 December 2017

Jacques Pétry, Chairman of the Board of Directors

- Born on 16 October 1954, he has French nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): none
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Holds 77,049 Albioma shares as at 31 December 2017⁴

A graduate of the École Polytechnique and with a civil engineering qualification from École Nationale des Ponts et Chaussées, Jacques Pétry has spent more than 25 years working in the water and environmental sectors. In 1996, he was appointed Chairman and Chief Executive Officer of SITA, and in 2001 he was appointed Chairman and Chief Executive Officer of Suez Environnement. In 2005, he was appointed Chief Executive Officer for Continental Europe and Latin America at Sodexo. From 2007 onwards he advised investors in the environmental and energy sectors, first as Managing Director of Royal Bank of Scotland and then as an independent consultant. He served as Chairman of the Supervisory Board of IDEX, an energy services provider, until October 2011. He joined Albioma (then called Séchilienne-Sidec) in 2011 as Chairman and Chief Executive Officer, and is currently the Chairman of the Board of Directors.

2. Including *Émilie Brunet*, as the permanent representative of *Bpifrance Investissement* in its capacity as a Director.

3. Namely *Maurice Tchenio*, as the permanent representative of *Financière Hélios* in its capacity as a Director.

4. See further information in section 6.4.3.1 on page 273 *et seq.* of this Registration Document on shares held following their effective acquisition under bonus performance share plans.

Other offices and positions (information at 31/12/2017)**WITHIN THE ALBIOMA GROUP**

None

OUTSIDE THE ALBIOMA GROUPRenewi Plc¹ Senior Independent DirectorRenewi Plc¹ Non-Executive DirectorRenewi Plc¹ Member of the Audit CommitteeRenewi Plc¹ Member of the Remuneration CommitteeRenewi Plc¹ Member of the Nomination Committee**Other terms of office and positions held during the last five years, expired at 31/12/2017****Expiry****WITHIN THE ALBIOMA GROUP**Albioma SA¹ Chief Executive Officer 2016

Methaneo SAS Permanent representative of Albioma SA in its capacity as Chairman 2016

Methaneo SAS Permanent representative of Albioma SA in its capacity as member of the Supervisory Board 2016

Methaneo SAS Member of the Supervisory Board 2014

OUTSIDE THE ALBIOMA GROUP

None

1. Listed company.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Michel Bleitrach, independent Director, Deputy Chairman of the Board of Directors, Lead Director, Chairman of the Audit, Accounts and Risks Committee, member of the Commitments Committee and member of the Nomination and Remuneration Committee

- Born on 09 July 1945, he has French nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): Chairman of the Supervisory Board of Indigo Infra (formerly Vincipark)
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 435 Albioma shares as at 31 December 2017

Michel Bleitrach is a graduate of the École Polytechnique and the École Nationale des Ponts et Chaussées, and also holds a degree in economic sciences and an MBA from Berkeley University, California. He began his career in the engineering group Bechtel, before joining the French Ministry of Infrastructure, where he managed a number of large development programmes. He then held a range of positions within the Elf Aquitaine group (production-exploration, chemicals and industrial development). Between 1989 and 2003 he occupied several key positions with Lyonnaise des Eaux and then within the Suez group (Chairman and Chief Executive Officer of Elyo and Suez Industrial Solutions). Michel Bleitrach has advised industrial and service groups as a consultant since 2004. From 2005 to 2012 he was Chairman and Chief Executive Officer of Keolis then, in 2012, Chairman of the parent company of the Saur group. He was appointed Chairman of the Supervisory Board of Indigo Infra (formerly Vincipark) in 2014. In 2006 he joined the Board of Directors of Albioma (then called Séchilienne-Sidéc). He was appointed Deputy Chairman of the Board of Directors in 2011 and Lead Director in 2016.

Other offices and positions (information at 31/12/2017)

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

JC Decaux SA ¹	Member of the Supervisory Board
Spie SA ¹	Director
Spie SA ¹	Chairman of the Remuneration Committee
Indigo Infra SA	Member of the Supervisory Board
Indigo Infra SA	Chairman of the Supervisory Board
Soco 1 SAS	Director

Other terms of office and positions held during the last five years, expired at 31/12/2017

Expiry

WITHIN THE ALBIOMA GROUP

Albioma SA ¹	Chairman of the Commitments and Monitoring Committee	2016
Albioma SA ¹	Member of the Commitments and Monitoring Committee	2016
Albioma SA ¹	Member of the Nomination and Remuneration Committee	2012
Albioma SA ¹	Chairman of the Nomination and Remuneration Committee	2012

OUTSIDE THE ALBIOMA GROUP

Holding d'Infrastructure des Métiers de l'Environnement (HIME) SAS	Director	2016
Effia SA	Director	2014
Keolis SA	Director	2014
Kébéxa SAS	Chairman	2012
Keolis Downer EDI Rail (KDR) (Australia)	Non-Executive Chairman	2012
Keolis SA	Chairman of the Board of Directors	2012
Keolis SA	Chief Executive Officer	2012
Keolis SAS	Chairman of the Management Board	2012

1. Listed company.

Frédéric Moyne, Director and Chief Executive Officer

See additional information in section 2.2.4 on page 77 of this Registration Document.

Jean-Carlos Angulo, independent Director, Chairman of the Commitments Committee, member of the Corporate Social Responsibility Committee

- Born on 13 April 1949, he has French nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): none
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 733 Albioma shares as at 31 December 2017

A graduate of the École Nationale Supérieure des Mines de Nancy (1971) and INSEAD business school, Jean-Carlos Angulo was a Project Engineer at Société Européenne de Propulsion (SEP) from 1971 to 1974. He joined the Lafarge group in 1975 as Project Manager, then occupied management positions in several subsidiaries and business divisions, notably in Brazil (Director of Lafarge Consultoria e Estudos, 1981-1984, General Manager of Cimento Mauà and General Manager of Lafarge for the Southern region of Latin America from 1990-1996). Jean-Carlos Angulo was General Manager of Lafarge Ciments France from 1996 to 1999, then in 2000 he was appointed Deputy General Manager of the Lafarge group and in 2007 a member of the group's Executive Committee. After serving as Executive Vice President in charge of Operations between 2012 and 2013, he was appointed Executive Vice President, Advisor to the Chairman, in September 2013, remaining in office until January 2015 when he retired. He joined Albioma's Board of Directors in 2013.

Other offices and positions (information at 31/12/2017)**WITHIN THE ALBIOMA GROUP**

None

OUTSIDE THE ALBIOMA GROUP

Lafarge Africa Plc (Nigeria) ¹	Director
Armacell International SA (Luxembourg)	Member of the Supervisory Board
Cemento Polpaico (Chile)	Director

Other terms of office and positions held during the last five years, expired at 31/12/2017**Expiry****WITHIN THE ALBIOMA GROUP**

Albioma SA ¹	Member of the Commitments and Monitoring Committee	2016
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OUTSIDE THE ALBIOMA GROUP

ELC Tenedora Cementos SAPI (Mexico)	Director	2014
Lafarge India Ltd (India)	Director	2014
Lafarge Cement Egypt SA (Egypt)	Chairman of the Board of Directors	2013
Lafarge Cementos SA (Spain)	Chairman of the Board of Directors	2013
Lafarge Ciments SA	Chairman of the Board of Directors	2013
Lafarge North America Inc (USA)	Director	2013

1. Listed company.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Bpifrance Investissement, Director, member of the Commitments Committee, member of the Audit, Accounts and Risks Committee, member of the Corporate Social Responsibility Committee

- French simplified limited company (*société par actions simplifiée*) with capital of €20,000,000.00, registered in the Créteil Trade and Companies Register under number 433 975 224
- Registered office: 27/31 avenue du Général Leclerc, 94710 Maisons Alfort Cedex
- Held 1,556,231 Albioma shares as at 31 December 2017

Bpifrance, whose capital is owned by la Caisse des Dépôts and the French State, invests in companies as a minority shareholder in order to support their development. The professional private equity fund ETI 2020, which is managed by Bpifrance Investissement (a subsidiary of Bpifrance), has received €3 billion from Bpifrance which it invests in medium-sized French companies with the aim of helping them to accelerate their innovation and development projects, and more specifically their international projects. Bpifrance Investissement joined Albioma's Board of Directors in 2017.

Other offices and positions (information at 31/12/2017)

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

ADE Holding SAS	Member of the Supervisory Board
Algonquin Management Partners SAS	Director
Altrad Investment Authority SAS	Director
Attis 2 SAS	Member of the Supervisory Board
Canosque Holding SAS	Director
Cosmeur SAS	Chairman of the Board of Directors
DR Holding SAS	Member of the Supervisory Board
Eren Renewable Energy SA	Director
Finaero SA	Advisory member of the Board
Grandir SAS	Member of the Supervisory Board
Groupe GPS SAS	Member of the Strategic Committee
Insignis SAS	Director
Kelenn Participations SAS	Director
Neoen SAS	Advisory member of the Board
Neoen SAS	Advisory member of the Board
Oberthur Technologies Group SAS	Member of the Supervisory Board
Sandaya Holding SAS	Advisory member of the Board
Sarenza SAS	Director
SSCP Aero TOPCO SAS	Member of the Supervisory Board

Other terms of office and positions held during the last five years, expired at 31/12/2017

Expiry

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Lucia Holding SAS	Director	2017
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Émilie Brunet, permanent representative of Bpifrance Investissement in its capacity as a Director, member of the Commitments Committee, member of the Audit, Accounts and Risks Committee and member of the Corporate Social Responsibility Committee

- Born on 26 November 1982, she has French nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): Director of Investment in the Mid & Large Caps division of Bpifrance
- Business address: Bpifrance, 6-8 boulevard Haussmann, 75009 Paris
- She did not hold any Albioma shares as at 31 December 2017

Émilie Brunet is a graduate of ESCP Europe business school. She has 11 years' experience in finance and private equity. She spent five years with Oddo & Cie as a financial analyst, providing listed European countries in the food and beverages sector with investment recommendations. In 2010, she joined the FSI (Fonds Stratégique d'Investissement) and subsequently Bpifrance, where she currently holds the position of Investment Director in the Mid & Large Caps Division. Although Émilie Brunet has a more generalist profile, she has considerable experience of the energy sector, and more specifically of making and managing investments in the oil services and renewable energies sectors. She represented Bpifrance on the Supervisory Board of the Vergnet group between 2012 and 2016, and is currently an advisory member of Eren Renewable Energy's Board of Directors. She has represented Bpifrance Investissement since her appointment to the Albioma Board in 2017.

Other offices and positions (information at 31/12/2017)

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Groupe GPS SAS	Permanent representative of Bpifrance Investissement in its capacity as member of the Strategic Committee
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Other terms of office and positions held during the last five years, expired at 31/12/2017

Expiry

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Eren Renewable Energy SA	Permanent representative of Bpifrance Investissement in its capacity as advisory member of the Board	2017
Vergnet SA ¹	Permanent representative of Bpifrance Participations in its capacity as member of the Supervisory Board	2016

1. Listed company.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Marie-Claire Daveu, independent Director, Chair of the Corporate Social Responsibility Committee, member of the Nomination and Remuneration Committee

- Born on 5 April 1971, she has French nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): Chief Sustainability Officer and Head of International Institutional Affairs, member of the Executive Committee of the Kering group
- Business address: Kering, 40 rue de Sèvres, 75007 Paris
- Held 400 Albioma shares as at 31 December 2017

Marie-Claire Daveu holds a degree in agricultural engineering from the Institut National Agronomique Paris-Grignon (INA PG), and an engineering degree in rural engineering, water and forests from École Nationale du Génie Rural, des Eaux et des Forêts (ENGREF). She also holds a Masters (DESS) in public administration from Paris-Dauphine University. Marie-Claire Daveu began her career as a senior civil servant in the field of agriculture and the environment, and occupied the post of Technical Advisor to the Cabinet of Prime Minister Jean-Pierre Raffarin before being appointed Principal Private Secretary to Mr Serge Lepeltier, Minister of Ecology and Sustainable Development, in 2004. In 2005, Marie-Claire Daveu joined Sanofi-Aventis as Head of Sustainable Development. Between 2007 and 2012 she served as Principal Private Secretary to Nathalie Kosciusko-Morizet, who was initially Secretary of State for Ecology before moving to Development of the Digital Economy and then became Minister for Ecology, Sustainable Development, Transport and Housing. In September 2012 she took up her current position as Chief Sustainability Officer and Head of International Institutional Affairs for the Kering group. She is also a member of the Kering group's Executive Committee. She joined Albioma's Board of Directors in 2015.

Other offices and positions (information at 31/12/2017)

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Crédit Agricole Corporate and Investment Banking (CACIB) SA	Director
Crédit Agricole Corporate and Investment Banking (CACIB) SA	Chair of the Risk Committee
Kering SA ¹	Chief Sustainability Officer and Head of International Institutional Affairs
Kering SA ¹	Member of the Executive Committee
Saft Groupe SA ¹	Director

Other terms of office and positions held during the last five years, expired at 31/12/2017

Expiry

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Crédit Agricole Corporate and Investment Banking (CACIB) SA	Chair of the Nomination Committee	2017
Saft Groupe SA ¹	Member of the Supervisory Board	2016
Ile-de-France Regional Council	Regional Councillor	2015

1. Listed company.

Financière Hélios, Director, member of the Commitments Committee

- French simplified limited company (société par actions simplifiée) with capital of €8,163,483.58, registered in the Paris Trade and Companies Register under number 483 039 806
- Registered office: 1 Rue Paul Cézanne, 75008 Paris
- Held 3,215,859 Albioma shares as at 31 December 2017⁵

Other offices and positions (information at 31/12/2017)**WITHIN THE ALBIOMA GROUP**

None

OUTSIDE THE ALBIOMA GROUP

None

Other terms of office and positions held during the last five years, expired at 31/12/2017**Expiry****WITHIN THE ALBIOMA GROUP**

Albioma SA ¹	Member of the Commitments and Monitoring Committee	2016
Albioma SA ¹	Member of the Nomination and Remuneration Committee	2015

OUTSIDE THE ALBIOMA GROUP

None

1. Listed company.

Maurice Tchenio, permanent representative of Financière Hélios in its capacity as a Director and member of the Commitments Committee

- Born on 19 January 1943, he has French nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): Chairman and Chief Executive Officer of Altamir Gérance (Managing General Partner of Altamir), Chairman and Chief Executive Officer of Apax Partners
- Business address: Apax Partners SA, 1 Rue Paul Cézanne, 75008 Paris⁵
- Holds 2 Albioma shares as at 31 December 2017⁶

A graduate of the École des Hautes Études Commerciales (HEC) and Harvard Business School, Maurice Tchenio started his career as Assistant Professor of Finance at HEC, before joining the Institute of Industrial Development (IDI) as Project Manager. In 1972, he was one of the three co-founders of Apax Partners, where he served as Chairman and Chief Executive Officer of the French branch from 1972 to 2010. He is one of the founders of France Invest (formerly AFIC), and is a former director of the European Venture Capital Association. In 1995 he founded Altamir, and has served as its Chairman and Chief Executive Officer since that date. In 2010, he set up a foundation with public charity status called AlphaOmega. Maurice Tchenio joined Albioma (then called Séchilienne-Sidec) as a Director in 2011. He is the permanent representative of Financière Hélios in its capacity as a Director since 2015.

5. Financière Hélios is a member of a concert holding 13.53% of the share capital as at 31 December 2017, together with Altamir and a number of entities and individuals affiliated to the latter (see additional information in section 6.3.2.2 on page 264 et seq. of this Registration Document).

6. Maurice Tchenio is a member of a concert holding 13.53% of the share capital as at 31 December 2017, together with Financière Hélios, Altamir and a number of entities and individuals affiliated to the latter (see additional information in section 6.3.2.2 on page 264 et seq. of this Registration Document). Maurice Tchenio declared in 2014 that he holds a unit-linked life-insurance policy invested inter alia in Albioma shares, but is neither the legal owner nor the beneficiary of said shares. 130,000 shares were indirectly held under this policy as at the date of the disclosure.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Other offices and positions (information at 31/12/2017)

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

AlphaOmega SC	Managing Partner
Altamir Gérance SA	Director
Altamir Gérance SA	Chairman of the Board of Directors
Altamir Gérance SA	Chief Executive Officer
Altran Technologies SA	Permanent representative of Apax Partners SA in its capacity as Director
Amboise SAS	Chairman
Apax Partners SA	Director
Apax Partners SA	Chairman of the Board of Directors
Apax Partners SA	Chief Executive Officer
Copernic Partenaires SC	Manager
Étoile II SC	Manager
Financière de l'Echiquier SA	Director
Firoki SC	Permanent representative of Apax Partners SA in its capacity as Manager
Fondation AlphaOmega	Director
Fondation AlphaOmega	Chairman of the Board of Directors
Immobilière Mauryland SC	Co-Manager
Lion/Seneca France I SAS	Advisory member of the Board
Team Invest SC	Permanent representative of Apax Partners SA in its capacity as Manager
Thom Europe SAS	Member of the Supervisory Board
Toupargel Groupe SA	Director
TT Investissements SC	Partner

Other terms of office and positions held during the last five years, expired at 31/12/2017

Expiry

WITHIN THE ALBIOMA GROUP

Albioma SA ¹	Permanent representative of Financière Hélios in its capacity as a member of the Commitments and Monitoring Committee	2016
Albioma SA ¹	Director	2015

EN DEHORS DU GROUPE ALBIOMA

Vizasat SC	Manager	2017
Toupargel SAS	Vice-Chairman	2017
SE Wagram SC	Manager	2017
Fac&In SC	Manager	2017
Capri SC	Permanent representative of Apax Partners SA in its capacity as Manager	2017
Cimarsa II SC	Manager	2017
Cimarsa SC	Manager	2017
Financière Hélios SAS	Chairman	2016
Carmel SC	Permanent representative of Apax Partners SA in its capacity as Manager	2015
Moussecarrie SC	Manager	2014
Cimarsa Media SC	Manager	2013
Cimarsa Tubes SC	Manager	2013
Galilée Partenaires II SC	Manager	2013
Galilée Partenaires SC	Manager	2013
Longchamp SC	Manager	2013
3AB Optique Développement SAS	Director	2012
3AB Optique Expansion SAS	Director	2012
3AC Finance SAS	Chairman	2012
F2L SAS	Director	2012

1. Listed company.

Valérie Landon, independent Director, member of the Audit, Accounts and Risks Committee, member of the Commitments Committee

- Born on 17 August 1962, she has French nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): Vice-Chairman Investment Banking & Capital Markets, Credit Suisse group
- Business address: Crédit Suisse, 86 boulevard Haussmann, 75008 Paris
- Held 407 Albioma shares as at 31 December 2017

Valérie Landon graduated from Ecole Centrale de Paris and began her career as an engineer with Air France in 1985. She joined Credit Suisse in 1990 as an Investment Banker. After having worked mainly in Paris and Tokyo, she became Managing Director in 2000 and, in 2003, Co-Head and then Head of Investment Banking France, Belgium and Luxembourg. She has held the office of Vice-Chairman Investment Banking & Capital Markets in the Credit Suisse group since 2015. Valérie Landon joined Albioma's Board of Directors in 2016.

Other offices and positions (information at 31/12/2017)**WITHIN THE ALBIOMA GROUP**

None

OUTSIDE THE ALBIOMA GROUPFaurecia SA¹ DirectorFaurecia SA¹ Member of the Audit Committee**Other terms of office and positions held during the last five years, expired at 31/12/2017****Expiry****WITHIN THE ALBIOMA GROUP**

None

OUTSIDE THE ALBIOMA GROUP

Fondation Catalyst Member of the European Advisory Board

2016

1. Listed company.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Ulrike Steinhorst, independent Director, Chair of the Nomination and Remuneration Committee

- Born on 2 December 1951, she has German nationality
- Main position held outside the Group at 31 December 2017 (when the position held within the Group is not the main position): independent Director of Valeo and Mersen
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- Held 400 Albioma shares as at 31 December 2017

Ulrike Steinhorst began her career in France as technical advisor to the French Minister of European Affairs. She joined the EDF group in 1990, holding various functional and operational responsibilities. She was Head of International Energy Production Subsidiaries from 1996 to 1999, when she joined the Degussa group, number three in the chemicals sector in German. She first held the position of Human Resources Director for one of the group's three divisions (food additives, 4,000 people, sites in the USA, Latin America, Asia and Europe). In 2001, she was asked to oversee development of the group's senior executives during a period of intense M&A activity. In 2003, she became responsible for the group's subsidiaries in France while also heading the group's representation office in Brussels. She served as Chief of Staff to the Executive Chairman of EADS between April 2007 and May 2012. She then joined the Corporate Technical Office as Head of Strategy, Planning and Finance, until she was appointed Senior Advisor to the Corporate Technical Officer and member of the Executive Committee of the Airbus group at the end of 2015. She is currently an independent Director in two listed companies beside Albioma, Valeo and Mersen. She chairs Valeo's Strategy Committee, and also chairs Mersen's Governance and Remuneration Committee. She joined Albioma's Board of Directors as an independent Director in 2017. Ulrike Steinhorst is a qualified German lawyer, and is also a graduate of the international section of Ecole Nationale d'Administration, holds a DEA degree in public law (Paris II Pantheon University) and an MBA from CPA/HEC.

Other offices and positions (information at 31/12/2017)

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Mersen SA ¹	Director
Mersen SA ¹	Chair of the Governance and Remuneration Committee
Valeo SA ¹	Director
Valeo SA ¹	Chair of the Strategy Committee
École des Mines – Paritech	Director
Chambre de Commerce et de l'Industrie (Allemagne)	Director
Fabrique de l'Industrie	Director

Other terms of office and positions held during the last five years, expired at 31/12/2017

Expiry

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Fonds d'Innovation dans l'Industrie (F2I, UIMM)	Director	2017
Institut Imagine	Director	2016

1. Listed company.

2.3.2.2. Directors who ceased to hold office in the 2017 financial year

Michèle Remillieux, independent Director, Chair of the Nomination and Remuneration Committee (until 19 September 2017)

- Born on 19 October 1946, she has French nationality
- Main position held outside the Group at 19 September 2017 (when the position held within the Group is not the main position): Director of MEDEF Paris, Magistrate at the Paris Labour Relations Court (*Conseil des Prud'hommes*)
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92 914 La Défense Cedex
- Held 403 Albioma shares as at 19 September 2017

An IT engineer, Michèle Remillieux began her career in IT services and consulting companies before serving as CEO of Promatec from 1975 to 1987. She then joined Hay Group, the HR management consulting firm, and was appointed Chief Operating Officer of Hay Group France in 1999, remaining in office until 2013. She joined Albioma's Board of Directors in 2013.

Other offices and positions (information at 19/09/2017)

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Paris Labour Relations court (employers' panel, sundry activities section)

Magistrate

MEDEF Paris

Director

Other terms of office and positions held during the last five years, expired at 19/09/2017

Expiry

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Hay Group SA

Deputy Chief Executive Officer

2013

Hay Group SA

Director

2013

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

2.3.3. CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

2.3.3.1. Conditions for the preparation and organisation of the work of the Board of Directors and of the specialised Committees during the 2017 financial year

Internal Regulations of the Board of Directors and the Directors' Charter

The preparation and organisation of meetings of the Board of Directors, together with their remit, stem from application of the rules set by the law, the Company's Memorandum and Articles of Association, and the Board of Directors' Internal Regulations.

The main purpose of the Board of Directors' Internal Regulations is to supplement the applicable rules laid down by legislation, regulations and the Memorandum and Articles of Association, which bind all Directors and the Board of Directors as a whole. The Internal Regulations stipulate the Board of Directors' remit and operating procedures, as well as those of the four specialised Committees, composed of Directors, which, at its request or that of the Chairman of the Board of Directors, draw up recommendations for its attention.

The Board of Directors' Internal Regulations were modified at the beginning of the 2017 financial year (at the Board meeting of 28 February 2017), *inter alia* in order to clarify the role of the Audit, Accounts and Risks Committee in light of the provisions of ordinance no. 2016-315 of 17 March 2016 on statutory auditing.

The Directors' Charter lays down a number of rules, in particular relating to ethics, applicable to Directors in the performance of their duties.

The Directors' Charter was modified by the Board of Directors at its meeting of 28 February 2017, *inter alia* in order to bring it in line with the provisions of Regulation (EU) 596/2014 of 16 April 2014 on stock market ethics.

Each Director automatically subscribes to the provisions of the Internal Regulations and the Directors' Charter simply by accepting his/her duties.

Preparation and organisation of meetings

In accordance with the provisions of the Company's Memorandum and Articles of Association, the Board of Directors meets as often as required by the Company's interests and, in any event, at least four times a year.

For each meeting, a briefing dossier is prepared that contains the information and documents necessary to review the items of business on the agenda. The Directors receive the

dossier no later than 48 hours prior to the meeting, via a secure electronic system.

During the meeting, a detailed presentation on the topics appearing on the agenda is made by the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Operating Officers or the Company Secretary, assisted, where applicable, by Group employees with specific knowledge of a given topic. In the absence of the Chairman of the Board of Directors, the meetings are chaired by the Deputy Chairman of the Board of Directors or, in his absence, by a Director specifically appointed by the Board of Directors for this purpose. The Chairmen of the specialised Committees present reports to the Board on the work of their Committees. The Statutory Auditors are also heard at any meetings during which the Board of Directors reviews and approves the Company or consolidated financial statements, as a result of which the Statutory Auditors will prepare a report.

The Works Council representative systematically receives notices of all Board meetings and may attend in a non-voting capacity. He/she receives the same information as the Directors.

The Board of Directors can only validly deliberate if at least half of its members are present. The topics appearing on the agenda are discussed prior to putting to the vote any decisions, which are adopted by a majority vote by the Directors present or represented, the chairman of the meeting having a casting vote in the event of a tied vote.

Written minutes of the Board of Directors' deliberations are prepared by the Secretary of the Board of Directors and are approved by the Board of Directors, usually at the next meeting.

The Board of Directors' Internal Regulations authorise it to deliberate using telecommunication means, under the conditions and in accordance with the limits stemming from the applicable legislative and regulatory provisions.

Outside its meeting, the Board of Directors regularly receives all important information concerning the Company. The Directors are alerted of any events or developments that have a material impact on activities or information previously communicated to the Board of Directors.

Powers and status of the Chairman of the Board of Directors

The Chairman of the Board of Directors, who must be a member of the Board of Directors, is appointed by the Board of Directors for the term of office set by it.

If the Chairman of the Board of Directors reaches the age of 65 when in office, he will remain in office until the end of his term of office; he may then be re-appointed once or more than once by the Board of Directors, but only for a total period of time that does not exceed a Director's term of office.

The Chairman of the Board of Directors organises and oversees the work of the Board of Directors, calls Board meetings and chairs them. He draws up agendas for meetings and ensures that the documentation supplied to the Directors prior to the meeting enables them to express opinions on the matters put to them in full knowledge of the facts. He also coordinates the work of the Board of Directors and its specialised Committees.

The Chairman of the Board of Directors also ensures the Company is governed efficiently and effectively, namely by ensuring that the Company's practices comply with the recommendations set out in the AFEP-MEDEF Code and, more generally, best corporate governance practices.

Lastly, in addition to organising and coordinating the work of the Board of Directors and its specialised Committees and ensuring the Company is governed efficiently and effectively, the Chairman of the Board of Directors is also tasked with the following:

- representing the Company with regard to national and international professional organisations, in conjunction with the Chief Executive Officer;
- representing the Company in its dealings with public authorities, supervisory and regulatory authorities and the Group's main partners and shareholders, in conjunction with the Chief Executive Officer;
- speaking in the name and on behalf of the Board of Directors, in particular to the shareholders;
- ensuring that the strategic policies defined by the Board of Directors are correctly implemented;
- ensuring, in conjunction with the Audit, Accounts and Risks Committee, the effectiveness of the internal control system and, more specifically, the internal audit function; to that effect the Chairman of the Board of Directors shall be entitled to access internal audit reports at any time and shall be entitled to order internal audits, provided he first informs the Chief Executive Officer.

Role of the Deputy Chairman of the Board of Directors and Lead Director

Since 21 October 2011, the Board of Directors has a Deputy Chairman, namely Michel Bleitrach. The Deputy Chairman, who is an independent Director, assists the Chairman in consolidating good corporate governance practices, in accordance with the Board of Directors' Internal Regulations.

In the absence of the Chairman of the Board of Directors, he oversees proceedings at meetings of the Board of Directors.

In line with its decision to separate the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016, at its meeting of 1 March 2016 the Board of Directors decided to create the

function of Lead Director within the Board of Directors and to appoint the Deputy Chairman as Lead Director. The Board of Directors' Internal Regulations were amended accordingly to clearly define the powers associated with each function.

In accordance with the Board of Directors' Internal Regulations, as amended, the Deputy Chairman continues to be responsible for assisting the Chairman of the Board of Directors in strengthening the governance of the Company, and leads discussions at Board meetings if the Chairman of the Board of Directors is unable to act. As Lead Director, the Deputy Chairman of the Board of Directors is tasked with:

- coordinating the work of the independent Directors, in particular when they are asked to deliberate without the Chief Executive Officer and the Chairman of the Board of Directors;
- speak in the name of the independent Directors whenever necessary, in particular to the shareholders.

In this capacity, the Deputy Chairman may demand that the Chairman of the Board of Directors enter any matters falling within his remit on the agenda of meetings of the Board of Directors or its specialised Committees.

Considering that Michel Bleitrach's term of office as a Director will expire at the end of the General Meeting of shareholders of 30 May 2018 and that he does not wish to stand for office again, the Board of Directors, during its meeting of 30 March 2018 when the decision was made to combine the functions of Chairman of the Board of Directors and Chief Executive Officer with effect from the General Meeting called to vote on the financial statements for the 2018 financial year, resolved to postpone, until then, the replacement of Michel Bleitrach as Senior Independent Director.

Role of the Secretary of the Board of Directors

At its meeting of 1 March 2016 the Board of Directors decided to formalise the role of Secretary of the Board of Directors and include in the Board of Directors' Internal Regulations principles governing the organisation of the role. At the same meeting it appointed Mickaël Renaudeau, the Company Secretary, as Secretary of the Board of Directors.

The Secretary of the Board of Directors, who may but need not be a member of the Board of Directors, performs all those tasks necessary for the smooth running of the Board of Directors, including the organisation of relations between the Company, the Directors and the Chairman of the Board of Directors. He ensures that resolutions adopted by the Board of Directors are valid and that it operates in compliance with the applicable laws and regulations and the Memorandum and Articles of Association. In the performance of his duties, he shall report to the Chairman of the Board of Directors.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Unless the various specialised Committees decide otherwise, the Secretary of the Board of Directors shall also act as secretary for all specialised Committees created by the Board of Directors. He is responsible for drawing up minutes of meetings of the Board of Directors and minutes of meetings of its specialised Committees.

The Secretary of the Board of Directors assists the Chairman of the Board of Directors and the Chairmen of the specialised Committees in the organisation of the work of the Board of Directors and the specialised Committees, and in this connection:

- helps prepare the agendas and send notices of meetings to the members of the Board or its Committees;
- helps determine the timetable for meetings of the Board of Directors and specialised Committees;
- prepares and sends preparatory files for meetings of the Board of Directors and the specialised Committees, liaising with the Group's internal departments, verifying their quality and ensuring they are sent out in a timely manner;
- help to organise proceedings at meetings of the Board of Directors and specialised Committees;
- organises remote attendance and facilitates the representation of absent members;
- manages payment of directors' fees.

Directors may seek the assistance of the Secretary of the Board of Directors for the performance of their duties, including their reporting obligations, in particular with regard to the market authorities, and to obtain clarifications concerning their obligations and duties.

The Secretary of the Board of Directors is authorised to certify all documents issued by the Board of Directors, including all minutes or excerpts from minutes of the meetings of the Board of Directors and any reports produced by the Board of Directors.

Principles of collegiality and confidentiality

The Board of Directors is a collegial body. Its decisions have always resulted from a consensus, reached among its members following in-depth discussions on the topics submitted to it. Since 2012, all the Board of Directors' decisions have been adopted unanimously by the voting Directors.

Pursuant to the Board of Directors' Internal Regulations, the Directors have a duty of confidentiality and non-disclosure. Directors undertake not to speak in an individual capacity, other than during the Board's internal deliberations, on matters discussed at Board meetings.

Over and above this duty of confidentiality and non-disclosure, which applies to all individuals attending the Board of Directors meetings, with respect to information not yet made public of which they become aware in the performance of their duties, the Directors are bound by a comprehensive obligation of confidentiality.

The Board of Directors' areas of intervention

The Board of Directors' remit is determined by the applicable legislative and regulatory provisions, supplemented by the provisions of the Company's Memorandum and Articles of Association and the Board of Directors' Internal Regulations.

The Board of Directors is tasked with determining the Group's strategy and overseeing its implementation by General Management in the exercise of its own economic and financial management mission. The Directors thus approve the broad lines of the actions that General Management pursues and submits for their authorisation and control.

It collectively represents all the shareholders and acts in the Company's interests in all circumstances. In the performance of its duties, the Board of Directors may consider any matters relating to the Company's proper functioning, subject to the powers expressly attributed to the General Meeting and within the limits of the Company's objects purpose.

The Board of Directors' meetings and work in 2017

Pursuant to the Board of Directors' Internal Regulations, the Directors undertake to devote the necessary time and attention to their mission. When accepting a new appointment, they must ensure that they will remain in a position to meet this commitment.

The Board of Directors met 12 times in 2017, compared with 10 times in 2016. The average attendance rate of Directors at Board meetings was 92% in 2016, compared with 93% in 2016⁷. The table below presents individual attendance rates for each Directors at the Board of Directors' and specialised Committees' meetings during the 2017 financial year:

	Board of Directors	Commitments Committee	Nomination and Remuneration Committee	Audit, Accounts and Risks Committee	Corporate Social Responsibility Committee
DIRECTORS IN OFFICE AS AT 31/12/2017					
Jacques Pêtry	100.00%	n/a	n/a	n/a	n/a
Michel Bleitrach	100.00%	85.71%	100.00%	100.00%	n/a
Frédéric Moyne	100.00%	n/a	n/a	n/a	n/a
Jean-Carlos Angulo	100.00%	100.00%	n/a	n/a	100.00%
Bpifrance Investissement	71.43%	50.00%	n/a	50.00%	100.00%
Marie-Claire Daveu	100.00%	n/a	100.00%	n/a	100.00%
Financière Hélios	83.33%	100.00%	n/a	n/a	n/a
Valérie Landon	100.00%	100.00%	n/a	100.00%	n/a
Ulrike Steinhorst	75.00%	n/a	100.00%	n/a	n/a
DIRECTORS WHO CEASED TO HOLD OFFICE IN THE 2017 FINANCIAL YEAR					
Michèle Remillieux	87.50%	n/a	100.00 %	n/a	n/a
Total	91.73%	87.14%	100.00%	83.33%	100.00%

The directors' fees, paid only to independent Directors, include a substantial variable component linked to the Directors' effective attendance of meetings of the Board of Directors (see additional information in section 2.4.2.5 on page 128 *et seq.* of this Registration Document).

Strategic orientations and monitoring of implementation

At the 2017 annual seminar, at which the Board of Directors reviews implementation of strategy and adjusts medium- and long-term strategic options, the Board confirmed the strategy implemented and validated:

- the Group's role as a key player in energy transition in overseas France, particularly following the conversion to biomass of the Group's coal power plants and the pursuit of selective growth in the Solar sector;
- the pursuit of dynamic growth in Brazil (and the achievement of critical mass on the biomass cogeneration market and penetration of the Solar market);
- ongoing prospection within the sugar industry, looking beyond Brazil, and diversification of our traditional model to include the production of renewable energy by moderate capacity biomass plants, so as to consolidate the stability

of electricity networks and contribute to the organisation of local agricultural supply structures (other than bagasse) and/or decarbonising the energy mix of communities and industrials.

The Board's work in 2017 therefore focused on the development of new projects, complementing the work of the Commitments Committee. More specifically, the Board worked on the following:

- supervision of the development of the Galion 2 project. Construction of the plant continued over the year following the ruling by the Bordeaux Administrative Appeal Court confirming that the licence to operate the Galion 2 plant, which had been contested in 2016, is fully valid;
- monitoring of the programme to bring French thermal power plants into compliance with the new standards resulting from the transposition into French law of the Industrial Emissions Directive (IED);

7. Average of the annual attendance rates of each Director, derived from the ratio of the number of meetings in which the Director took part during the year to the total number of meetings held during the year and during the Director's term of office.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

- the Group's continued expansion in Brazil: authorisation of investments associated with the installation of a third turbine generator at the Albioma Codora Energia plant; monitoring of progress on the Vale do Paraná project; and, most importantly, initial analyses prior to authorising, at the start of 2018, the Group's fourth Brazilian acquisition (and the second with the Jalles Machado group);
- examination of new international development opportunities involving the recovery of other forms of biomass in addition to bagasse;
- authorisation of a number of investments in new Solar projects in overseas France, including in particular investments resulting from the Group's response to a call for tenders issued in 2016 by the French energy regulator (Commission de Régulation de l'Énergie) for photovoltaic power plants with energy storage (the Group won contracts representing 4 MWp), and a project to install low capacity rooftop power plants in Mayotte (a total capacity of 1 MWp eligible for the mandatory purchase scheme that applies to plants with a unit capacity of less than 100 kWp);
- consideration of new offers based on energy storage, which are indicative of the Group's commitment to energy transition in overseas France;
- consideration of the terms and conditions of the Group's investment in a seed fund, with a view to outsourcing the Group's innovation actions.

Monitoring of operating performances

The Board of Directors is kept regularly informed of ongoing operations, namely through a monthly reporting package sent to the Directors, and a systematic review of matters affecting business development at the start of each meeting.

In addition, some exceptional events affecting the normal course of business were referred to the Board of Directors. For example, it closely examined the situation of the Albioma Rio Pardo Termoelétrica plant in Brazil, which experienced bagasse supply problems, which were resolved by the end of the year.

The Group's financial position, cash position and commitments

The Board of Directors was kept regularly informed of the Group's financial position, namely in conjunction with the work of the Audit, Accounts and Risks Committee and via the monthly reporting package provided for Directors.

In 2017, the Board of Directors examined and approved the 2016 parent company and consolidated financial statements with a view to their presentation to the General Meeting of 31 May 2017. It also reviewed and approved the consolidated financial statements for the first half of the 2017 financial year, and reviewed the results for the first and third quarters of the year, prior to the publication of quarterly financial information.

Alongside its work on strategic matters, the Board of Directors reviewed and approved the 2017 budget and the business plan for 2017-2021 (at the start of the year), as well as the 2018 budget and 2018-2022 business plan (at the end of the year). It also reviewed and approved the objectives for EBITDA and net income, Group share, presented to the market for the 2017 financial year.

The Board of Directors was also kept regularly informed of the Group's cash position and funding needs. Given the Group's continued investment programme, the Board of Directors considered a number of financing projects (financing of investments to bring the Albioma Le Moule plant into compliance with the new standards resulting from the transposition into French law of the Industrial Emissions Directive (IED), refinancing of the Indian Ocean Solar business, raising additional corporate financing) and authorised a number of parent company guarantees in connection with this financing.

In view of the high level of current commitments, the Board also kept a close eye on the authorised investment budgets, in particular the budget for the Galion 2 project, for which the allocated amount of capital expenditure was increased more than once over the year due to the complexity of the project.

Risk management and internal control

Alongside the work of the Audit, Accounts and Risks Committee, one of the tasks of the Board of Directors each year is to review the Group's risk mapping and its insurance covers. It may need to look at new risks identified by General Management, and define with it the appropriate action plans to ensure they are properly managed.

In addition to its general review of risks, the Board carefully monitored developments in a number of situations in terms of risk management, namely:

- the increase in capital expenditure necessary for the Galion 2 project;
- bagasse supply problems experienced by the Albioma Rio Pardo Termoelétrica plant during the year, which were resolved by the end of the year;
- a deterioration in labour relations in the French overseas thermal plants.

Sustainable development

In conjunction with the work of the Corporate Social Responsibility Committee, in 2017 the Board of Directors regularly monitored the implementation of the Group's sustainable development policy.

The Board of Directors reviewed and approved the employment, environmental and social information published in the Registration Document for the 2016 financial year, as required by the applicable laws and regulations.

In addition, the Board of Directors and the Corporate Social Responsibility Committee devoted much time and energy throughout the year to:

- employee safety, given the sharp deterioration in Group safety indicators (occupational accident frequency and severity rates), despite the implementation of a safety master plan;
- the preparation of a “roadmap” setting out the Group's sustainable development commitments and breaking them down into targets, with a view to putting in place a more detailed and longer term management system than the one introduced in 2012.

Corporate governance

2017 saw a series of changes to the composition of the Board of Directors. The Board of Directors accordingly considered a number of applications from candidates for a seat on the Board. Two of these (Bpifrance Investissement and Frédéric Moyne) were put before the General Meeting of 31 May 2017, which approved their appointments as Directors. A third Director, Ulrike Steinhorst, was provisionally appointed by the Board of Directors to replace Michèle Remillieux, who had resigned. Enriched by the presence of its three new members, the Board then reviewed the composition of its specialised Committees (see additional information in section 2.3.1.5 on page 83 of this Registration Document).

The Board of Directors also submitted proposals to the General Meeting concerning the renewal of the appointments of those Directors whose terms of office were due to expire (renewal of the appointments as Director of Jacques Pêtry, Jean-Carlos Angulo, Financière Hélios and Michèle Remillieux). All the corresponding resolutions were adopted by a large majority. Following the renewal of Jacques Pêtry's appointment as a director, the Board of Directors confirmed his appointment as Chairman of the Board of Directors, thus renewing the Company's separated corporate governance method.

Early in 2017, the Board of Directors carried out its annual review of the position of Directors in office as at 31 December 2017, looking at their independence and potential conflicts of interest that may arise during performance of their duties. It repeated its review prior to the appointment of Bpifrance Investissement and Frédéric Moyne as Directors and the provisional appointment of Ulrike Steinhorst, also as a Director.

The Board of Directors also conducted its annual self-assessment of its operation over the 2016 financial year. The findings of the assessment are set out in section 2.3.3.2 on page 107 *et seq.* of this Registration Document.

Lastly, as required by the applicable laws and regulations, the Board of Directors specifically approved the content of the report by the Chairman of the Board of Directors on corporate governance and internal control during the said financial year.

Remuneration of corporate officers and long-term incentive schemes for employees

In 2017, the Board of Directors assessed the executive corporate officers' performance in respect of the 2016 financial year, mainly for the purpose of determining the amount of the variable component of their remuneration in respect of said year, on the basis of the recommendations made by the Nomination and Remuneration Committee. The Board of Directors verified that the AFEP-MEDEF Code's recommendation that shareholders are consulted concerning the remuneration owed or awarded to executive corporate officers for the past financial year was correctly applied. At the General Meeting of 31 May 2017, the shareholders voted by a considerable majority in favour of the remuneration, as presented (see additional information in section 2.4.4 on page 136 of this Registration Document).

The Board of Directors devoted a great deal of time to the question of the remuneration to be paid to the two executive corporate officers for the 2017 financial year and subsequent years. It approved a number of changes to their remuneration policy, following an analysis that took account of market practices and a comparison of the Company's policy with a panel of comparable companies (see additional information in section 2.4.2.1 on page 122 of this Registration Document). As a result:

- the maximum amount of the Chief Executive Officer's variable remuneration was raised from 75% to 100% of his fixed remuneration;

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

- the remuneration paid to the Chairman of the Board of Directors was reduced (by approximately 24%, thus maintaining the maximum aggregate amount payable by the Company to its two executive corporate officers at the same level as in 2016);
- quantitative non-financial indicators (concerning employee safety for 2017) were included when determining the Chief Executive Officer's variable remuneration, thus reducing the weight of the purely qualitative criteria, the details of which cannot be made public due to their strategic nature.

The principles of the executive corporate officers' remuneration policy for 2017 and subsequent financial years as approved by the Board of Directors were put to the General Meeting of 31 May 2017, as required by the applicable laws and regulations, and were approved by a large majority (see additional information in section 2.4.4 on page 136 of this Registration Document).

In addition to matters relating to the executive corporate officers, the Board's work also included monitoring existing bonus performance share plans and implementing the "2017 thermal plants" and "2017 photovoltaic plants" bonus performance share plans (see additional information in section 6.4.3.1 on page 280 *et seq.* of this Registration Document).

Statutory auditing

At one of its meetings the Board of Directors considered the criteria according to which the Audit, Accounts and Risks Committee would approve services provided by the Statutory Auditors other than statutory auditing services (see additional information in section 2.3.3.1 on page 96 of this Registration Document).

Shareholder governance, relations with the financial community and share performance

The Board of Directors was regularly informed of changes to the shareholder structure (crossing of reporting thresholds, results of the initiatives to identify bearer shareholders) and the share's performance on the market. It received all the documents drawn up by financial analysts concerning the Company. It was also consulted with regard to the key financial information disclosed to the market and the main events disclosed more specifically for financial analysts and investors.

The Board of Directors was also closely involved in the preparation of the General Meeting of 31 May 2017: in addition to its preparation of the draft resolutions and associated report, the Board Directors reviewed the documents prepared for the discussions held with providers of voting recommendations services and institutional shareholders, who explained their positions regarding the more sensitive resolutions with the Board, prior to the General Meeting.

Activity of the specialised Committees

The Commitments Committee

Remit

The Commitments Committee's remit is determined by the Board of Directors' Internal Regulations.

In 2016 the Commitments Committee replaced the Commitments and Monitoring Committee, in line with the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer: the Board of Directors accordingly decided to modify and limit the role of the Committee, which henceforth conducts detailed examinations of the Group's material commitments prior to their authorisation by the Board of Directors, while the Board of Directors is responsible for the monitoring of operations on the basis of reports presented by the Chief Executive Officer.

The Commitments Committee is responsible for examining investments and, more generally, all current and future commitments that are material in terms of their amount, the level of associated risk or their part in the strategy approved by the Board of Directors, prior to authorisation by the Board. The Committee may also be asked to assess the advisability of strategic options, such as the penetration of new markets, withdrawal from a market or business sector, a divestment or a material disposal of assets.

When the Committee is asked to examine a project, it looks at the project's coherence in view of the strategy approved by the Board of Directors, its short- and medium-term profitability, potential risks if the project does (or does not) go ahead, sensitivity to said risks, the resulting commitments for the Group, financing terms and, more generally, any other facts it considers to be of relevance.

Composition and operating procedures

At 31 December 2017, the Commitments Committee was composed of five Directors, three of whom were independent Directors, including the Committee Chairman:

- Jean-Carlos Angulo, independent Director, Committee Chairman;
- Michel Bleitrach, independent Director and Deputy Chairman of the Board of Directors, Committee member;
- Bpifrance Investissement, Director, represented in that capacity by Emilie Brunet, Committee member;
- Financière Hélios, Director, represented in that capacity by Maurice Tchenio, Committee member;
- Valérie Landon, independent Director, Committee member.

Bpifrance Investissement was appointed to the Commitments Committee by the Board of Directors at its meeting of 31 May 2017, following its appointment as a Director by the General Meeting on the same day.

The operating procedures of the Commitments Committee are substantially the same as those of the Commitments and Monitoring Committee. However, Directors who are not members of the Committee no longer have a standing invitation to Committee meetings, as the monitoring of operations, which was previously carried out by the Commitments and Monitoring Committee and which justified the attendance of all Directors, has now been transferred to the Board of Directors.

The Chairman of the Board of Directors and the Chief Executive Officer are invited to attend most Committee meetings. The Committee may also interview Directors and Chief Operating Officers, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group. The dossiers are generally presented by the Chief Executive Officer and the Chief Operating Officers, assisted, where applicable, by members of their teams responsible for the dossiers in question. The Secretary of the Board of Directors acts as Committee Secretary.

Meetings and work in 2017

In 2017, the Commitments Committee met six times, as compared to four in 2016. The attendance rate of members at Committee meetings was 87% in 2017, compared to 81% in 2016⁸.

The Committee's work primarily consisted of reviewing various commitments and investments prior to their authorisation by the Board of Directors. Topics they reviewed included:

- various aspects of the Group's continued expansion in Brazil: authorisation of investments associated with the installation of a third turbine generator at the Albioma Codora Energia plant; monitoring of progress on the Vale do Paraná project; and first and foremost, initial analyses prior to authorising, at the start of 2018, the Group's fourth Brazilian acquisition (and the second with the Jalles Machado group);
- consideration of the terms and conditions of the Group's investment in a seed fund, with a view to outsourcing the Group's innovation actions.
- new international development opportunities involving the recovery of other forms of biomass in addition to bagasse;
- a number of investments in new Solar projects in overseas France, such as investments resulting from the Group's response to a call for tenders issued during the year by the French energy regulator (Commission de Régulation de l'Énergie) for photovoltaic power plants with energy storage (the Group won contracts representing 4 MWp), and a project to install low capacity rooftop power plants in Mayotte (a total capacity of 1 MWp eligible for the mandatory purchase system that applies to plants with a unit capacity of less than 100 KWp);
- new offers based on energy storage, which are indicative of the Group's commitment to energy transition in overseas France.

The Committee also devoted one meeting to reviewing all the Group's prospective international markets and main development opportunities currently under consideration.

The Commitments Committee reported to the Board of Directors on all its work during 2017.

⁸ Average of the annual attendance rates of each Director, derived from the ratio of the number of meetings in which the Director took part during the year to the total number of meetings held during the year and during the Director's term of office.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Audit, Accounts and Risks Committee

Remit

The Audit, Accounts and Risks Committee's remit is determined by the Board of Directors' Internal Regulations. It complies with the provisions of Article L. 823-19 of the French Commercial Code, which calls for a specialised Committee acting under the responsibility of the Board of Directors to monitor matters relating to the preparation and control of accounting and financial information, and in particular, without prejudice to the Board of Directors' scope of activities, regarding:

- the process for the preparation of financial information;
- the effectiveness of internal control and risk management systems;
- the statutory audit of the parent company and consolidated financial statements by the Statutory Auditors;
- the Statutory Auditors' independence.

The Audit, Accounts and Risks Committee thus plays a pivotal role in the control and monitoring of the process for the preparation of the Group's financial statements and in the assessment of the quality and effectiveness of the external control of these financial statements.

It also devotes considerable effort to verifying the effectiveness of the internal control and risk management mechanisms, and assists General Management in the ongoing effort to improve existing mechanisms.

Composition and operating procedures

At 31 December 2017, the Audit, Accounts and Risks Committee was composed of three Directors, two of whom were independent Directors, including the Committee Chairman:

- Michel Bleitrach, independent Director and Deputy Chairman of the Board of Directors, Committee Chairman;
- Bpifrance Investissement, Director, represented in that capacity by Emilie Brunet, Committee member;
- Valérie Landon, independent Director, Committee member.

Bpifrance Investissement was appointed a member of the Audit, Accounts and Risks Committee by the Board of Directors at its meeting of 31 May 2017, following its appointment as a Director by the General Meeting on the same day.

Given their professional experience, all members of the Audit, Accounts and Risks Committee in office as at 31 December 2017 have proven specific capability in accounting and financial matters (see additional information in section 2.3.2.1 on page 84 *et seq.* of this Registration Document).

The Chairman of the Board of Directors and the Chief Executive Officer are invited to attend most Committee meetings. It may also interview Directors, Chief Operating Officers, the

heads of internal control and internal audit, and the external auditors of the Company and its subsidiaries, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. It may also interview senior managers in the Group, subject to authorisation from the Chief Executive Officer.

The dossiers are generally presented by the Chief Financial Officer or the Chief Executive Officer, assisted, where applicable, by members of their teams responsible for the dossiers presented (and in particular by members of the internal audit function). The Statutory Auditors are invited to attend each Committee meeting, except for those that consider the renewal of their appointment and those that review the conditions under which they exercise their external audit assignment and, more specifically, a review of their independence. The Secretary of the Board of Directors acts as Committee Secretary.

When the Committee examines the financial statements, it has a minimum period of 48 hours prior to the meeting to perform its review. During the meeting, the Statutory Auditors present their conclusions and observations on the findings of their audit or review and the accounting options used. The review of the financial statements is also preceded by a presentation by the Chief Financial Officer on the Company's significant risks and off-balance sheet commitments.

Committee meetings generally start with a discussion between Committee members and the Statutory Auditors, before the arrival of those key figures from within the Company who have been invited to attend.

Meetings and work in 2017

In 2017, the Audit, Accounts and Risks Committee met four times, i.e., the same as in 2016. The attendance rate of members at Committee meetings was 83.33% in 2017, compared to 100% in 2016⁹.

In anticipation of the approval of the parent company and consolidated financial statements for the 2016 financial year and the approval of the condensed consolidated financial statements for the first half of the 2017 financial year, the Committee reviewed significant events over the period, the main closing points, the key figures appearing in the financial statements, the cash position and the Group's level of debt. It paid particular attention to the main accounting options used by General Management, the results of the goodwill impairment tests and the provisions for liabilities and impairment. In this regard, the Committee heard the Statutory Auditors, who presented the findings of their audit or, as applicable, their limited review. The Committee also reviewed the objectives for EBITDA and net income, Group share, proposed by General Management, with a view to their presentation to the market.

⁹ Average of the annual attendance rates of each Director, derived from the ratio of the number of meetings in which the Director took part during the year to the total number of meetings held during the year and during the Director's term of office.

The Committee also reviewed the quarterly results (Q1 and Q3 2017) prior to publication of the corresponding quarterly financial information.

In addition to examining the financial statements, the Committee also:

- considered the criteria according to which the Audit, Accounts and Risks Committee would approve services provided by the Statutory Auditors other than statutory auditing services (see additional information in section 2.3.3.1 on page 96 of this Registration Document).
- conducted a detailed review of the Group's risk mapping, the main changes to its risk profile and associated risk management action plans, as well as the Group's insurance programme;
- monitored the internal audit function, and more specifically verified that action plans drawn up as a result of previous audits it had commissioned had been correctly implemented. It also examined the audit reports produced in connection with the 2017 audit plan (audit of purchases, audit of projects to bring the Albioma Le Gol and Albioma Bois-Rouge plants into compliance with the new standards resulting from the transposition into French law of the Industrial Emissions Directive (IED)), for which it had approved corrective action plans in conjunction with General Management, and, lastly, drew up the 2018 internal audit plan.

The Audit, Accounts and Risks reported to the Board of Directors on all its work during 2017.

Nomination and Remuneration Committee

Remit

The Nomination and Remuneration Committee's remit is determined by the Board of Directors' Internal Regulations.

The Nomination and Remuneration Committee plays a key role in the preparation of the Board of Directors' deliberations relating to the governance and remuneration of the executive and non-executive corporate officers.

Its work calls for it to consider all matters affecting the composition of the Board of Directors and the position of Directors (selection of candidates, balanced composition of the Board of Directors in terms of independence, skills and gender parity). The Committee also considers the remuneration of the Chairman and Chief Executive Officer and the Directors prior to any discussion of the matter by the Board of Directors. Furthermore, it ensures that it is in a position to propose to the Board of Directors a succession plan in the event of a foreseeable vacancy in the role of Chief Executive Officer.

More generally, the Nomination and Remuneration Committee also reviews a range of problems impacting the Group's human resources. As such, it is notably required to express an opinion on the Group's remuneration policy and on changes in the remuneration of the main senior managers, whose succession plans it also reviews. The Committee's remit also encompasses employee savings schemes and long-term incentive schemes for employees (bonus performance share plans).

Composition and operating procedures

As at 31 December 2017, the Nomination and Remuneration Committee was composed of three independent Directors:

- Ulrike Steinhorst, independent Director, Committee Chair;
- Michel Bleitrach, independent Director and Deputy Chairman of the Board of Directors, Committee member;
- Marie-Claire Daveu, independent Director, Committee member.

Marie-Claire Daveu, who also chairs the Corporate Social Responsibility Committee, joined the Nomination and Remuneration Committee by decision of the Board of Directors at its meeting of 31 May 2017. The Board of Directors believes that this change to the composition of the Committee will guarantee more effective interactions between the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee.

Ulrike Steinhorst took over as Chair of the Nomination and Remuneration Committee on 19 September 2017, when she was provisionally appointed a Director to replace Michèle Remillieux, who had resigned. Michèle Remillieux had chaired the Committee until that date.

As no employees are Board members, the Nomination and Remuneration Committee did not include any employee Directors as at 31 December 2017 (see additional information in section 6.3.4 on page 266 of this Registration Document).

The Chairman of the Board of Directors and the Chief Executive Officer are invited to attend most Committee meetings. However, they are not present when the Committee discusses their personal situations. The Committee may also interview Directors, Chief Operating Officers and the Human Resources Director, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group. The Secretary of the Board of Directors acts as Committee Secretary.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

Meetings and work in 2017

The Nomination and Remuneration Committee met five times in 2017, compared to three times in 2016. The attendance rate of members at Committee meetings was 100%, as in 2016¹⁰.

The Committee's work in 2017 focused on:

- the executive corporate officers' remuneration packages (review of performance and components of the variable remuneration payable to the Chairman and Chief Executive Officer and then the Chief Executive Officer for the 2016 financial year, remuneration policy for the executive corporate officers for the 2017 financial year, terms of the Chief Executive Officer's variable remuneration for the 2017 financial year and definition of his targets);
- review of the succession plan for the executive corporate officers and the Group's key executives, in view of the new organisation implemented by the Chief Executive at the start of 2017;
- the organisation of long-term incentive schemes for employees, put to the General Meeting of 30 May 2018;

The Nomination and Remuneration Committee reported to the Board of Directors on all its work during 2017.

Corporate Social Responsibility Committee

Remit

The Corporate Social Responsibility Committee's remit is determined by the Board of Directors' Internal Regulations.

The Corporate Social Responsibility Committee was formed on 24 September 2012 in order to allow the Board of Directors to become more involved in matters concerning the Group's sustainable development. As such, the Committee examines the Group's policies and commitments on matters relating to the environment (energy transition and optimising the energy performance of natural resources, reduction in environmental impacts), staff (safety, training and diversity), and society (local initiatives and responsible procurement). It constantly monitors their implementation and any associated risks, where applicable in liaison with the Audit, Accounts and Risks Committee.

The Committee also examines the non-financial information published by the Group pursuant to its legislative and regulatory obligations and in connection with its general policy on institutional communications.

Furthermore, the Committee reviews application of the ethics rules established by the Group.

Composition and operating procedures

As at 31 December 2017, the Corporate Social Responsibility Committee was composed of three Directors, two of whom were independent, including the Committee Chair:

- Marie-Claire Daveu, independent Director, Committee Chair;
- Jean-Carlos Angulo, independent Director, Committee member;
- Bpifrance Investissement, Director, represented in that capacity by Emilie Brunet, Committee member.

Bpifrance Investissement was appointed a member of the Nomination and Remuneration Committee by the Board of Directors at its meeting of 31 May 2017, following its appointment as a Director by the General Meeting on the same day.

The Chairman of the Board of Directors and the Chief Executive Officer are invited to attend most Committee meetings. The Committee may also interview Directors and Chief Operating Officers, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. It may also interview senior managers in the Group, subject to authorisation from the Chief Executive Officer. The Secretary of the Board of Directors acts as Committee Secretary.

Meetings and work in 2017

The Corporate Social Responsibility Committee met four times in 2017, compared with five times in 2016. The attendance rate of members at Committee meetings was 100% in 2017, as in 2016¹¹.

¹⁰ Average of the annual attendance rates of each Director, derived from the ratio of the number of meetings in which the Director took part during the year to the total number of meetings held during the year and during the Director's term of office.

¹¹ . Average of the annual attendance rates of each Director, derived from the ratio of the number of meetings in which the Director took part during the year to the total number of meetings held during the year and during the Director's term of office.

In 2017, the Committee's work focused on:

- reviewing the Group's non-financial performance in 2016, prior to the publication of the employment, environmental and social information in the 2017 Registration Document;
- monitoring compliance with environmental regulations and considering the implications of the revised BREF (*Best REferences*) for large fuel-powered plants, in compliance with the Industrial Emissions Directive (IED);
- assessing the Group's stakeholder management strategy in connection with project development;
- the safety master plan rolled out by General Management;
- preparing a "roadmap" setting out the Group's sustainable development commitments and breaking them down into targets, with a view to putting in place a more detailed and longer term management system than the one introduced in 2012;
- in conjunction with the Nomination and Remuneration Committee, defining quantitative non-financial indicators applying to the Chief Executive Officer to determine his variable remuneration for the 2017 financial year;
- the sustainable management of imported biomass supplies for the Galion 2 project, to which the Committee devoted an entire meeting.

The Corporate Social Responsibility Committee reported to the Board of Directors on all its work during 2017.

2.3.3.2. Assessment of the operation of the Board of Directors

Assessment frequency and methods

In accordance with the recommendations of the AFEP-MEDEF Code and the Board of Directors' Internal Regulations, the Board of Directors performs an annual review of its operation, in particular with a view to:

- reviewing its operating procedures;
- verifying that important matters are suitably prepared and debated;
- assessing each Director's effective contribution to the Board's work as a result of his/her skills and involvement in discussions.

This approach takes the form of a self-assessment by the Board of Directors, carried out by means of questionnaires, whose results are analysed by the Board of Directors. In accordance with the recommendations of the AFEP-MEDEF Code, a documented assessment is performed at least once every three years with the help of an external consultant.

As the assessments conducted in 2013 and 2014 were conducted by the Board of Directors without any external assistance, the Nomination and Remuneration Committee decided to use the services of a non-Group consulting firm (Sodali) for the assessment of the operation of the Board of Directors in 2015, which was conducted in 2016. The assessment of the 2016 financial year carried out in 2017 therefore took the form of a self-assessment.

Nevertheless, following a proposal by the Chairman of the Board of Directors, the assessment of the 2017 financial year conducted at the start of 2018 was also entrusted to an external consultant (HS Conseil), to allow the Board of Directors to carry out an in-depth assessment of its operation at the end of the transitional period following the switch from a combined to a separated governance method.

Consideration of the findings of the self-assessment of the 2016 financial year carried out in 2017

The assessment of the 2016 financial year carried out in 2017 identified a very positive perception of the quality of governance, and more specifically of the introduction of the new form of separate corporate governance. The Board of Directors also noted that the candidates for seats on the Board whose appointment the General Meeting were asked to approve satisfied the criteria relating to composition of the Board and age, gender and the representation of shareholders.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

The following areas for improvement were identified:

- the Board of Directors identified a number of general topics on which it requested additional information from external specialists;
- the Board of Directors reiterated that it would like training for Directors on the Company's businesses and the integration of new Directors to be considered in 2017;
- the Board of Directors identified a number of key topics requiring a greater level of interaction between the specialised Committees, and expressed the wish that this be factored into its work schedule from now on;
- the Board of Directors reiterated that it would like topics relating to employee safety to be systematically discussed at each Board meeting, as part of the general review of business;
- the Board of Directors requested the development of tools to allow it to monitor implementation of its decisions;
- lastly, the Board of Directors requested a greater degree of involvement in the analysis of shareholders' votes after the General Meeting, and requested that a specific item be added to the agenda for this purpose.

A number of actions have been implemented in response to the areas for improvement identified by the Board of Directors:

- a greater level of interaction between the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee, with the appointment of Marie-Claire Daveu, who already chaired the Corporate Social Responsibility Committee, as a member of the Nomination and Remuneration Committee; likewise, since 2017 the chair of the Corporate Social Responsibility Committee has also taken part in the Audit, Accounts and Risks Committee's review of the Group's risk mapping, to ensure that risks specifically associated with sustainable development issues are fully integrated as part of the Group's risk management process;
- since 2017, topics relating to employee safety have systematically been discussed at the start of each Board meeting as part of the general review of business;
- the Board of Directors was closely involved in the preparation of the General Meeting of 31 May 2017, and made aware of the positions of providers of voting recommendations services and the Group's main shareholders regarding the proposed resolutions. However, it was not necessary to devote a specific meeting to an examination of votes cast, given that the resolutions put to the General Meeting were all adopted by a very large majority;
- a tool allowing the Board to monitor implementation of its decisions was developed in 2017, and will be brought into use in the first half of 2018.

Findings of the assessment of the 2017 financial year carried out by an external consultant in 2018

The assessment of the 2017 financial year carried out by an external consultant in 2018 once again highlighted the excellent quality of the Company's governance practices and the continued commitment of both the members of the Board of Directors and its Chairman to a Board that operates effectively. Alongside the external assessment, the Board of Directors, working in close collaboration with General Management, looked closely at how to further improve the efficiency of the Board and its specialised Committees. Two areas for improvement were identified, as a result of which an action plan was drawn up to be implemented, under the supervision of the Board of Directors, over the course of the 2018 financial year. The main areas for improvement identified are described below.

- An in-depth review of the respective roles of the Commitments Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee, and their interaction with the Board of Directors, was carried out. The following action will be taken in 2018:

- agendas of Commitments Committee meetings will focus on material commitments key to the strategy approved by the Board of Directors, with strategic opportunities and new strategic priorities henceforth being initially reviewed by the Board. It was decided that they should first be examined by the full Board, which could then refer specific projects corresponding to strategic priorities approved by the Board to the Commitments Committee for a more detailed review;
- the role of the Nomination and Remuneration Committee as regards governance will be clearly defined in writing, and certain tasks will be clarified;
- the role of the Corporate Social Responsibility Committee will be clarified. It will henceforth focus more specifically on reviewing strategic issues from a sustainable development angle (in addition to reviewing the Group's non-financial performance).

- To facilitate this work, the secretary of the Board of Directors has produced a management chart detailing the agendas of the various meetings planned throughout the year, which is now sent to Board members on a regular basis. This serves as a work programme for the Board of Directors and its specialised Committees, and is also used to monitor implementation of their decisions and recommendations. As requested by the Board of Directors and the Chairs of the specialised Committees, minutes of meetings now indicate exact timings. Other work is ongoing (creation of standard summary documents, earlier deadlines for circulation of preparatory documents prior to meetings),

which will improve planning of the Board of Directors' work and the effectiveness of its decision-making processes.

- Lastly, the Board of Directors and General Management have agreed that, in addition to the Board's annual strategic seminar, time will be set aside to review strategy, risks and the allocation of resources over the medium and long-term, with the aim of freeing up Board meetings so that members can focus on defining strategic orientations, authorising major external growth projects, internal transactions and development projects, and reviewing market trends, the state of competition and the main challenges facing the Group.

2.3.3.3. Appendix: full text of the Board of Directors' Internal Regulations and of the Directors' Charter updated on 28 February 2017

Board of Directors' Internal Regulations

Recitals

At its meeting of 19 December 2008, the Board of Directors of Albioma (the "Company") adopted these Internal Regulations (the "Internal Regulations"), which were subsequently supplemented on several occasions.

The Internal Regulations apply to all current and future Directors. Their purpose is to supplement the provisions of the statutes, regulations and Memorandum and Articles of Association in order to specify the operating conditions of the Board of Directors and its Committees, in the interests of the Company and its shareholders.

The Directors' Charter, which stipulates Directors' duties and obligations, is appended hereto.

For the purposes of these Internal Regulations:

- "Directors" means the members of the Company's Board of Directors;
- "General Meeting" means the General Meetings of the Company's shareholders;
- "Board of Directors" or "Board" means the Company's Board of Directors;
- "Group" means the Company and any company it controls within the meaning of Article L. 233-3 of the French Commercial Code;
- "Chairman" means the Chairman of the Board of Directors; and
- "Chief Executive Officer" means the Company's Chief Executive Officer.

The Internal Regulations are for internal use and do not replace the Company's Memorandum and Articles of Association, but implement them in a practical manner. This means that they are not binding on third parties. Shareholders will be informed of the existence of the Internal Regulations in the Company' annual report and on the Company's website.

The Internal Regulations may be amended by a decision of the Board of Directors.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

1. Composition of the Board of Directors

The Board of Directors shall be composed of at least three members and no more than twelve members, subject to statutory provisions that apply to mergers. To the extent possible, the majority of the members of the Board of Directors should be independent Directors.

A Director is considered to be independent if he/she has no relationship of any type with the Company, its Group or its management that could compromise his/her ability to freely exercise his/her judgement. Thus, an independent Director is not simply a “non-executive” director (i.e., a director who does not hold a management position with the Company or its Group), but must also not have any specific ties (significant shareholder, employee, customer, supplier, etc.).

The Board of Directors has the authority to determine whether a Director is independent.

The Board of Directors shall regularly review its composition. Once a year, it shall assess its operation, assisted by an external consultant if need be. The findings of this assessment shall be recorded in writing at least every three years.

It shall meet once a year without the Company’s internal Directors (i.e., those who are employees or executive corporate officers of the Company or in the Group) to assess the performance of the Chairman and Chief Executive Officer, if the functions of Chairman of the Board of Directors and Chief Executive Officer are combined, or the performance of both the Chairman and the Chief Executive Officer, if these functions are separate.

2. Powers of the Board of Directors

The Board of Directors is the Company’s primary decision-making and control body. Its powers, which it exercises within the limit of those powers conferred upon the General Meeting, include:

- Determining the strategic business policies of the Company and its Group, and ensuring they are carried out;
- Authorising the furnishing of sureties, pledges and guarantees;
- Authorising so-called ‘regulated’ agreements and undertakings before they are concluded, in accordance with the applicable laws and regulations and the Memorandum and Articles of Association;
- Preparing and approving Company and consolidated financial statements, as well as half-yearly financial statements;
- Reviewing interim management documents;
- Authorising all major investments, with the exception of capital expenditure for maintenance work, necessary for industrial or external growth projects during the year and, if applicable, the financing thereof;

- Authorising all capital expenditure for maintenance work that entails immediate or future commitments that significantly exceed the amounts budgeted therefor, as stated in the budget approved by the Board of Directors;
- Authorising all sales or contributions of significant assets;
- More generally, authorising any significant transaction that is not part of the strategy approved by the Board of Directors or that entails immediate or future commitments that significantly exceed the budget approved by the Board of Directors;
- Studying all proposed merger, spin-off or contribution transactions;
- Setting the remuneration of the Chairman and Chief Executive Officer;
- Creating Committees charged with studying issues that the Board itself or its Chairman submit for their review and opinion.

As a general rule, the Board of Directors shall consider all matters necessary for the smooth operation of the Company and its Group and shall carry out any controls and checks it considers necessary.

The Board of Directors shall review and approve the information published in the Company’s Registration Document relating to its structures and corporate governance practices.

3. Operation of the Board of Directors

3.1. Meetings of the Board of Directors

The Board of Directors shall meet as often as required by the Company’s interests, and at least four times a year, at the registered office or any other place specified in the notice of meeting. Once every financial year, the Directors shall meet prior to the approval of the annual budget and the medium-term business plan in order to review the strategic business policies.

Notices of meetings shall be given by the Chairman or half of the Board’s members, by any means, including orally, in principle at least 48 hours before the Board meeting, except in the event of an emergency.

3.2. Information provided to Directors

The Chairman, or the Chief Executive Officer if requested by the Chairman, shall provide each Director with all documents and information necessary for him/her to perform his/her duties.

Directors may obtain all documents they deem necessary. Requests for additional information shall be made to the Chairman of the Board of Directors, who will assess whether the documents requested are necessary.

Before each Board of Directors’ meeting, the Directors shall receive, in a timely manner and subject to confidentiality

requirements, a dossier on the matters on the agenda that require prior analysis and reflection.

Between Board meetings, the Board Secretary shall provide the Directors with monthly reports prepared by the Administrative and Financial Department under the responsibility of the Chief Executive Officer. A report by the Chief Executive Officer will be included with each monthly report, to provide a perspective on the impact on Group strategy of events over the period and on the main potential risks.

Directors shall also regularly receive all important information concerning the Company, and shall be informed of any event or change that significantly affects the transactions or information previously reported to the Board. The Directors shall also be provided with the Company's press releases, as well as with significant press articles and financial analysis reports.

The Directors may meet the Group's main managers, if appropriate without the presence of the Chairman of the Board of Directors and the Chief Executive Officer, provided they submit a request for such meeting to the Chairman of the Board of Directors, who will inform the Chief Executive Officer thereof.

3.3. Proxies

Any Director may be represented by another Director at any given meeting. Proxies must be appointed in writing, which may include by e-mail. Each Director may only represent one other Director at any given meeting.

The foregoing provisions apply to permanent representatives of legal entities that are Directors.

3.4. Deliberations

The deliberations of the Board of Directors shall be valid only if at least half its members are present.

Decisions shall be adopted by a majority of the members present or represented. A Director who has been appointed as a proxy by a fellow Board member shall hold two votes.

The Chairman of the Board of Directors or, in his/her absence, the Deputy Chairman shall lead the discussions. If both are absent, the meeting shall be chaired by a Director specially appointed for such purpose by the members of the Board present at the meeting.

In the event of a tied vote, the chairman of the meeting shall have the casting vote.

3.5. Participation at meetings by video conference or other means of telecommunication

For the purposes of calculating the quorum and majority, Directors who participate in Board meetings by video conference or other means of telecommunication that allow them to be identified and enable them to participate effectively,

in accordance with the conditions below, shall be deemed present.

- Video conference systems or other means of telecommunication may be used at all Board of Directors' meetings. However, in accordance with the provisions of Article L. 225-37, paragraph 3, of the French Commercial Code, these methods of participation may not be used to prepare the annual financial statements and the management report, or the consolidated financial statements and the Group management report.
- Before the start of deliberations, it must be ensured there are no third parties, microphones or any other element that would be contrary to the confidential nature of deliberations.
- Each participant must be able to speak and to hear what is said.
- The video conference system or other means of telecommunication used must possess technical features enabling them to continuously and simultaneously retransmit the deliberations so as to enable the Directors to actually take part in the Board's deliberations.
- In the event the chairman of the meeting notes a malfunction of the video conference system or other means of telecommunication, the Board of Directors may validly deliberate and/or continue the meeting with only the members who are physically present, provided the quorum requirement is met.

3.6. Attendance register

An attendance register shall be kept, which shall be signed by the Directors who attended the Board meeting in person, and which, if applicable, shall state the names of Directors who took part in the deliberations by video conference or other means of telecommunication (on their own behalf and on behalf of the Directors they represent).

3.7. Minutes

The deliberations of the Board of Directors shall be recorded in minutes kept in a special register maintained in accordance with the statutes in force, and shall be signed by the chairman of the meeting and at least one Director. If the chairman of the meeting is unable to sign the minutes, they shall be signed by at least two Directors.

The minutes shall be approved at the next meeting. For such purpose, the draft minutes shall be sent in advance to each Director.

Minutes of meetings shall state the names of the Directors who are present or deemed present, those who sent their apologies and those who are absent. The minutes shall record the presence or absence of persons who were given notice of the Board meeting and the presence of any other person who attended all or part of the meeting.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

The minutes shall mention any video conference system or other means of telecommunication used, the name of each Director who participated in the Board meeting using such means and, if applicable, any technical incident that disrupted the conduct of the meeting, including the interruption and re-establishment of remote participation.

If applicable, the minutes shall record any dissenting opinions expressed by Directors.

Copies or extracts of minutes may be validly certified true by the Chairman of the Board of Directors, the Chief Executive Officer, the Director temporarily appointed to chair the meeting, the secretary of the Board of Directors or an agent appointed for such purpose by the Board.

4. Chairman of the Board of Directors

The Chairman of the Board of Directors shall organise and oversee the work of the Board of Directors. When he calls a Board meeting, he shall draw up the agenda for the meeting with the assistance of the Chief Executive Officer. He shall ensure that the documentation supplied to the Directors prior to the meeting enables them to express opinions on the matters put to them in full knowledge of the facts.

The Chairman of the Board of Directors shall coordinate the work of the Board of Directors and that of its Committees.

The Chairman of the Board of Directors shall ensure the Company is governed efficiently and effectively, and shall in particular ensure that the Company's practices comply with the recommendations set out in the AFEP-MEDEF Code and, more generally, best corporate governance practices. If need be, he shall seek the help of the Deputy Chairman of the Board of Directors, who shall assist him in strengthening the Company's governance.

Moreover, the Chairman of the Board of Directors shall be tasked with the following:

- representing the Company with regard to national and international professional organisations, in conjunction with the Chief Executive Officer;
- representing the Company in its dealings with public authorities, supervisory and regulatory authorities and the Group's main partners and shareholders, in conjunction with the Chief Executive Officer;
- speaking in the name and on behalf of the Board of Directors, in particular to the shareholders;
- ensuring that the strategic policies defined by the Board of Directors are correctly implemented;

- ensuring, in conjunction with the Audit, Accounts and Risks Committee, the effectiveness of the internal control system and, more specifically, the internal audit function; to that effect the Chairman of the Board of Directors shall be entitled to access internal audit reports at any time and shall be entitled to order internal audits, provided he first informs the Chief Executive Officer.

For the purpose of the above tasks:

- the Chief Executive Officer shall provide the Chairman of the Board of Directors with regularly updated information on the Group's affairs, the implementation of its strategies and the main investment projects;
- whenever he deems this necessary, the Chairman of the Board of Directors is entitled to obtain from the Chief Executive Officer any information that might shed light on the works of the Board of Directors and its Committees;
- the Chief Executive Officer may seek the opinion of the Chairman of the Board of Directors on any topics, including in particular strategy, communication and governance;
- the Chief Executive Officer systematically consults the Chairman of the Board of Directors with regard to the definition of strategic business policies before they are put to the Board of Directors for approval.

5. Deputy Chairman of the Board of Directors

The Board of Directors may appoint one of its members as Deputy Chairman, who shall be responsible for assisting the Chairman of the Board of Directors in strengthening the governance of the Company.

If the Chairman of the Board of Directors is unable to act, the Deputy Chairman shall chair Board meetings and lead discussions.

6. Lead Director

The Board of Directors shall appoint a Lead Director, who must be an independent Director. The Deputy Chairman of the Board of Directors may also be the Lead Director. The Chairman of the Board of Directors may not be the Lead Director.

The Lead Director shall:

- coordinate the work of the independent Directors, in particular when they are asked to deliberate without the executive corporate officers or, as applicable, the non-independent Directors;
- speak in the name of the independent Directors whenever necessary, in particular to the shareholders.

He may demand that the Chairman of the Board of Directors enter any matters falling within his remit on the agenda of meetings of the Board of Directors or its Committees.

7. Secretary of the Board of Directors

The Secretary of the Board of Directors, who may but need not be a member of the Board of Directors, performs all those tasks necessary for the smooth running of the Board of Directors, including the organisation of relations between the Company, the Directors and the Chairman of the Board of Directors. He ensures that resolutions adopted by the Board of Directors are valid and that it operates in compliance with the applicable laws and regulations and the Memorandum and Articles of Association. In the performance of his duties, he shall report to the Chairman of the Board of Directors.

Unless the various specialised Committees decide otherwise, the Secretary of the Board of Directors shall also act as secretary for all specialised Committees created by the Board of Directors. He shall be responsible for drawing up minutes of meetings of the Board of Directors and minutes of meetings of its Committees.

The Secretary of the Board of Directors shall assist the Chairman of the Board of Directors and the chairmen of the specialised Committees in the organisation of the work of the Board of Directors and the specialised committees, and in this connection the Secretary shall:

- help prepare the agendas and send notices of meetings to the members of the Board or its Committees;
- helps determine the timetable for meetings of the Board of Directors and specialised Committees;
- prepares and sends preparatory files for meetings of the Board of Directors and the specialised Committees, liaising with the Group's internal departments, verifying their quality and ensuring they are sent out in a timely manner;
- help to organise proceedings at meetings of the Board of Directors and specialised Committees;
- organise remote attendance and facilitate the representation of absent members;
- manage payment of directors' fees.

Directors may seek the assistance of the Secretary of the Board of Directors for the performance of their duties, including their reporting obligations, in particular with regard to the market authorities, and to obtain clarifications concerning their obligations and duties.

The Secretary of the Board of Directors is authorised to certify all documents issued by the Board of Directors, including all minutes or excerpts from minutes of the meetings of the Board of Directors and any reports produced by the Board of Directors.

8. The Board of Directors' Committees

The Board of Directors may create Committees comprised of Directors, or managers, or of both Directors and managers of the Company. Committee members, who shall be appointed

by the Board of Directors, shall be tasked with studying the matters that the Board or its Chairman submit for their review.

The following Committees have been created by the Board of Directors:

- the Audit, Accounts and Risks Committee
- the Nomination and Remuneration Committee
- the Commitments Committee
- the Corporate Social Responsibility Committee.

Each Committee shall report on its assignments to the Board of Directors.

The Committees act in a non-binding capacity. The Board of Directors shall have full discretion to decide on any action to be taken on the proposals or recommendations submitted by the Committees. Each Director shall remain free to vote as he/she sees fit, and is not bound by the studies, investigations or reports of the Committees or any recommendations they may make.

The composition of these Committees may be modified at any time by a decision of the Board.

9. Audit, Accounts and Risks Committee

9.1 Composition

The Audit, Accounts and Risks Committee shall be comprised of at least two Directors. At least two-thirds of the Committee's members must be independent Directors.

Based on their training and/or professional experience, the Committee members shall have accounting and financial expertise.

The Committee shall not include any corporate officer of the Company.

The Committee shall be chaired by one of its members, appointed by the Board of Directors.

9.2. Operating procedures

The Audit, Accounts and Risks Committee shall meet before every meeting of the Board of Directors at which matters falling within its remit are to be discussed, and in any event at least four times a year, before the Board of Directors' meetings at which the annual and half-yearly financial statements and the quarterly financial information are to be discussed.

The agenda for Committee meetings shall be prepared under the responsibility of its chairman.

The Committee shall receive all elements, documents and information necessary for the performance of its duties.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and may invite them to its meetings. It may also interview Directors, Chief Operating Officers, the heads of internal control and internal audit, and the external auditors of the Company and its subsidiaries, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external specialists, in which case the Company must provide it with the corresponding financial resources.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

9.3. Powers

The Audit, Accounts and Risks Committee shall monitor matters in connection with the preparation and control of accounting and financial information and shall prepare the deliberations of the Board of Directors by monitoring the matters listed below.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

9.3.1. Monitoring the process for preparation of financial information

The Audit, Accounts and Risks Committee monitors the process for preparation of financial information. To that end, it receives all relevant information on the financial position, financial policy and financial strategy of the Company and its subsidiaries, and on the procedures used to prepare, collect, analyse and verify accounting and financial information; it also reviews communications of the Company and its subsidiaries on accounting and financial matters.

It considers all issues of an accounting or financial nature submitted to it by the Chairman of the Board of Directors, General Management or the Statutory Auditors. More specifically, it reviews the conformity of accounting valuations and choices made with the applicable accounting standards, verifying the accuracy, transparency, clarity and consistency over time of the financial information.

9.3.2. Monitoring the effectiveness of internal control and risk management systems

The Audit, Accounts and Risks Committee reviews the organisation of internal control and the application of internal control procedures within the Company and its subsidiaries. It reviews the work and analyses carried out in this respect and, more specifically, the reports issued by the internal audit function.

It reviews the procedures used to identify and monitor risks and, more generally, monitors risks identified, their classification and prevention and action plans drawn up by General Management to manage said risks.

It reviews the report of the Chairman of the Board of Directors on the Company's internal control and risk management systems, which is prepared pursuant to Article L. 225-37 of the Commercial Code.

9.3.3. Monitoring the annual and half-yearly financial statements and quarterly financial information

For the preparation of the Company's annual and consolidated financial statements and the quarterly financial information, the Audit, Accounts and Risks Committee receives all relevant information on the consolidation scope, and the accounting methods and control procedures used.

It reviews these financial statements and, in particular, analyses provisions, risks and significant off-balance sheet commitments. It receives all relevant information on accounting positions taken when recording significant transactions, and reviews major transactions that may have resulted in a conflict of interests.

It also conducts a prior review of draft accounting documents submitted to the Board of Directors and issues recommendations concerning the finalisation of such documents.

9.3.4. Monitoring the conditions for exercise of the external auditors' assignments

The Audit, Accounts and Risks Committee supervises the procedure for selecting or reappointing Statutory Auditors; it determines whether there is a need to call for tenders, in accordance with the applicable laws and regulations.

It reviews the manner in which they perform their audit assignments and monitors their audit or review of the Company's financial statements.

It verifies the independence of the Statutory Auditors; to that end, it receives all relevant information on fees paid to them and the members of their networks, and also receives the Statutory Auditors' updated declarations of independence. In accordance with the conditions determined by the Board of Directors and the applicable laws and regulations, it reviews and grants prior authorisation for the supply of services by the Statutory Auditors and members of their networks other than the certification of financial statements, after analysing the risks to their independence if they supply said services.

10. Nomination and Remuneration Committee

10.1. Composition

The Nomination and Remuneration Committee shall be comprised of at least two Directors. At least half of the members must be independent Directors.

No executive corporate officers may sit on the Committee. However, the Chairman of the Board of Directors shall collaborate closely with the Committee with regard to the selection of Directors and the renewal of governing bodies. The Committee shall be chaired by one of its members, appointed by the Board of Directors.

10.2. Operating procedures

The Nomination and Remuneration Committee shall meet before every meeting of the Board of Directors at which matters falling within its remit are to be discussed, and in any event at least once a year, before the Board of Directors' meetings at which the performance of executive corporate officers over the previous financial year is to be reviewed and their remuneration for the current financial year is to be determined.

The agenda for Committee meetings shall be prepared under the responsibility of its chairman.

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and may invite them to its meetings. They shall not attend meetings at which their personal situations will be discussed. It may also interview Directors, Chief Operating Officers and the Human Resources Director, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external specialists, in which case the Company must provide it with the corresponding financial resources.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

10.3. Powers

The Nomination and Remuneration Committee is tasked with studying the following matters: composition of the Board, appointments of Directors and renewal of their terms of office, Directors' fees, the Group's organisation and structure, appointments, career management and all types of remuneration (including benefits of all types) of corporate officers, members of the General Management Committee and the Group's top 50 managers.

It shall make proposals to the Board with respect to appointments of Directors and renewal of their terms of office, after a detailed review of all information it is required to take into account, including in particular the desired balance in the composition of the Board in light of changes to the Company's shareholder structure and business activities, gender balance and the types of expertise represented, and on the basis of the search for and assessment of possible candidates. In particular, the Committee shall set up a procedure for selecting future independent Directors and shall study potential candidates before they are approached.

The Committee shall also propose succession solutions to the Board in the event of a foreseeable vacancy in executive Director positions and study the succession plans for the principal corporate officers.

The Board of Directors shall decide the remuneration of executive corporate officers, and the Chairman and Chief Executive Officer shall decide the remuneration of executives who are members of the General Management Committee, after having obtained the comments of the Nomination and Remuneration Committee, and on the basis of observations on actual changes in the modulation factors adopted in light of the expectations concerning each of them.

The duties of the Nomination and Remuneration Committee shall include making recommendations and proposals on the Company's policy with respect to options to subscribe or purchase shares and bonus share awards.

In performing its duties, the Board shall examine inter alia the practices of comparable companies and the rules for calculating the variable component of remuneration consistent with performance evaluations.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

11. The Commitments Committee

11.1. Composition

The Commitments Committee shall be comprised of at least two Directors. Executive corporate officers may not sit on the Commitments Committee.

The Committee shall be chaired by one of its members, appointed by the Board of Directors.

11.2. Operating procedures

The Commitments Committee meets before every meeting of the Board of Directors at which matters falling within its remit are to be discussed. The Commitments Committee may also meet to discuss and submit recommendations to General Management on matters falling within its remit.

The agenda for Committee meetings shall be prepared under the responsibility of its chairman.

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and may invite them to its meetings. It may also interview Directors and Chief Operating Officers, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external specialists, in which case the Company must provide it with the corresponding financial resources.

11.3. Powers

The Commitments Committee is responsible for examining investments and, more generally, all current and future commitments that are material in terms of their amount, the level of associated risk or their coherence in view of the strategy approved by the Board of Directors, prior to authorisation by the Board. The Committee may also be asked to assess the advisability of strategic options, such as the penetration of new markets, withdrawal from a market or business sector, a divestment or a material disposal of assets.

When the Committee is asked to examine a project, it looks at the project's coherence in view of the strategy approved by the Board of Directors, its short- and medium-term profitability, potential risks if the project does (or does not) go ahead, sensitivity to said risks, the resulting commitments for the Group, financing terms and, more generally, any other facts it considers to be of relevance.

It makes observations, gives opinions and issues recommendations to the Board of Directors on all matters referred to it.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its

members were present or absent and record any dissenting opinions expressed by members.

12. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall be composed of at least three Directors. At least half of the members must be independent Directors.

The Committee shall be chaired by one of its members, appointed by the Board of Directors.

The agenda for Committee meetings shall be prepared under the responsibility of its chairman.

The Committee may interview the Chairman of the Board of Directors and the Chief Executive Officer, and may invite them to its meetings. It may also interview Directors and Chief Operating Officers, with or without the presence of the Chairman of the Board of Directors and the Chief Executive Officer. In all other cases, it must request authorisation from the Chief Executive Officer before interviewing any senior managers in the Group.

If it deems it necessary, the Committee may request the assistance of external specialists, in which case the Company must provide it with the corresponding financial resources.

The Committee shall meet to consider any matters referred to it by General Management and, in any event, before any meeting of the Board of Directors at which matters falling within its remit are to be discussed.

Its tasks are to:

- Review the Group's principal opportunities and risks in social and environmental matters in light of the issues specific to its strategy and businesses, and give its opinion to the Board on policies recommended in this field with respect to the sustainable development policy.
- Review the Company's sustainable development and social and environmental responsibility policies and commitments, if necessary, propose changes thereto prompted by the Group's growth, and assess results obtained vis-à-vis objectives set.
- Review non-financial information published by the Group, in particular on social and environmental matters.
- Monitor application of the rules of conduct defined by the Group.

The Committee shall report on the performance of its duties to the Board of Directors, in particular through briefings provided by its chairman and by providing Directors with the minutes of its meetings, which shall state whether its members were present or absent and record any dissenting opinions expressed by members.

13. Remuneration of Directors

All Directors may receive Directors' fees as remuneration for the performance of their duties, the total amount of which shall be determined by the General Meeting of the Company's shareholders. The Board of Directors shall have full discretion to decide the allocation of such Directors' fees, in light of the recommendations or proposals of the Nomination and Remuneration Committee.

Director's Charter

This Charter sets out the rights and obligations of Directors. Each Director and, if applicable, each permanent representative of a legal entity that is a Director, shall comply with this Charter.

1. Representation of shareholders

The Board of Directors collectively represents all the shareholders and acts in the Company's interests in all circumstances. All the Directors, regardless of the manner in which they were appointed, shall represent all the shareholders.

2. Knowledge of duties and obligations

Before accepting office, Directors must become familiar with the laws and regulations relevant to their position, the Company's Memorandum and Articles of Association, this Charter and the Board of Directors' Internal Regulations.

Directors may consult the Secretary of the Board of Directors at any time regarding the scope of such rules and the rights and obligations attached to their office.

3. Holding a minimum number of shares in the Company

Each Director must hold 400 shares in the Company, in registered form, throughout his/her term of office.

4. Information

Directors must ensure that they receive in a timely manner all information necessary to perform their duties. They must, at the appropriate times, apply to the Chairman of the Board of Directors and request the information they deem necessary to perform their duties and to speak on matters on the agenda of Board of Directors' meetings.

5. Regular attendance

Directors must devote the necessary time and attention to their office and, when they accept another office, must consider whether they will still be able to meet this duty. Save where physically impossible, they must attend all meetings of the Board of Directors and of any committees on which they sit, as well as the general meetings of shareholders.

6. Conflicts of interest

Directors must inform the Board of Directors of any conflict of interest situation or potential conflict of interest as of the time they become aware thereof, and, when a conflict of interest situation exists, must refrain from participating in the discussion and voting on the corresponding resolution. Any Director in a permanent conflict of interest must resign.

2 • CORPORATE GOVERNANCE

2.3. Composition of the Board of Directors and conditions for the preparation and organisation of its work

7. Number of offices held by the Directors

The Directors, including the Chairman of the Board of Directors, may hold no more than four other offices in listed companies outside the Group, including abroad.

The Chairman of the Board of Directors must inform the Board of Directors before accepting any office in any listed or unlisted non-Group company.

The Chairman of the Board of Directors must obtain the Board of Directors' consent before accepting any office in a listed non-Group company.

The Directors, including the Chairman of the Board of Directors, must keep the Board of Directors informed of all offices and significant positions they hold in listed or unlisted non-Group companies, including membership of specialised committees set up by boards of directors.

8. Duty of confidentiality and non-disclosure

Directors undertake not to speak in an individual capacity, other than during the Board's internal deliberations, on matters discussed at Board meetings.

With respect to non-public information of which they become aware in the performance of their duties, Directors should consider themselves bound by an obligation of professional secrecy that goes beyond the mere duty of discretion (*obligation de discrétion*) provided for by Article L. 225-37 paragraph 5, of the French Commercial Code (*Code de commerce*).

This duty of non-disclosure applies to all persons who are invited to attend Board meetings with respect to information of a confidential nature that is presented as such by the Chairman of the Board.

9. Stock market ethics

9.1. Inside information

Inside information is any information of a precise nature that has not been made public, relating directly or indirectly to one or more issuers of financial instruments, or to one or more financial instruments, and which, if made public, would be likely to have a significant effect on the prices of the relevant financial instruments or on the prices of related financial instruments.

Information is deemed to be of a precise nature if it indicates a set of circumstances or an event that exists or has occurred or may reasonably be expected to come into existence or occur and if it is specific enough to enable a conclusion to be drawn as to the possible effect of such circumstances or event on the prices of financial instruments or related financial instruments.

Information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments or related financial instruments is information that a reasonable investor would be likely to use as part of the basis of his investment decisions.

Information is deemed to be public if it has been communicated to all investors, in particular in the form of a press release issued by the Company.

9.2. Principles

Directors must only use inside information concerning the Group in the performance of their duties. Such information must never be communicated to third parties outside the scope of the performance of the Director's duties, or for any purpose or activity other than that for which the information is held.

Any Director who holds inside information concerning the Group is considered to be an 'insider' and must refrain from carrying out, directly or through an intermediary, on his/her own behalf or on behalf of a third party, transactions in the Company's securities, until such time as the information is made public. Such prohibited transactions include not only the buying and selling of financial instruments but also the amendment or cancellation of an order concerning a financial instrument to which the inside information relates.

Any Director who holds inside information concerning the Group must refrain from recommending and/or encouraging any other person to buy or sell the Company's securities, on his/her own behalf or on behalf of a third party, directly or indirectly, until such time as the information is made public.

Directors shall be personally responsible for determining whether information they hold is inside information and, in consequence thereof, deciding whether or not they are entitled to use or disclose such information and whether or not they are entitled to carry out any transaction in the Company's securities.

9.3. Blackout periods

In addition to the period prior to the publication of any inside information of which they are aware, during which, in accordance with the law, insiders must refrain from carrying out any transaction in the Company's securities, it is recommended that Directors refrain from carrying out any transaction in the Company's securities during the following periods:

- the periods beginning thirty calendar days before and ending two trading days after, firstly, the announcement of the Company's annual results and, secondly, the announcement of the Company's half-yearly results;
- the periods beginning fifteen calendar days before and ending two trading days after each publication of quarterly information.

9.4. The criminal offence and administrative breach of insider dealing

Each Director acknowledges that he/she has been informed of the laws and regulations that concern the prevention and punishment of the criminal offence and administrative breach of insider dealing (including in particular Articles 7 to 11 of EU Regulation no. 596/2014 of 16 April 2014 on market abuse and Article L. 465 1 *et seq.* of the French Monetary and Financial Code) and lay down the rules applying to the possession and use of inside information, as well as the resulting blackout obligations.

9.5. Obligation to disclose transactions in the Company's securities

In accordance with Articles L. 621-18-2 and R. 621-43-1 of the French Monetary and Financial Code, Articles 223-23 to 223-26 of the General Regulation of the Autorité des Marchés Financiers and Instruction no. 2016-06 of the Autorité des Marchés Financiers of 26 October 2016 on transactions in a company's securities by senior managers and the persons

referred to in Article L. 621-18-2 of the French Monetary and Financial Code, Directors and persons with close ties to them are required to disclose to the Autorité des Marchés Financiers, within three business days following the transaction date, all purchases, sales, subscriptions and exchanges of the Company's financial instruments, as well as transactions involving related instruments, if the total amount of such transactions exceeds €20,000 in any calendar year.

Directors and persons with close ties to them are required to disclose transactions to the Autorité des Marchés Financiers using its secure on-line platform (ONDE). They must create an access account if they do not already have one.

If disclosure is made to the Autorité des Marchés Financiers, the person disclosing a transaction must provide the Secretary of the Company's Board of Directors with a copy of the disclosed information. By virtue of a written document, which may be an e-mail, Directors may authorise the Secretary of the Board of Directors to make any necessary disclosures on their behalf. For that purpose, the Director must provide the Secretary of the Board of Directors with details of the transactions to be disclosed as and when they are executed. The Secretary of the Board of Directors will use his own access account to log onto the ONDE platform and disclose the transactions.

The Autorité des Marchés Financiers displays disclosed transactions on its website, and a yearly summary is included in the management report submitted to the Company's Registration Document.

2.3.4. SPECIFIC PROCEDURES RELATING TO TAKING PART IN GENERAL MEETINGS OF SHAREHOLDERS

The procedures for taking part in General Meetings of shareholders are specified in Article 32 of the Company's Memorandum and Articles of Association, which was amended by the shareholders at the General Meeting of 27 May 2014 in order to:

- ensure that the drafting of this article complies with applicable laws and regulations regarding proof of shareholder status at General Meetings;

- authorise the Board of Directors to give shareholders the opportunity to vote electronically prior to General Meetings, if it deems fit; the Board of Directors first granted the Company shareholders this right at the General Meeting of 28 May 2015.

The Company's Memorandum and Articles of Association are available on its website www.albioma.com and the principal provisions (including those of Article 32) are described in section 6.1.2 on page 250 *et seq.* of this Registration Document.

2.4. Remuneration of corporate officers

For the purposes of the following section, the term corporate officers means the Chief Executive Officer, the Chief Operating Officers, if any, and the Chairman of the Board of Directors. The term executive corporate officers means the Chief Executive Officer and the Chief Operating Officers, if any; the Chairman of the Board of Directors is a non-executive corporate officer. All the other Directors are also non-executive corporate officers.

2.4.1. CORPORATE OFFICER REMUNERATION POLICY

2.4.1.1. Corporate officers

General remarks

Only the Board of Directors has the authority to determine, based on the recommendations of the Nomination and Remuneration Committee, the remuneration and all benefits awarded to the corporate officers.

The remuneration and all benefits received by the corporate officers are determined on the basis of the following principles:

- competitiveness and loyalty;
- fairness and performance;
- comprehensiveness and global assessment;
- balance between the various components of the remuneration;
- use of comparative data reflecting both market standards and practices in comparable companies;
- consistency, transparency, stability and clarity of rules applied;
- consistency with the Company's strategy and context, compliance with the interests of the Company;
- consideration of the importance of responsibilities actually assumed.

Fixed and variable annual remuneration

The corporate officers' annual remuneration is comprised of a fixed remuneration and, for the executive corporate officers only, a variable component based on the achievement of demanding quantitative and qualitative financial and non-financial objectives, determined at the start of the year in line with the strategy approved by the Board of Directors. Non-executive corporate officers do not receive any variable remuneration.

The fixed remuneration payable to corporate officers and the methods used to determine the variable remuneration payable to executive corporate officers (in particular the financial and non-financial quantitative and qualitative objectives they will be required to achieve) are determined by

the Board of Directors on the basis of recommendations by the Nomination and Remuneration Committee, developed on the basis of an analysis of a panel of comparable companies and the performance of the senior executives.

The fixed remuneration received by corporate officers is reviewed every two or three years.

Directors' fees

Only independent directors receive directors' fees. This means that the Chief Executive Officer and, on the date of filing of this Registration Document, the Chairman of the Board of Directors, do not receive directors' fees.

Exceptional remuneration

The Company's remuneration policy does not provide for the payment of exceptional remuneration to corporate officers.

Variable multi-year remuneration

The Company's remuneration policy does not provide for the payment of variable multi-year remuneration to corporate officers.

Bonus performance share plans and options to subscribe or purchase shares

The Company's remuneration policy does not provide for any future long-term incentive programmes of any type whatsoever for the non-executive corporate officers.

The long-term incentive programme for executive corporate officers takes the form of the award of bonus performance shares or options to subscribe or purchase shares, depending inter alia on the tax and employment rules that apply at the time they are awarded. The aim of this long-term incentive programme is to ensure that the interests of the executive corporate officers remain in line with those of the shareholders. Effective acquisition of the performance shares awarded, or exercise of options to subscribe or purchase shares, as the case may be, is subject to exacting performance conditions, combining internal criteria and external criteria which, as far as is possible, are measured while taking into consideration the performance of the Company and its Group compared to its market environment. The existing plans cover performance over at least three years.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors determines the bonus performance shares and options to subscribe or purchase shares to be awarded to the executive corporate officers, ensuring, in particular, that these awards, valued in accordance with IFRS 2 standards, do not represent a disproportionate portion of the officers' total remuneration and that the portion of the awards reserved for executive

corporate officers within a plan is in accordance with market practices.

If a corporate officer stands down or is removed from office before the end of the vesting period for the performance shares or the options, the award will be cancelled, other than in those cases when the special rules relating to death or disability apply.

Welcome packages

The Company's remuneration policy does not provide for the payment of a welcome package to corporate officers.

Remuneration and commitments on departure

Executive corporate officers may benefit from certain commitments when they cease to hold office, such as severance pay and/or compensation paid under a covenant not to compete. The terms, conditions and amounts comply with the recommendations set out in the AFEP-MEDEF Corporate Governance Code.

Remuneration under agreements concluded with the Company or its Group

The Company's remuneration policy does not provide for the payment of remuneration to corporate officers under any agreement concluded with the Company or its Group.

If a corporate officer held a contract of employment prior to his or her appointment, the contract is terminated or, if justified by special circumstances, suspended.

Benefits in kind, welfare and retirement benefits

The benefits in kind received by corporate officers are limited to use of a company car and the payment by the Company of the contributions in respect of the insurance cover for company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise - GSC*). This includes the reintegration of contributions to insurance welfare plans available within the Group with which they are registered (covering healthcare, incapacity, disability and death).

If their personal circumstances permit this, corporate officers are registered with the insurance welfare plan (covering healthcare, incapacity, disability and death) and the mandatory defined contribution supplementary pension plan, like all the Company's employees.

Other remuneration

The Company's remuneration policy does not provide for the payment of any other type of remuneration to corporate officers. More specifically, they do not receive any remuneration in any form whatsoever from the Company's subsidiaries or any companies that control it.

2.4.1.2. Non-executive corporate officers

Non-executive corporate officers receive remuneration in the form of directors' fees only. The maximum amount to be allocated between the Directors as directors' fees is set by the General Meeting, and the actual apportionment of the fees between Directors is decided by the Board of Directors alone, in view of recommendations by the Nomination and Remuneration Committee. Amounts allocated may reflect specific tasks assigned to certain Directors, in which case the Directors may not all receive the same amount. Only independent Directors receive directors' fees. A majority of the fees constitutes variable remuneration, paid to award actual attendance of Board meetings.

2.4.2. REMUNERATION RECEIVED BY CORPORATE OFFICERS FOR THE 2017 FINANCIAL YEAR

Information concerning the remuneration received by corporate officers is presented in accordance with the provisions of the AFEP-MEDEF Code, the AMF recommendation no. 2012-02 of 9 February 2012 on corporate government and remuneration of officers in companies that refer to the AFEP-MEDEF Code, most recently amended on 22 December 2015, and AMF position/recommendation no. 2009-16 of 10 December 2009 on the preparation of reference documents, most recently amended on 13 April 2015.

The information referred to in Articles L. 225-184 and L. 25-197-4 of the French Commercial Code relating to, respectively, stock options awarded during the financial year to the Company's employees and stock options exercised by said employees, and to bonus performance shares awarded during the financial year to the Company's employees and shares effectively acquired by said employees, is presented in sections 6.4.2 and 6.7.4.3 on page 272 *et seq.* of this Registration Document.

It should be noted that no remuneration was due to the Company's corporate officers by companies controlled by Albioma in respect of the 2016 and 2017 financial years, nor was any paid to these corporate officers by these companies during said financial years.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

2.4.2.1. General remarks

In 2017, the Nomination and Remuneration Committee used a comparative analysis of a panel of 18 companies operating in the same industry sector and included in the SBF 120 or CAC Small 90 indexes which have similar features to Albioma in terms of revenue (the median revenue for the panel is €490 million) and, in the case of 13 of them, a corporate governance system based on the separation of functions (*sociétés anonymes* with a Board of Directors that have separated the functions of Chairman of the Board of Directors and Chief Executive Officer, and *sociétés anonymes* with a Management Board and a Supervisory Committee)¹².

On the basis of this comparative analysis and recommendations by the Nomination and Remuneration Committee, the Board of Directors decided to make a number of modifications to the existing terms of remuneration for corporate officers, to apply from the 2017 financial year.

- Firstly, as the Board of Directors had fully validated the quality of the work carried out by Frédéric Moyne as Chief Executive Officer when it reviewed his performance over the 2016 financial year, it decided that the variable component of his remuneration should increase in importance. Accordingly, the Board of Directors decided to increase the maximum amount of Frédéric Moyne's variable remuneration to 100% of his fixed remuneration, up from 75% previously. This increase in the theoretical maximum amount of variable remuneration payable to Frédéric Moyne from the 2017 financial year was introduced alongside a corresponding decrease of 23.67% of the fixed remuneration paid to Jacques Pétry in his capacity as Chairman of the Board of Directors, with effect from the same financial year. This modification of the remuneration received by the Chairman of the Board of Directors was proposed to the Board of Directors by Jacques Pétry himself, and is fully justifiable in view of Frédéric Moyne's resounding success in his new position, which removes the need for such a high level of involvement by the Chairman of the Board of Directors in the handover of the functions of Chief Executive Officer.
- Secondly, the Board of Directors wishes to modify the Chief Executive Officer's terms of variable remuneration in several respects, and in particular to simplify the applicable calculation rules, to reduce the weight of the qualitative criteria in the variable remuneration to improve transparency, and to add quantifiable criteria relating to the Group's sustainable development policy to the objectives to be achieved by the Chief Executive Officer in order to receive payment of his variable remuneration.
- Lastly, the Board of Directors decided to modify the method of calculation of the quantitative component of the Chief Executive Officer's variable remuneration associated with financial indicators, to bring the percentage of the quantitative component of the variable remuneration associated with these indicators closer into line with actual performance.

¹². Composition of the panel: Actia Group, Bénéteau, Boiron, Exel Industries, Faiveley, Gaztransport et Technigaz, Groupe Gorgé, Guerbet, Manutan International, Mersen, PCAS, PSB Industries, Saft Groupe, Soitec, Somfy, Thermador Group, Trigano and Virbac.

2.4.2.2. Summary of remuneration received by each corporate officer

Summary of Jacques Pétry's remuneration as Chairman and Chief Executive Officer (until 31 May 2016) and then as Chairman of the Board of Directors (from 1 June 2016)

<i>In thousands of euros¹</i>	2017	2016
JACQUES PÉTRY		
Chairman and Chief Executive Officer and then Chairman of the Board of Directors²		
Remuneration for the financial year ³	237.77	549.09
Value of multi-year variable remuneration awarded during the financial year ⁴	-	-
Value of stock options awarded during the financial year ⁵	-	-
Value of bonus performance shares awarded during the financial year ⁶	-	644.25
Total	237.77	1,193.35

1. Remuneration components are presented on a gross, pre-tax basis.

2. Jacques Pétry served as Chairman and Chief Executive Officer until 31 May 2016, and then as Chairman of the Board of Directors from 1 June 2016.

3. The total amount of the annual fixed and variable remuneration due in respect of the performance of the duties of Chairman and Chief Executive Officer (until 31 May 2016) and then of Chairman of the Board of Directors (from 1 June 2016) between 1 January and 31 December of the financial year concerned. See additional information in section 2.4.2.3 on page 124 et seq. of this Registration Document.

4. No variable multi-annual remuneration was due in respect of the 2016 and 2017 financial years.

5. Value, on their award date, of the options to subscribe or purchase shares awarded during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.2.6 on page 129 of this Registration Document.

6. Value, on their award date, of the bonus performance shares awarded during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.2.7 on page 130 of this Registration Document.

Summary of Frédéric Moyne's remuneration as Chief Executive Officer (from 1 June 2016)

<i>In thousands of euros¹</i>	2017	2016
FRÉDÉRIC MOYNE		
Chief Executive Officer²		
Remuneration for the financial year ³	551.13	295.51
Value of multi-year variable remuneration awarded during the financial year ⁴	-	-
Value of stock options awarded during the financial year ⁵	-	-
Value of bonus performance shares awarded during the financial year ⁶	-	644.25
Total⁷	551.13	939.77

1. Remuneration components are presented on a gross, pre-tax basis.

2. Frédéric Moyne served as Chief Executive Officer from 1 June 2016.

3. The total amount of the annual fixed and variable remuneration due in respect of the performance of the duties of Chief Executive Officer (from 1 June 2016) between 1 January and 31 December of the financial year concerned. See additional information in section 2.4.2.4 on page 126 et seq. of this Registration Document.

4. No variable multi-annual remuneration was due in respect of the 2016 and 2017 financial years.

5. Value, on their award date, of the options to subscribe or purchase shares awarded during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.2.6 on page 129 of this Registration Document.

6. Value, on their award date, of the bonus performance shares awarded during the financial year, as calculated based on the IFRS 2 financial reporting standard. See additional information in section 2.4.2.7 on page 130 of this Registration Document.

7. During the period from 1 June to 31 December 2016, Frédéric Moyne received gross compensation in lieu of paid leave under his contract of employment, which was suspended from 1 June 2016 to 31 May 2017 and then terminated, of €68,900. Frédéric Moyne's gross variable remuneration for the period from 1 January to 31 December 2017 under his contract of employment, which was suspended from 1 June 2016 to 31 May 2017 and then terminated, was €69,900, essentially corresponding to the payment of his variable remuneration under his contract of employment for 2016 and payment of the corresponding expatriation allowance.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

2.4.2.3. Summary of Jacques Pétry's remuneration as Chairman and Chief Executive Officer (until 31 May 2016) and then as Chairman of the Board of Directors (from 1 June 2016)

<i>In thousands of euros</i> ¹	2017		2016	
	Amounts due ²	Amounts paid ³	Amounts due ²	Amounts paid ³
JACQUES PÉTRY				
Chairman and Chief Executive Officer⁴				
Fixed remuneration ⁵	-	-	179.17	179.17
Annual variable remuneration ⁶	-	173.08	173.08	211.46
Multi-annual variable remuneration ⁷	-	-	-	-
Exceptional remuneration ⁸	-	-	-	-
Directors' fees ⁹	-	-	-	-
Benefits in kind ¹⁰	-	-	16.56	16.56
Total remuneration as Chairman & Chief Executive Officer	-	173.08	368.80	407.18
JACQUES PÉTRY				
Chairman and Chief Executive Officer⁴				
Fixed remuneration ⁵	229.00	229.00	175.00	175.00
Annual variable remuneration ⁶	-	-	-	-
Multi-annual variable remuneration ⁷	-	-	-	-
Exceptional remuneration ⁸	-	-	-	-
Directors' fees ⁹	-	-	-	-
Benefits in kind ¹⁰	8.77	8.77	5.30	5.30
Total remuneration as Chairman & Chief Executive Officer	237.77	237.77	180.30	180.30
Total	237.77	410.84	549.09	587.47

1. Remuneration components are presented on a gross, pre-tax basis.

2. Remuneration components due in respect of the performance of the duties of Chairman and Chief Executive Officer (until 31 May 2016) and then of Chairman of the Board of Directors (from 1 June 2016) between 1 January and 31 December of the financial year concerned.

3. Remuneration effectively paid between 1 January and 31 December of the financial year concerned. The fixed remuneration due in respect of a financial year is paid in 12 equal instalments during said year. The variable remuneration due in respect of a financial year is paid during the following financial year.

4. Jacques Pétry served as Chairman and Chief Executive Officer until 31 May 2016, and then as Chairman of the Board of Directors from 1 June 2016.

5. Additional information is provided in the rest of this section of this Registration Document.

6. Additional information is provided in the rest of this section of this Registration Document.

7. No variable multi-annual remuneration was due in respect of the 2016 and 2017 financial years.

8. No exceptional remuneration was due in respect of the 2016 and 2017 financial years, nor was any paid during these financial years.

9. See additional information in section 2.4.2.5 on page 128 et seq. of this Registration Document.

10. Additional information is provided in the rest of this section of this Registration Document.

The principles and rules applied for the 2017 financial year by the Board of Directors to determine the remuneration and benefits of any kind received by the Chairman of the Board of Directors are described in section 2.4.1 on page 120 *et seq.* of this Registration Document.

Jacques Pétry is not employed under a contract of employment by the Company or any of its subsidiaries.

Fixed remuneration

In 2017, Jacques Pétry received all-inclusive gross annual fixed remuneration of €229,000, payable in 12 instalments, in his capacity as Chairman of the Board of Directors. The amount of this remuneration (23.67% less than in 2016) was determined by the Board of Directors for the 2017 financial year at its meeting of 28 February 2017.

Variable remuneration

None¹³.

Benefits in kind, welfare and retirement benefits

The benefits in kind to which Jacques Pétry was entitled in 2017 for his work as Chairman of the Board of Directors corresponded to:

- the value of the provision of a company car;
- the payment by the Company of the contributions to the welfare plan (covering healthcare and death).
- the reintegration of contributions to the welfare plan over and above the maximum amounts set in the applicable laws and regulations.

In accordance with the applicable legislation and regulations, Jacques Pétry, who has claimed his rights to pensions benefits under the general old-age pension scheme, remains a member of the AGIRC-ARRCO mandatory collective supplementary pension plan open to all Company employees categorised as executive staff, although the contributions paid in this regard cannot entitle him to additional benefits.

¹³ . The variable remuneration received by Jacques Pétry in 2017 corresponds to his time in office as Chairman and Chief Executive Officer between 1 January and 31 May 2016.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

2.4.2.4. Summary of Frédéric Moyne's remuneration as Chief Executive Officer (from 1 June 2016)

In thousands of euros ¹	2017		2016	
	Amounts due ²	Amounts paid ³	Amounts due ²	Amounts paid ³
FRÉDÉRIC MOYNE				
Chief Executive Officer⁴				
Fixed remuneration ⁵	285.00	285.00	166.25	166.25
Annual variable remuneration ⁶	239.97	120.45	120.45	-
Multi-annual variable remuneration ⁷	-	-	-	-
Exceptional remuneration ⁸	-	-	-	-
Directors' fees ⁹	-	-	-	-
Benefits in kind ¹⁰	26.16	8.81	8.81	8.81
Total¹¹	551.13	414.26	295.51	175.06

1. Remuneration components are presented on a gross, pre-tax basis.

2. Remuneration components due in respect of the performance of the duties of Chief Executive Officer (from 1 June 2016) between 1 January and 31 December of the financial year concerned.

3. Remuneration effectively paid between 1 January and 31 December of the financial year concerned. The fixed remuneration due in respect of a financial year is paid in 12 equal instalments during said year. The variable remuneration due in respect of a financial year is paid during the following financial year.

4. Frédéric Moyne served as Chief Executive Officer from 1 June 2016.

5. Additional information is provided in the rest of this section of this Registration Document.

6. Additional information is provided in the rest of this section of this Registration Document.

7. No variable multi-annual remuneration was due in respect of the 2016 and 2017 financial years.

8. No exceptional remuneration was due in respect of the 2016 and 2017 financial years, nor was any paid during these financial years.

9. See additional information in section 2.4.2.5 on page 128 et seq. of this Registration Document.

10. Additional information is provided in the rest of this section of this Registration Document.

11. During the period from 1 June to 31 December 2016, Frédéric Moyne received gross compensation in lieu of paid leave under his contract of employment, which was suspended from 1 June 2016 to 31 May 2017 and then terminated, of €68,900. Frédéric Moyne's gross variable remuneration for the period from 1 January to 31 December 2017 under his contract of employment, which was suspended from 1 June 2016 to 31 May 2017 and then terminated, was €69,900, essentially corresponding to the payment of his variable remuneration under his contract of employment for 2016 and payment of the corresponding expatriation allowance.

The principles and rules applied for the 2017 financial year by the Board of Directors to determine the remuneration and benefits of any kind received by the Chief Executive Officer are described in section 2.4.1 on page 120 et seq. of this Registration Document.

Frédéric Moyne had a contract of employment with the Company until 1 June 2017. The effects of this contract of employment were suspended by the Board of Directors at the time he was appointed Chief Executive Officer, for a limited one-year period, at the end of which period the contract of employment was terminated as Frédéric Moyne had informed the Company of his decision to resign from his salaried position with effect from 1 June 2017 subject to the condition precedent that he still held office as Chief Executive Officer on that date (see additional information in section 2.4.2.8 on page 131 et seq. of this Registration Document).

Fixed remuneration

Frédéric Moyne received all-inclusive gross annual fixed remuneration of €285,000, payable in 12 instalments, in his capacity as Chief Executive Officer. The amount of his fixed remuneration was determined by the Board of Directors for the 2016 financial year at its meeting of 1 March 2016. It was not amended in the 2017 financial year.

Variable remuneration

In addition to the fixed remuneration payable to Frédéric Moyne in his capacity as Chief Executive Officer in respect of the 2017 financial year, he also received variable remuneration capped at 100% of his fixed remuneration, i.e., €285,000, based on the degree to which Frédéric Moyne achieved the non-financial quantitative and qualitative objectives set for him by the Board of Directors for the 2017 financial year.

At its meeting on 5 March 2018, the Board of Directors, deciding on the basis of the recommendations of the Nomination and Remuneration Committee, conducted an assessment of Frédéric Moynes overall performance in view of the qualitative objectives set for him in respect of the 2017 financial year. In accordance with the principles adopted by the

Board of Directors at its meeting of 28 February 2017, the variable component of Frédéric Moynes remuneration for the 2017 financial year was set at €239,970, i.e., 84% of the fixed component of his remuneration for the same period. It was calculated as shown below:

	Weighting (% of target amount)	Target amount (in euros)	Interpolation points (% of target amount and in millions of euros)				Performance (in millions of euros)	Bonus	
			0%	50%	100%	110%		% of target amount	In euros
FINANCIAL INDICATORS¹									
2017 consolidated EBITDA	22%	62,700	< 130	130	134	138	138.3	110%	68,970
2017 consolidated net income, group share	22%	62,700	< 30	30	32	35	37.4	110%	68,970
2017 consolidated free cash-flow from operating activities	22%	62,700	< 103	103	107	111	108.1	103%	64,424
Sub-total financial indicators before capping	66%	188,100	-					108%	202,364
Sub-total financial indicators after capping	66%	188,100	-					100%	188,100
QUANTITATIVE NON-FINANCIAL INDICATORS²									
Fall (%) in number of accidents in the workplace in 2017 compared to 2016 ³	4%	11,400	≤ 0%	(10%) ≥	(20%)	n/a	20%	0%	-
Fall (%) in severity of accidents in the workplace in 2017 compared to 2016 ⁴	4%	11,400	≥ 0,6	0,55 ≤	0,50	n/a	0,90	0%	-
Total quantitative non-financial indicators	8%	22,800						0%	-
QUALITATIVE NON-FINANCIAL INDICATORS									
See note ⁵	26%	74,100						70%	51,870
Total qualitative non-financial indicators	26%	74,100						70%	51,870
Total	100%	285,000						84%	239,970

- The variable remuneration payable in respect of the financial indicators was capped at 66% of the fixed remuneration, irrespective of the levels of performance achieved in respect of each of the financial indicators. An under-performing indicator could be offset against an over-performing indicator.
- In connection with the roll-out of the 2017-2020 safety master plan, progress in 2017, based on the achievement of the medium-term objectives published by the Group by no later than 2020 (frequency of accidents in the workplace below 8 and severity of accidents in the workplace below 0.5).
- Number of accidents in the workplace affecting Group staff per million hours worked (all businesses and all geographic areas).
- Number of days' sick leave (lost-time >24 h) due to accidents in the workplace affecting Group staff per thousand hours worked (all businesses and all geographic areas).
- The qualitative non-financial objectives to be achieved by Frédéric Moynes in 2017 related to human resources and skills management (1 objective), sustainable development and energy transition (4 objectives), international development (1 objective), development of new services (2 objectives) and development of the Solar business and energy storage (1 objective). On the basis of the Board of Directors' assessment of Frédéric Moynes performance in view of these objectives, and as recommended by the Nomination and Remuneration Committee, the Board determined that he achieved 70% of the qualitative non-financial objectives set for him for the 2017 financial year. During its assessment, the Board found, in particular, that the objective concerning the industrial commissioning of the Galion 2 plant had not been achieved, and that the objectives concerning sustainable development and energy transition had been only partially achieved. The 70% achievement rate of qualitative non-financial objectives corresponds to the average of the achievement rates determined by the Board of Directors for each of the nine objectives set for the Chief Executive Officer.

Benefits in kind, welfare and retirement benefits

The benefits in kind to which Frédéric Moynes was entitled in his capacity as Chief Executive Officer for the 2017 financial year corresponded to:

- the value of the provision of a company car;
- the payment by the Company of the contributions in respect of the insurance cover for loss of employment for company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise - GSC*); and
- the reintegration of contributions to the welfare plan over and above the maximum amounts set in the applicable laws and regulations.

Frédéric Moynes remained a member of the insurance welfare plan (covering healthcare, incapacity, disability and death) and the AGIRC-ARRCO mandatory collective supplementary pension plan open to all the Company's employees categorised as executive staff. His membership of the mandatory collective supplementary defined contribution pension plan open to all Company employees was maintained.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

2.4.2.5. Directors' fees and other remuneration received by non-executive corporate officers

<i>In thousands of euros¹</i>	2017		2016	
	Amounts due ²	Amounts paid ³	Amounts due ²	Amounts paid ³
JEAN-CARLOS ANGULO	27.50	25.95	25.95	26.47
Directors' fees	27.50	25.95	25.95	26.47
Other remuneration	-	-	-	-
MICHEL BLEITRACH	55.00	53.45	53.45	55.00
Directors' fees	55.00	53.45	53.45	55.00
Other remuneration	-	-	-	-
FRÉDÉRIC MOYNE	-	-	-	-
Directors' fees	-	-	-	-
Other remuneration	-	-	-	-
BPIFRANCE INVESTISSEMENT	-	-	-	-
Directors' fees	-	-	-	-
Other remuneration	-	-	-	-
MARIE-CLAIRE DAVEU	27.50	25.95	25.95	14.40
Directors' fees	27.50	25.95	25.95	14.40
Other remuneration	-	-	-	-
FINANCIÈRE HÉLIOS	-	-	-	-
Directors' fees	-	-	-	-
Other remuneration	-	-	-	-
VALÉRIE LANDON⁴	27.50	19.44	19.44	-
Directors' fees	27.50	19.44	19.44	-
Other remuneration	-	-	-	-
MYRIAM MAESTRONI	-	-	-	6.20
Directors' fees ⁵	-	-	-	6.20
Other remuneration	-	-	-	-
MICHÈLE REMILLIEUX	17.66	27.50	27.50	24.40
Directors' fees ⁶	17.66	27.50	27.50	24.40
Other remuneration	-	-	-	-
ULRIKE STEINHORST	7.29	-	-	-
Directors' fees ⁷	7.29	-	-	-
Other remuneration	-	-	-	-
DANIEL VALOT⁸	-	8.06	8.06	26.47
Directors' fees	-	8.06	8.06	26.47
Other remuneration	-	-	-	-
Sub-total directors' fees	162.45	160.35	160.35	152.93
Sub-total other remuneration	-	-	-	-
Total	162.45	160.35	160.35	152.93

1. Directors' fees are presented on a gross, pre-tax basis.

2. Directors' fees due in respect of the performance of the duties of Director from 1 January to 31 December of the financial year concerned.

3. Directors' fees actually paid between 1 January and 31 December of the financial year. Unless a Director leaves office mid-year, the directors' fees owed for a given financial year are paid during the next financial year.

4. Valérie Landon held office as a Director in 2016 only as from her provisional appointment by the Board of Directors on 13 April 2016.

5. The fixed portion of Myriam Maestroni's directors' fees were paid to her immediately when her term of office expired. The directors' fees paid for the 2015 financial year accordingly include the amount of directors' fees owed to Myriam Maestroni for the 2014 financial year (€27,500) and the fixed portion of the directors' fees owed to her for the 2015 financial year (€4,870). The directors' fees paid for the 2016 financial year correspond to the variable portion of the directors' fees owed to Myriam Maestroni for the 2015 financial year.

6. Michèle Remillieux held office as a Director in 2017 only until 19 September 2017, on which date she resigned.

7. Ulrike Steinhorst held office as a Director in 2017 only as from her provisional appointment by the Board of Directors on 19 September 2017.

8. Daniel Valot held office as a Director in 2016 only until 13 April 2016, on which date he resigned.

Further information on the directors' fees paid to the non-executive corporate officers

The total amount of the directors' fees to be allocated between the Directors was most recently set by the shareholders at the General Meeting of 24 May 2016 at €192,500 for the 2016 financial year and all subsequent years, compared to €165,000 for the 2015 financial year. The shareholders accordingly approved the proposal by the Board of Directors to increase the total amount to be allocated between the Directors as directors' fees, to permit the remuneration of a sixth independent Director, which is consistent with the work carried out by the Board of Directors to change its composition, which is likely to result in a lasting increase in the number of independent Directors, who are the only Directors who receive directors' fees. This proposal, which was approved by the General Meeting by a large majority, did not require any changes to the individual terms of remuneration of the independent Directors currently in office.

The Board of Directors decided that the procedures for apportioning the directors' fees between the Directors, as most recently modified by the Board of Directors at its meeting of 4 March 2014, would continue to apply for 2017:

- as was previously the case, only the independent Directors receive directors' fees;
- independent Directors are entitled to a fixed lump-sum directors' fee, calculated on a prorata basis if their appointment relates to part of a financial year only, of:
 - €12,000 per financial year for independent Directors other than the Deputy Chairman of the Board of Directors. These fixed fees are only payable if they are members of at least one of the Board of Directors' specialised Committees;
 - €39,500 per financial year for the Deputy Chairman of the Board of Directors, who is also Lead Director, Chairman of the Audit, Accounts and Risks Committee, member of the Commitments Committee and a member of the Nomination and Remuneration Committee;
- independent Directors are entitled to variable directors' fees up to a maximum of €15,500 per financial year, adjusted on the basis of the number of meetings of the Board of Directors attended during the financial year compared to the total number of Board meetings held during the said financial year.

2.4.2.6. Options to subscribe or purchase shares

The information that follows, together with the information in section 6.4.2 on page 272 *et seq.* of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-184 of the Commercial Code.

Further information on the share subscription and share purchase option plans for corporate officers

No stock option plans were in effect as at 31 December 2017. The stock option plan adopted by the General Meeting of 18 May 2010 concerning a maximum of 200,000 available stock options (on the basis of one share for each option exercised, i.e. 0.65% of the capital as at 31 December 2017), expired on 28 August 2017 without any options having been exercised. The features of the stock option plan are described in section 6.4.2 on page 272 of this Registration Document.

Options to subscribe or purchase shares awarded during the 2017 financial year to each corporate officer by the Company or by any Group company

Not applicable.

Options to subscribe or purchase shares exercised during the 2017 financial year by each corporate officer

None.

History of options to subscribe or purchase shares awarded

See additional information in section 6.4.2.1 on page 272 of this Registration Document.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

2.4.2.7. Bonus performance share awards

The information that follows, together with the information in section 6.4.3 on page 273 *et seq.* of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-4 of the Commercial Code.

The table below shows only data relating to the bonus performance share plans still in effect as at 31 December 2017 or that expired during the 2017 financial year, and that are/were open to corporate officers, i.e.:

- the plan set up as a result of the resolutions adopted by the General Meeting of 27 May 2014, for members of the Group's Executive Committee only, for a total of 440,000 shares, corresponding to 1.46% of the capital as at 31 December 2016, out of the 830,000 shares that could be awarded under the authorisation granted by the General Meeting, corresponding to 2.71% of the capital as at 31 December 2017¹⁴;
- the plan set up as a result of the resolutions adopted by the General Meeting of 24 May 2016 for managers and administrative staff of the Company and certain subsidiaries ("2016 managers and administrative staff" plan), for 494,808 shares awarded, corresponding to 1.62% of the capital as at 31 December 2017, out of the 596,000 shares that could be awarded under the authorisation granted by the General Meeting, corresponding to 1.95% of the capital as at 31 December 2017¹⁵.

The main terms and conditions of each of the bonus performance share plans existing as at 31 December 2017 are described in section 6.4.3 on page 273 *et seq.* of this Registration Document. The following provisions apply in particular to the awards made to the corporate officers:

- the number of bonus performance shares that may be awarded to the corporate officers was limited to 166,000, i.e., 20% of the total number of bonus performance shares that could be awarded under the plan set up as a result of the resolutions adopted at the General Meeting of 27 May 2014; and 119,200, i.e., 20% of the total number of bonus performance shares that could be awarded under the plan set up as a result of the resolutions adopted at the General Meeting of 24 May 2016;

- effective acquisition of the bonus performance shares awarded to the corporate officers is not subject to an obligation to acquire a pre-determined number of the Company's shares in the market (see additional information in section 6.4.3 on page 273 *et seq.* of this Registration Document);
- the corporate officers are required, in the event of the effective acquisition of bonus performance shares, to comply with an obligation to retain in registered form 25% of the number of shares effectively acquired until the expiry of their terms of office; this obligation applies, if applicable, in addition to the general obligation to keep all effectively acquired performance shares for a set period.

Bonus performance shares awarded during the 2017 financial year to each corporate officer

None.

Bonus performance shares vesting during the 2017 financial year for each corporate officer

None.

History of bonus performance shares awarded

See additional information in section 6.4.3.1 on page 273 *et seq.* of this Registration Document.

¹⁴ . See additional information in section 6.4.3.1 on page 275 of this Registration Document on the bonus performance share plan for Group employees excluding members of the Executive Committee, set up under the same authorisation granted by the General Meeting.

¹⁵ . See additional information in section 6.4.3.1 on page 276 *et seq.* of this Registration Document on the bonus performance share plans for other Group employees, set up under the same authorisation granted by the General Meeting.

2.4.2.8. Contracts of employment, supplementary pension plans and remuneration payable on departure

	Employment contract		Supplementary retirement plan		Compensation or benefits owed or likely to be owed due to expiry, termination or change of position/office		Compensation under a covenant not to compete	
	Yes	No	Yes	No	Yes	No	Yes	No
JACQUES PÉTRY								
Chairman of the Board of Directors ¹		x		x ²		x ³		x ⁴
FRÉDÉRIC MOYNE								
Chief Executive Officer ⁵		x ⁶		x ⁷		x ⁸		x ⁹

1. Jacques Pétry was appointed Chairman of the Board of Directors on 1 March 2016, with effect from 1 June 2016, for a four-year term of office to expire at the close of the General Meeting to be held in 2020 with a view to approving the financial statements for the 2019 financial year.

2. Jacques Pétry does not have a specific supplementary pension plan that constitutes commitments of the type governed by Article L. 225-42-1, paragraph 6 of the French Commercial Code.

3. Since 1 June 2016, in accordance with the decisions adopted by the Board of Directors at its meeting of 1 March 2016, Jacques Pétry will not receive severance pay in the event he is removed from office as Chairman of the Board of Directors or his appointment is not renewed.

4. Since 1 June 2016, in accordance with the decisions adopted by the Board of Directors at its meeting of 1 March 2016, Jacques Pétry will no longer be bound by a covenant not to compete when he ceases to hold office as Chairman of the Board of Directors.

5. Frédéric Moyne was appointed Chief Executive Officer on 1 March 2016, with effect from 1 June 2016, for a four-year term of office to expire at the close of the General Meeting to be held in 2020 with a view to approving the financial statements for the 2019 financial year.

6. At its meeting of 1 March 2016, the Board of Directors had decided to maintain Frédéric Moyne's contract of employment for a limited period of one year from the effective date of his appointment as Chief Executive Officer, and recorded its automatic suspension. See the additional information below.

7. Frédéric Moyne does not have a specific supplementary pension plan that constitutes commitments of the type governed by Article L. 225-42-1, paragraph 6 of the French Commercial Code.

8. Since 1 June 2016, Frédéric Moyne is entitled to severance pay from 1 June 2017 in the event he is removed from office as Chief Executive Officer or his appointment is not renewed, the terms and conditions of which are described in this section of the Registration Document.

9. Since 1 June 2016, Frédéric Moyne is bound by a covenant not to compete in the event he is removed from office as Chief Executive Officer or his appointment is not renewed, the terms and conditions of which are described in this section of the Registration Document.

Additional information on the effective termination of Frédéric Moyne's contract of employment in 2017

At its meeting of 1 March 2016, the Board of Directors reviewed the position of Frédéric Moyne with regard to his employment contract with the Company. In this regard, the Board of Directors noted that:

- by 1 June 2016, Frédéric Moyne would have completed more than 17 years' service within the Group;
- under the loss of employment insurance taken out on his behalf as from 1 June 2016, he would only become entitled to compensation of any form as from 1 June 2017 in the event he is removed from office or his appointment is not renewed;
- the contractual provisions applicable to the termination of Frédéric Moyne's employment contract would guarantee him, in the event of termination of said contract for just cause (excluding serious or gross misconduct), compensation of around 8.4 months' remuneration;

- it would have been inequitable to suddenly deprive Frédéric Moyne of the protection mechanisms from which he could benefit in the event of the termination of his employment contract (severance pay and the benefit of unemployment insurance).

In view whereof, the Board of Directors, ruling on the basis of the recommendations of the Nomination and Remuneration Committee, had decided to approve the principle of maintaining Frédéric Moyne's employment contract for a period of one year as from 1 June 2016, although the effects of said contract are suspended during that period.

As Frédéric Moyne resigned from his salaried duties with deferred effect from 1 June 2017 subject to the sole condition precedent that he was still the Company's Chief Executive Officer on that date, his resignation became effective on 1 June 2017, on which date his contract of employment was terminated.

Further information on the severance payment and covenant not to compete in the event Frédéric Moyne is removed from office as Chief Executive Officer or if his appointment is not renewed

Severance pay

Principles

At its meeting of 1 March 2016, the Board of Directors put in place, for the benefit of Frédéric Moyne in his capacity as Chief Executive Officer, all-inclusive severance pay which would be implemented as from the first day of the second year following the date on which his appointment as the Company's Chief Executive Officer came into effect (i.e., 1 June 2017). The terms and conditions of this severance pay are set out below. The terms of payment of such severance pay were approved by the General Meeting of 24 May 2016, voting on the special report by the Statutory Auditors in accordance with Article L. 225-42-1 of the French Commercial Code (6th resolution).

Assumptions concerning termination of office that are eligible for the payment of the all-inclusive severance pay

The all-inclusive severance pay will be due and paid in the event Frédéric Moyne is removed from his office as Chief Executive Officer or his term of office is not renewed, unless said removal or non-renewal is due to:

- any wrongdoing or misconduct characterised under employment law as:
 - serious misconduct (*faute grave*), wherein the degree of seriousness derives from the deliberate nature of the misconduct and the seriousness – assessed in view of the size of the Group and its business activities – of the resulting consequences, or
 - gross misconduct (*faute lourde*), i.e., misconduct committed with the intention of harming the Company or its Group, including in particular the intentional or repeated breach of limitations placed on his powers (statutory or extra-statutory) or by resolutions adopted by the General Meeting, or any action constituting a criminal offence perpetrated personally when a Group company is the victim or this could harm the Group's reputation;
- Frédéric Moyne's failure to comply with his exclusivity, non-compete and loyalty obligations incumbent upon him in connection with his corporate office.

The all-inclusive severance pay is not paid in the event the termination of office is due to resignation.

Maximum amount of severance payment

The maximum gross amount of the severance payment is set at 15 months of the gross fixed annual remuneration received in respect of the last 12 months preceding the date on which he ceases to hold office, plus the average of the gross variable remuneration received in respect of the last

three financial years preceding that date (the "Reference Remuneration").

In the absence of a sufficiently long reference period, the variable remuneration used to calculate the Reference Remuneration will be equal to the gross target variable remuneration (corresponding to the achievement in full of the quantitative objectives) potentially due as a result of quantitative objectives in respect of the financial year during which he ceases to hold office, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

Performance conditions

The all-inclusive severance payment will be due and paid only if the amounts received by Frédéric Moyne or owed to him in connection with the variable component of his remuneration in respect of the two financial years preceding the date on which his term of office ends represent, on average, a percentage equal to or greater than 50% of the maximum possible variable component that could be awarded in respect of said financial years.

By exception, if the available reference period only allows one financial year to be taken into account, Frédéric Moyne will be assumed to have satisfied the aforementioned performance conditions, unless the Board of Directors demonstrates that his actual performance during the period preceding the date on which he ceases to hold office would not have qualified him to receive variable remuneration at least equal to 50% of the maximum amount that could be awarded to him in respect of said financial year.

Covenant not to compete

Principles

At its meeting of 1 March 2016, the Board of Directors put in place, for the benefit of Frédéric Moyne, in his capacity as Chief Executive Officer, a mechanism for the payment of compensation under a covenant not to compete which could be implemented as from the date on which his appointment as the Company's Chief Executive Officer comes into effect (i.e., 1 June 2016). The terms and conditions of this mechanism are set out below. The terms were approved by the General Meeting of 24 May 2016, voting on the special report by the Statutory Auditors in accordance with Article L. 225-42-1 of the French Commercial Code (7th resolution).

Covenant not to compete: implementation procedures

In the event Frédéric Moyne ceases to hold office as Chief Executive Officer, the Board of Directors shall meet in the following month to decide, at its discretion, whether it wishes to waive the covenant not to compete.

Nature and duration of Frédéric Moynes obligations

Nature and duration of Frédéric Moynes obligations

If the covenant not to compete is implemented, Frédéric Moynes will not be permitted, for 12 months after he ceases to hold office as the Company's Chief Executive Officer, for whatever reason, to:

- work, in any form whatsoever (contract of employment, provision of services, corporate office or otherwise) for any company or enterprise whose business activities (significant with regard to their turnover) compete with the business activities of the Company and its Group on the date on which he ceases to hold office and is communicated to the market (as of 1 March 2016, these activities are thermal biomass, anaerobic digestion and solar power), this prohibition applying only:
 - in those countries in which at least one of said activities of the Company and its Group represents installed capacity of at least 40 MW on the date on which he effectively ceases to hold office; and
 - to the sole activity or activities of the Company and its Group that have, in said country, achieved or exceeded this threshold on the date on which he effectively ceases to hold office;
- acquire or hold a direct or indirect interest (with the exception of any interest that does not exceed five percent of the capital or voting rights of a listed company) in any company, enterprise or group whose business activities compete with the business activities of the Company or its Group, as at the effective date of his departure;
- incite any customer, supplier or partner of the Company or its Group to break off or curtail its business relationships with the Company or its Group, or incite any prospective customer not to enter into a business relationship with the Company or its Group;
- hire any officer, senior manager or employee of the Company or its Group, or incite any such officer, senior manager or employee to terminate his/her contract of employment or leave the Company or its Group.

Financial compensation

If the covenant not to compete is implemented, the execution of the obligations described above will result in the payment of compensation equal to six months of the gross fixed annual remuneration received in respect of the last 12 months preceding the date on which he ceases to hold office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the date on which he ceases to hold office (the "Reference Remuneration").

In the absence of a sufficiently long reference period:

- the fixed remuneration used to calculate the Reference Remuneration will be equal to the gross annual fixed remuneration due in respect of the financial year during which he ceases to hold office;
- the variable remuneration used to calculate the Reference Remuneration will be equal to the gross target variable remuneration (corresponding to the achievement in full of the quantitative objectives) potentially due as a result of quantitative objectives in respect of the financial year during which he ceases to hold office, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

2.4.2.9. Service agreements entered into with the corporate officers

None.

2.4.3. REMUNERATION RECEIVED BY CORPORATE OFFICERS FOR THE 2018 FINANCIAL YEAR

2.4.3.1. General remarks

On the basis of recommendations by the Nomination and Remuneration Committee, the Board of Directors decided to make a number of modifications to the existing terms of remuneration for corporate officers, to apply from the 2018 financial year¹⁶.

- The Board of Directors wished to introduce a mechanism to remunerate outperformance of the financial objectives set for the Chief Executive Officer, as part of his variable remuneration package. The Board of Directors verified that the envisaged mechanism was consistent with market practices and its impact would not be disproportionate, while also ensuring that it resulted in a closer correlation between remuneration paid and effective performance.

¹⁶ . The Nomination and Remuneration Committee used a comparative analysis of a panel of 16 companies operating in the same industry sector and included in the SBF 120 or CAC Small 90 indexes which have similar features to Albioma in terms of revenue (the median revenue for the panel is €600 million) and market capitalisation (the median market capitalisation for the panel is €600 million). The panel used is the same as the panel used in 2017 (see additional information in section 2.4.2.1 on page 122 of this Registration Document), with the exception of Faveley Transport and Saft Groupe, which were removed from the 2018 panel following their delisting. Composition of the panel used in 2018: Actia Group, Bénéteau, Boiron, Exel Industries, Gaztransport et Technigaz, Groupe Gorgé, Guerbet, Manutan International, Mersen, PCAS, PSB Industries, Soitec, Somfy, Thermador Group, Trigano and Virbac.

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

The Board of Directors accordingly decided to eliminate the cap placed on the Chief Executive Officer's variable remuneration based on his financial objectives, corresponding to 66% of the target point of his variable remuneration (which could amount to 100% of his fixed remuneration) irrespective of the performance levels achieved for each of the financial objectives, which had meant that outperformance of one of the financial indicators could be set off against underperformance of one of the other financial indicators, within this maximum percentage. The mechanism introduced by the Board of Directors accordingly allows the target variable remuneration for each of the financial objectives set for the Chief Executive Officer to be exceeded, within a limit of 110% of the target point of the variable remuneration payable for each objective.

- Furthermore, in view of the sharp deterioration in the occupational accident frequency and severity rate indicators over 2017 (see additional information in section 1.9.2.4 on page 58 of this Registration Document), the Board of Directors decided to increase the weighting of the quantitative non-financial indicators (essentially safety-related) set for the Chief Executive Officer. The weighting of these quantitative non-financial indicators has therefore been raised to 12% of his target variable remuneration (which may amount to 100% of his fixed remuneration), compared with 8% in 2017. At the same time, the Board of Directors reduced the weighting of the qualitative non-financial indicators set for the Chief Executive Officer to 22% of his target variable remuneration, compared with 26% in 2017.

2.4.3.2. Remuneration payable to Jacques Pétry, Chairman of the Board of Directors

Fixed remuneration

For the period from 1 January to 31 May 2018

In his capacity as Chairman of the Board of Directors, Jacques Pétry will receive all-inclusive gross annual fixed remuneration for the period from 1 January to 31 May 2018 of €229,000, payable in 12 instalments (i.e., for the period in question, a gross fixed remuneration of €95,416.67), which is the same as in 2017.

For the period from 1 June to 31 December 2018

In his capacity as Chairman of the Board of Directors, Jacques Pétry will receive all-inclusive gross annual fixed remuneration for the period from 1 June to 31 December 2018 of €100,000, payable in 12 instalments (i.e., for the period in question, a gross fixed remuneration of €58,333.33), which is 56% less than in 2017.

This reduction in the remuneration received by the Chairman of the Board of Directors was decided by the Board of Directors at its meeting of 30 March 2018, in view of the proposals made by the Chairman of the Board that aim to modify the Company's governance in the medium term (see additional information in section 2.2.1 on page 74 *et seq.* of this Registration Document).

Variable remuneration

None.

Bonus performance share plans and options to subscribe or purchase shares

None.

Benefits in kind, welfare and retirement benefits

The benefits in kind to which Jacques Pétry will be entitled in his capacity as Chairman of the Board of Directors for the 2018 financial year will correspond exclusively to:

- the value of the provision of a company car;
- the payment by the Company of the contributions to the welfare plan (covering healthcare and death).
- the reintegration of contributions to the welfare plan over and above the maximum amounts set in the applicable laws and regulations.

In accordance with the applicable laws and regulations, Jacques Pétry, who has claimed his rights to pensions benefits under the general old-age pension scheme, will remain a member of the AGIRC-ARRCO mandatory collective supplementary pension plan for executive staff, although the contributions paid in this regard cannot entitle him to additional benefits.

2.4.3.3. Remuneration payable to Frédéric Moyne, Chief Executive Officer

Fixed remuneration

In his capacity as Chief Executive Officer, Frédéric Moyne will receive, for the 2018 financial year, all-inclusive gross annual fixed remuneration of €285,000 payable in 12 instalments, which is the same as in 2017.

Variable remuneration

In addition to the fixed remuneration payable to Frédéric Moyne in his capacity as Chief Executive Officer in respect of the 2018 financial year, he will also receive variable remuneration capped at 106.6% of his fixed remuneration, i.e., €303,810.

The target point of this variable remuneration is set at 100% of his fixed remuneration, i.e., €285,000. Payment of this variable remuneration will be subject to the shareholders voting, at the General Meeting held in 2019 to vote on the financial statements for the 2018 financial year, in favour of the remuneration allocated to the Chief Executive Officer for the 2018 financial year (see additional information in section 2.4.4 on page 136 of this Registration Document).

The actual amount of this variable remuneration will be calculated as shown below, depending on the degree to which Frédéric Moyne achieves the non-financial quantitative and qualitative objectives set for him by the Board of Directors for the 2018 financial year.

	Weighting (% of target amount)	Target amount (in euros)	Interpolation points (% of target amount)			
			0%	50%	100%	110% ¹
FINANCIAL INDICATORS¹						
2018 consolidated EBITDA	22%	62,700	< 96% of target	96% of target	Target	≥103% of target
2018 consolidated net income, group share	22%	62,700	< 92% of target	92% of target	Target	≥107% of target
2018 consolidated free cash-flow from operating activities	22%	62,700	< 94% of target	94% of target	Target	≥104% of target
Total financial indicators	66%	188,100	-			
QUANTITATIVE NON-FINANCIAL INDICATORS²						
Fall (%) in number of accidents in the workplace in 2018 compared to 2017 ²	6%	17,100	0%	(10%)	(20%)	n/a
Fall (%) in severity of accidents in the workplace in 2018 compared to 2017 ³	6%	17,100	0%	(10%)	(20%)	n/a
Total quantitative non-financial indicators	12%	34,200				
QUALITATIVE NON-FINANCIAL INDICATORS						
See note 4	22%	62,700				
Sub-total qualitative objective	22%	62,700				
Total	100%	285,000				

1. If the target set for the Chief Executive Officer for each of the three financial objectives exceeds 103% of the 2018 consolidated EBITDA objective, 107% of the 2018 consolidated net income (Group share) objective, and 104% of the 2018 consolidated free cash flow from operating activities objective, the component of his variable remuneration for each of these financial objectives will be capped at 110% of the target point of the variable remuneration corresponding to each of these objectives.
2. Number of accidents in the workplace affecting Group staff per million hours worked (all businesses and all geographic areas).
3. Number of days' sick leave (lost-time >24 h) due to accidents in the workplace affecting Group staff per thousand hours worked (all businesses and all geographic areas).
4. Frédéric Moyne's qualitative non-financial objectives for 2018 relate to the implementation of the security scheme (weighting for 5.5%), to human resources (weighting for 5.5%) and to development (two objectives weighting for 5.5% each).

2 • CORPORATE GOVERNANCE

2.4. Remuneration of corporate officers

Bonus performance share plans and options to subscribe or purchase shares

If the General Meeting of 30 May 2018 approves the proposal to authorise the Board of Directors to award bonus performance shares, Frédéric Moyne will be eligible, in his capacity as Chief Executive Officer, for 30,620 shares maximum under the 2018 plan (see additional information in section 7.2.2.2 on page 304 *et seq.* of this Registration Document).

Benefits in kind, welfare and retirement benefits

The benefits in kind to which Frédéric Moyne will be entitled in his capacity as Chief Executive Officer for the 2018 financial year will correspond to:

- the value of the provision of a company car;
- the payment by the Company of the contributions in respect of the insurance cover for loss of employment for company managers and executives (*Garantie Sociale des Chefs et Dirigeants d'Entreprise - GSC*); and
- the reintegration of contributions to the welfare plan over and above the maximum amounts set in the applicable laws and regulations.

Frédéric Moyne will remain a member of the insurance welfare plan (covering healthcare, incapacity, disability and death) and the AGIRC-ARRCO mandatory collective supplementary pension plan open to all the Company's employees categorised as executive staff. His membership of the mandatory collective supplementary defined contribution pension plan open to all Company employees will be maintained.

Remuneration and commitments on departure

In 2018, Frédéric Moyne will benefit from the commitments described in section 2.4.2.8 on page 131 *et seq.* of this Registration Document.

2.4.4. SHAREHOLDERS' VOTE ON THE REMUNERATION OF THE CORPORATE OFFICERS

At the General Meeting of 31 May 2017, the shareholders voted by a large majority in favour of the remuneration due or awarded to the Chairman and Chief Executive Officer, as presented (for the period from 1 January to 31 May 2016, the resolution was adopted by 91.83%, compared with 97.94% at the General Meeting of 28 May 2015), and that due or awarded to the Chairman of the Board of Directors and the Chief Executive Officer, as presented (for the period from 1 June to 31 December 2016, the resolution was adopted by 99.29% and 99.67%, respectively).

Furthermore, at the General Meeting of 31 May 2017, the shareholders also voted by a large majority in favour of the remuneration policy proposed by the Board of Directors with effect from 1 January 2017 for non-executive corporate officers (adopted by 99.32%) and executive corporate officers (adopted by 98.68%).

At the General Meeting of 30 May 2018, the shareholders will once again be asked to vote, in the form of a binding vote, in favour of the remuneration due or paid to the Chairman of the Board of Directors and the Chief Executive Officer for the 2017 financial year. The Chief Executive Officer's variable remuneration will only be paid for that financial year provided the shareholders vote in favour thereof at the General Meeting. A summary of the remuneration components to be voted on is provided in section 7.2.1.3 on page 293 *et seq.* of this Registration Document.

The General Meeting of 30 May 2018 will also be asked to vote on the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the Chairman of the Board of Directors and the Chief Executive Officer for the 2018 financial year. Summary information on the remuneration components to be voted on is provided in section 7.2.1.4 on page 296 *et seq.* of this Registration Document.

2.5. Summary of transactions carried out in 2017 in the Company's shares by the corporate officers, their family and friends

Pursuant to Article 223-26 of the AMF's General Regulations, the table below shows the transactions reported during the 2017 financial year by the corporate officers, their family and friends in accordance with Article L. 621-18-2 of the French Monetary and Financial Code.

Person reporting transaction	Financial instrument	Type of transaction	Date of transaction	Execution venue	Price per share (in euros)	Amount (in euros)	Number of shares	AMF decision and information number
Jacques Pêtry	Shares	Disposal	10/03/17	Euronext Paris	16.42	155,579.50	9,475	2017DD469176
Marie-Hélène Pêtry ¹	Shares	Disposal	10/03/17	Euronext Paris	16.42	117,403.00	7,150	2017DD469177
Bpifrance Investissement	Shares	Subscription ²	23/06/17	Euronext Paris	16.01	435,760.18	27,218	2017DD491644

1. Person with ties to Jacques Pêtry, Chairman of the Board of Directors

2. Payment of dividend for 2016 financial year in the form of shares.

2.6. AFEP/MEDEF Code recommendations not applied by the Company

AFEP/MEDEF Code recommendations	Company's explanations
<p>Requirement to retain shares § 23.2.1 of the AFEP-MEDEF Code: "The Chairman of the Board, the Chief Executive Officer, the Chief Operating Officers, the members of the Management Board or the Manager of a limited stock partnership are required to hold in registered form until the end of their term of office a significant number of shares periodically determined by the Board of Directors or the Supervisory Board. The number of shares, which may be made up of exercised stock options or performance shares, must be significant and must increase, where necessary, to a level determined by the Board. [...]"</p>	<p>The corporate officers are only formally required to keep in registered form, until the end of their terms of office, 25% of the performance shares they have effectively acquired under the bonus performance share plans for which they are eligible, as the Board of Directors has not introduced any separate rule that would require them to hold an increasing number of shares throughout their terms of office. However, the very large number of shares held by the Chairman of the Board of Directors and by the Chief Executive Officer as at 31 December 2017 is sufficient to act as an incentive for them to take a long-term approach and exposes them to a significant level of risk that ensures their interests are aligned with those of the shareholders. See additional information in section 2.4.2.7 on page 130 of this Registration Document.</p>
<p>Stock options and performance shares § 23.2.4 of the AFEP-MEDEF Code: "[...]Furthermore, it is necessary to ensure that, [...] in accordance with terms determined by the Board and announced at the time of the award, the performance shares awarded to executive corporate officers are conditional upon the acquisition of a set quantity of shares once the awarded shares are available."</p>	<p>The award of bonus performance shares to corporate officers under the plans existing as at 31 December 2017 is not conditional upon the acquisition of a set quantity of shares when the bonus shares are effectively acquired. The Company considers that the corporate officers' obligation to retain in registered form, until they cease to hold office, 25% of the performance shares effectively acquired in connection with this award constitutes a mechanism whose effect is equivalent to the AFEP/MEDEF Code's recommendation, and which will act as an incentive for them to take a long-term approach, while exposing them to a significant level of risk that ensures their interests are aligned with those of the shareholders. See addition information in in section 2.4.2.7 on page 130 of this Registration Document.</p>

2.7. Regulated agreements and commitments, information on related parties

2.7.1. SPECIAL REPORT BY THE STATUTORY AUDITORS ON REGULATED AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

In our capacity as Statutory Auditors of your Company, we are pleased to present our report on the regulated agreements and commitments.

We are required to present to you, on the basis of information provided to us, the features and main terms and conditions of the agreements and commitments we have been informed of or that we have identified in the course of our audit work, and the reasons why they are in the interest of the Company. We are not required to comment as to whether they are beneficial or appropriate, or to ascertain the existence of any other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the benefits of these agreements and commitments prior to their approval.

In addition, we are required, where applicable, to provide you with the information referred to in Article R. 225-31 of the Commercial Code concerning the continued performance during the last financial year of the agreements previously approved by the shareholders at a general meeting.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. These procedures consisted in verifying that the information provided to us is consistent with the original documentation from which it was extracted.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE GENERAL MEETING FOR APPROVAL

Agreements and commitments approved and entered into during the past financial year

We have not been advised of any agreement or commitment authorised during the past financial year and submitted for approval by the shareholders at the General Meeting in accordance with Article L. 225-38 of the Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in previous financial years that were not performed during the past financial year

We have been advised of the existence of the following agreements and commitments, which have already been approved by the shareholders in previous financial years, and which were not performed during the last financial year.

Severance payment in the event Frédéric Moyné ceases to hold office as Chief Executive Officer (effective from 1 June 2016)

Officer concerned

Frédéric Moyné, Chief Executive Officer of the Company (appointment on 1 March 2016, effective on 1 June 2016)

Date of authorisation by the Board of Directors

1 March 2016

Date of approval by the shareholders

24 May 2016

Reason for continued performance of the agreement

On 24 April 2018, the Board of Directors reviewed the above-mentioned commitment in accordance with Article L. 225-40-1 of the Commercial Code, and:

- reiterated the reasons that had led it to authorise this commitment, and noted in this respect that the items of remuneration payable if Frédéric Moyne ceases to hold office (severance payment and compensation under the covenant not to compete) were justified, in particular in view of:
 - the number of years Frédéric Moyne has worked for the Group as at 1 June 2016, date on which he took up office (over 17 years);
 - the loss by Frédéric Moyne of the protection afforded in the event of termination of his employment contract for a genuine and serious cause (other than gross or serious negligence) after 1 June 2017;
 - the imperative need, in view of Frédéric Moyne's experience, skills and number of years with the Group, to enable the Company to compel him to comply with a covenant not to compete if he leaves the Group;
 - the aggregate compensation payable following the combined implementation of the severance payment and the covenant not to compete (21 months' remuneration), which is less than the maximum amounts recommended by the AFEP-MEDEF Code and the amounts paid in comparable companies (24 months' remuneration);
- noted that as Frédéric Moyne's legal situation has not changed since 1 June 2016, as he has continued to serve as Chief Executive Officer, the continued maintenance of this commitment, as approved by the General Meeting of 24 May 2016, over the period between 1 January 2017 and 31 December 2017, was fully justifiable.

Description**Principles**

In his capacity as Chief Executive Officer, Frédéric Moyne's terms of remuneration include a severance payment in the event of his departure, payable from the first day of the second year after his effective appointment as the Company's Chief Executive Officer, the terms and conditions of which are described below.

Assumptions concerning termination of office that are eligible for the payment of the all-inclusive severance pay.

The all-inclusive severance pay will be due and paid in the event Frédéric Moyne is removed from his office as Chief Executive Officer or his term of office is not renewed, unless said removal or non-renewal is due to:

- any wrongdoing or misconduct characterised under employment law as:
 - serious misconduct (*faute grave*), wherein the degree of seriousness derives from the deliberate nature of the misconduct and the seriousness – assessed in view of the size of the Group and its business activities – of the resulting consequences, or
 - gross misconduct (*faute lourde*), i.e., misconduct committed with the intention of harming the Company or its Group, including in particular the intentional or repeated breach of limitations placed on his powers (statutory or extra-statutory) or by resolutions adopted by the General Meeting, or any action constituting a criminal offence perpetrated personally when a Group company is the victim or this could harm the Group's reputation;
- Frédéric Moyne's failure to comply with his exclusivity, non-compete and loyalty obligations incumbent upon him in connection with his corporate office.

The all-inclusive severance pay is not paid in the event the termination of office is due to resignation.

Maximum amount of severance payment

The maximum gross amount of the severance payment is set at 15 months of the gross fixed annual remuneration received in respect of the last 12 months preceding the date on which he ceases to hold office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding that date (the «Reference Remuneration»).

In the absence of a sufficiently long reference period, the variable remuneration used to calculate the Reference Remuneration will be equal to the gross target variable remuneration (corresponding to the achievement in full of the quantitative objectives) potentially due as a result of quantitative objectives in respect of the financial year during which he ceases to hold office, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

2 • CORPORATE GOVERNANCE

2.7. Regulated agreements and commitments, information on related parties

Performance conditions

The all-inclusive severance payment will be due and paid only if the amounts received by Frédéric Moyne or owed to him in connection with the variable component of his remuneration in respect of the two financial years preceding the date on which his term of office ends represent, on average, a percentage equal to or greater than 50% of the maximum possible variable component that could be awarded in respect of said financial years.

By exception, if the available reference period only allows one financial year to be taken into account, Frédéric Moyne will be assumed to have satisfied the aforementioned performance conditions, unless the Board of Directors demonstrates that his actual performance during the period preceding the date on which he ceases to hold office would not have qualified him to receive variable remuneration at least equal to 50% of the maximum amount that could be awarded to him in respect of said financial year.

Performed during the past financial year

None

Covenant not to compete applicable in the event Frédéric Moyne ceases to hold office as Chief Executive Officer (effective from 1 June 2016)

Officer concerned

Frédéric Moyne, Chief Executive Officer of the Company (appointment on 1 March 2016, effective on 1 June 2016)

Date of authorisation by the Board of Directors

1 March 2016

Date of approval by the shareholders

24 May 2016

Reason for continued performance of the agreement

On 24 April 2018, the Board of Directors reviewed the above-mentioned commitment in accordance with Article L. 225-40-1 of the Commercial Code, and:

- reiterated the reasons that had led it to authorise this commitment, and noted in this respect that the items of remuneration payable if Frédéric Moyne ceases to hold office (severance payment and compensation under the covenant not to compete) were justified, in particular in view of:
 - the number of years Frédéric Moyne has worked for the Group as at 1 June 2016, date on which he took up office (over 17 years);
 - the loss by Frédéric Moyne of the protection afforded in the event of termination of his employment contract for a genuine and serious cause (other than gross or serious negligence) after 1 June 2017;
 - the imperative need, in view of Frédéric Moyne's experience, skills and number of years with the Group, to enable the Company to compel him to comply with a covenant not to compete if he leaves the Group;
 - the aggregate compensation payable following the combined implementation of the severance payment and the covenant not to compete (21 months' remuneration), which is less than the maximum amounts recommended by the AFEP-MEDEF Code and the amounts paid in comparable companies (24 months' remuneration);
- noted that as Frédéric Moyne's legal situation has not changed since 1 June 2016, as he has continued to serve as Chief Executive Officer, the continued maintenance of this commitment, as approved by the General Meeting of 24 May 2016, over the period between 1 January 2017 and 31 December 2017, was fully justifiable.

Description

Principles

The Board of Directors put in place, for the benefit of Frédéric Moyne, a mechanism for the payment of compensation under a covenant not to compete, payable as from the effective date of his appointment as the Company's Chief Executive Officer, the terms and conditions of which are described below.

Covenant not to compete: implementation procedures.

In the event Frédéric Moyne ceases to hold office as Chief Executive Officer, the Board of Directors shall meet in the following month to decide, at its discretion, whether it wishes to waive the covenant not to compete.

Nature and duration of Frédéric Moyne's obligations

If the covenant not to compete is implemented, Frédéric Moyne will not be permitted, for 12 months after he ceases to hold office as the Company's Chief Executive Officer, for whatever reason, to:

- work, in any form whatsoever (contract of employment, provision of services, corporate office or otherwise) for any company or enterprise whose business activities (significant with regard to their turnover) compete with the business activities of the Company and its Group on the date on which the termination of the term of office takes effect and is communicated to the market (as of 1 March 2016, these activities are thermal biomass, anaerobic digestion and solar power), this prohibition applying only:
 - in those countries in which at least one of said activities of the Company and its Group represents installed capacity of at least 40 MW on the date on which he effectively ceases to hold office; and
 - to the sole activity or activities of the Company and its Group that have, in said country, achieved or exceeded this threshold on the date on which he effectively ceases to hold office;
- acquire or hold a direct or indirect interest (with the exception of any interest that does not exceed five percent of the capital or voting rights of a listed company) in any company, enterprise or group whose business activities compete with the business activities of the Company or its Group, as at the effective date of his departure;
- incite any customer, supplier or partner of the Company or its Group to break off or curtail its business relationships with the Company or its Group, or incite any prospective customer not to enter into a business relationship with the Company or its Group;
- hire any officer, senior manager or employee of the Company or its Group, or incite any such officer, senior manager or employee to terminate his/her contract of employment or leave the Company or its Group.

Financial compensation

If the covenant not to compete is implemented, the execution of the obligations described above will result in the payment of compensation equal to six months of the gross fixed annual remuneration received in respect of the last 12 months preceding the date on which he ceases to hold office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the date on which he ceases to hold office (the "Reference Remuneration").

In the absence of a sufficiently long reference period:

- the fixed remuneration used to calculate the Reference Remuneration will be equal to the gross annual fixed remuneration due in respect of the financial year during which he ceases to hold office;
- the variable remuneration used to calculate the Reference Remuneration will be equal to the gross target variable remuneration (corresponding to the achievement in full of the quantitative objectives) potentially due as a result of quantitative objectives in respect of the financial year during which he ceases to hold office, plus the maximum gross variable remuneration potentially due as a result of qualitative objectives in respect of said financial year.

Performed during the past financial year

None.

Neuilly-sur-Seine and Courbevoie, on 26 April 2018.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan
Partner

Mazars

Daniel Escudeiro
Partner

2 • CORPORATE GOVERNANCE

2.7. Regulated agreements and commitments, information on related parties

2.7.2. AGREEMENTS GOVERNED BY ARTICLE L. 225-37-4 (2°) OF THE COMMERCIAL CODE

None.

2.7.3. INFORMATION ON RELATED PARTIES

Additional information about related parties is disclosed in note 35 to the consolidated financial statements for the 2017 financial year, in section 4 on page 203 of this Registration Document.

3

ACTIVITIES & RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

3.1. Key figures	144	3.4. Significant changes in the financial or commercial position	152
3.1.1. Financial data	144		
3.1.2. Installed capacity and production	144	3.5. Key events since 1 January 2018 and outlook	152
3.1.3. Availability rate	144	3.5.1. Key events since 1 January 2018 and outlook	152
3.2. Highlights of the Year	145	3.5.2. Outlook	152
3.2.1. France – Thermal Biomass business	145	3.6. Company financial statements	153
3.2.2. France and Southern Europe – Solar Power business	146	3.6.1. Income statement	153
3.2.3. France – Anaerobic Digestion business	147	3.6.2. Statement of financial position	153
3.2.4. Mauritius	147	3.6.3. Dividends	154
3.2.5. Brazil	147	3.6.4. Five year financial summary for the Company	155
3.2.6. Holding Company	148		
3.3. Comments on the consolidated financial statements	148		
3.3.1. Income statement	148		
3.3.2. Statement of cash flows	151		
3.3.3. Financial structure	152		

3 • ACTIVITIES & RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

3.1. Key figures

3.1. Key figures

3.1.1. FINANCIAL DATA

<i>In millions of euros</i>	2017	2016
Revenue	403.2	367.8
EBITDA	138.3	131.4
Net income, Group share	37.4	33.0

3.1.2. INSTALLED CAPACITY AND PRODUCTION

	Operated capacity (in gross MW)			Production (in GWh)		
	2017	2016	Change	2017	2016	Change
Albioma Bois-Rouge	108	108	-	657	677	(20)
Albioma Le Gol	122	122	-	741	706	35
Albioma Le Moule	64	64	-	351	352	(1)
Albioma Caraïbes	38	38	-	198	209	(11)
Albioma Galion	40	40	-	96	109	(13)
France thermal biomass	372	372	-	2,043	2,053	(10)
OTEO La Baraque	90	90	-	512	491	21
Terragen	70	70	-	427	431	(4)
OTEO Saint-Aubin	35	35	-	233	229	4
Mauritius	195	195	-	1,173	1,151	22
Albioma Rio Pardo Termoeléctrica	60	60	-	107	116	(9)
Albioma Codora Energia	48	48	-	141	122	19
Brazil	108	108	-	248	238	10
Thermal Biomass	675	675	-	3,463	3,442	21
French overseas departments & region	61	62	(1)	79	82	(3)
Outside France	4	4	-	7	6	1
Metropolitan France	8	8	-	10	10	-
Solar Power	74	75	(1)	95	98	(3)
Anaerobic Digestion	3	3	-	19	19	-
Group Total	752	753	(1)	3,577	3,559	19

3.1.3. AVAILABILITY RATE

	2017	2016
Albioma Bois-Rouge	86.1%	89.4%
Albioma Le Gol	88.2%	85.4%
Albioma Le Moule	93.0%	91.0%
Albioma Caraïbes	94.7%	98.6%
Albioma Galion	92.6%	88.9%
French overseas departments & region	89.6%	89.2%
Terragen	95.7%	92.2%
OTEO Saint-Aubin	92.4%	91.5%
OTEO La Baraque	93.0%	95.2%
Mauritius Total	93.8%	93.4%
Group Total	90.9%	90.5%

3.2. Highlights of the Year

3.2.1. FRANCE – THERMAL BIOMASS BUSINESS

3.2.1.1. Very strong operational performance at all units

At 31 December 2017, total installed thermal capacity in Overseas France was 372 MW, unchanged from 2016.

Annual maintenance outages were conducted smoothly. Albioma Le Gol took advantage of its annual shutdown to continue the programme of works to make its fume treatment systems compliant with the EU Industrial Emissions Directive (IED). A sister programme was initiated at the Bois-Rouge plant, and standard compliance work at one unit has already been completed. The Albioma Caraïbes plant had a maintenance shutdown in 2017. There was no scheduled shutdown in 2016, in keeping with its policy of spacing shutdowns every 18 months.

In September 2017, the West Indies were hit hard by hurricanes Irma and Maria. Although Martinique and Guadeloupe were directly in the path of these exceptionally severe climate events, the Group's facilities suffered only minimal damage, with no significant impact on their operation. Local crews, working to stringent safety conditions, remained on duty throughout the lockdown period, enabling the three thermal power plants (Albioma Le Moule, Albioma Caraïbes and Albioma Galion) to operate without interruption, thereby playing a significant role in stabilising the electricity networks serving the two islands.

The availability rate in 2017 was 89.6%, compared with 89.2% in 2016. Availability was impacted by shutdowns for compliance work at Unit 1 at the Le Gol power plant and at Unit 3 at the Bois-Rouge plant. In accordance with the terms of a rider to the power purchase agreement entered into in 2015 and 2016, respectively, EDF compensated Albioma for the effects of these shutdowns for a six-week period. Restated accordingly, availability in 2017 was 91.9%, in line with the Group's target of 90-92%.

In Martinique, the EDF duty rate of the Galion combustion turbine remained very high (29.5%), albeit slightly lower than that achieved in 2016 (34.8%).

Power generation totalled 2,043 GWh, essentially unchanged from 2016.

Despite extensive negotiations with trade union representatives, including two full weeks in Paris in July and September, labour relations remain strained. In early November, Albioma offered to open negotiations with General Management at the relevant plants, to reflect each facility's specificities. The trade unions' main demand is for a change to a 32-hour working week for employees who work rolling shifts.

3.2.1.2 Changes in the economic and regulatory context

After rising sharply in the final quarter of 2016, coal prices eased slightly during 2017. Prices averaged €95 per tonne over the year, compared with €77 per tonne in 2016. Conversely, fuel-oil prices were higher than in 2016. These price movements had a positive impact (+€21.2 million) on the Group's revenue but did not significantly affect profit margins, as electricity sale prices are contractually indexed to fuel costs.

Concerning carbon emissions, the contracts between all of the Group's thermal power plants in the French overseas departments and regions and EDF now enable the cost of purchasing quotas on the market to be passed on to EDF via monthly invoices, excluding any transaction fees and after transferring any free quotas allocated in respect of their cogeneration activity. In accordance with the ministerial order issued on 24 January 2014, the Bois-Rouge, Le Gol and Le Moule power plants received 136,265 tonnes of free quotas in respect of 2017 in recognition of their cogeneration activity.

The Group continued to execute its compliance works investment programme, enabling its thermal power plants to conform to the Industrial Emissions Directive (IED). The Albioma Caraïbes plant agreed a rider to its power purchase agreement with EDF on 26 May 2017, following a favourable opinion from the French energy regulator (Commission de Régulation de l'Énergie) on 22 February 2017. On the one hand, it enables the plant to be compensated for the extra costs of managing the combustion by-products, which the plant has borne since 2013 following changes in the regulations. On the other hand, it provides for an adjustment of the remuneration to take into account all of the costs associated with bringing the systems for processing the power plant's liquid and gaseous waste into compliance with the provisions resulting from the transposition into French law of the European Directives of 24 September 1996 (integrated pollution prevention and control - IPPC) and 24 November 2010 (industrial emissions - IED). The total investment of around €22 million will be remunerated at the normal rate for Group contracts in the French overseas departments and regions. Following deliberations by the French energy regulator (CRE) on 21 September 2017, an amendment to the power purchase agreement for the Albioma Le Moule power plant in Guadeloupe was also agreed, defining the arrangements for remunerating investments in regulatory compliance works. Capital investment contracts worth a total of nearly €300 million have been agreed across all of the Group's French plants.

3 • ACTIVITIES & RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

3.2. Highlights of the Year

On 21 December 2017, in order to refinance its existing debt and fund its compliance works, Albioma Le Moule took out a new long-term (13-year) €115 million bank loan, on excellent terms, from a banking syndicate led by BNP Paribas.

3.2.1.3. Project development

Construction work for the Galion 2 bagasse/biomass power plant in Martinique, which began in 2015, is now nearing completion. The facility has been energised and the boiler fired.

The Bordeaux Administrative Court of Appeal, in its judgement of 13 April 2017, decided to overturn the judgement of the Administrative Court of Fort-de-France of 4 October 2016, which had annulled the authorisation to operate the plant. All the objections raised by the Association for the Protection of the Heritage of Martinique against the project have been rejected. The plant's operation is therefore once again fully authorised.

This 40 MW facility, which will be the first all-biomass cogeneration plant in Martinique, should be connected to the network with effect from March 2018. It will supply enough electricity to cover 15% of the island's consumption. Based on a virtuous exchange with the Galion sugar refinery, the project aims to ensure the future of the refinery by making it more efficient. Galion 2 is a project which has matured for 10 years with all the stakeholders, to increase Martinique's share of renewable energy by 7% to 22% and thereby favour the island's energy transition whilst respecting the most stringent environmental standards. This investment, which was increased to €205 million to cover the most recent uncertainties surrounding the project, is financed by a €120 million, 20-year loan taken out in April 2015, the balance being financed by equity: 80% by Albioma and 20% by its partner, Compagnie Financière Européenne de Prises de Participation (COFEPP). A 30-year power purchase agreement has been entered into with EDF. Once the plant is in operation, it will create 34 direct jobs (including 32 in Martinique, in accordance with the Group's commitments to promote local employment) and will generate more than 200 indirect jobs.

The construction work for the combustion turbine plant in Saint Pierre on Reunion Island is also nearly complete. The turbine was delivered to the site during February and the testing phase is scheduled for the first quarter of 2018. This investment, totalling around €60 million, is financed by a 22-year, €45 million loan taken out in July 2016, the balance being financed by equity: 51% by Albioma and 49% by its traditional sugar refining partners, Compagnie Financière Européenne de Prises de Participation (COFEPP) and the Tereos group. This innovative 41 MW plant will be the first French peaking plant to operate essentially using bioethanol produced by distilling sugar cane molasses. In the longer term, the plant may also use third-generation biofuels from

locally produced microalgae, developed in partnership with the Reunion-based company Bioalgotral Océan Indien. Fuel oil will be used as a supplement. A 25-year power purchase agreement has been entered into with EDF.

3.2.2. FRANCE AND SOUTHERN EUROPE – SOLAR POWER BUSINESS

3.2.2.1. Strong performance

The Solar Power business, based mainly in Overseas France, benefits from very long sunshine hours and purchase prices that are higher than in Metropolitan France.

Albioma operates photovoltaic power plants with a total capacity of 74 MWp. On 6 February 2017, the Group sold its 50% stake in its subsidiary Quantum Caraïbes (1 MWp) to its partner.

Hurricanes Irma and Maria, which struck the West Indies in September, caused only minor damage to the Group's photovoltaic power plants in Guadeloupe and Martinique. Certain plants did stop generating, however, due to the lack of a connection to the electricity network, and a few facilities were rendered inaccessible by damage to the road network. Installations resumed operation over the ensuing days, as the network was gradually restored.

Excluding consolidation scope effects, photovoltaic power generation was down 1% on the 2016 figure, largely attributable to lower sunshine hours associated with heavy rain in the West Indies and French Guiana, and poor weather conditions in the Indian Ocean.

3.2.2.2. Changes in the economic and regulatory context

None.

3.2.2.3. Project development

Construction work is underway for the Grand Port Maritime power plant on Reunion Island (1.3 MWp rooftop project with energy storage). Albioma was awarded this project in 2016 following a 2015 request for proposals issued by the French energy regulator (Commission de Régulation de l'Énergie). This investment, totalling around €3 million, is financed by a 20-year, €2.7 million loan taken out in May 2017. Albioma also successfully bid for two other projects: another rooftop project (1.3 MWp) on Reunion Island and a ground-array project (3.3 MWp) at a non-hazardous waste storage facility in Guadeloupe. Work is proceeding on schedule, and the finished plants will be commissioned in phases between 2018 and 2019.

In 2016, the French energy regulator (CRE) issued a request for proposals relating to the construction and operation of photovoltaic facilities with energy storage solutions in non-interconnected areas. The Group was subsequently awarded 11 new projects for rooftop power plants with a

combined power generating capacity of 4 MWp, representing nearly a quarter of the projects allocated in Overseas France. In 2018, the Group will be building five 250 kWp plants on Reunion Island (totalling 1.25 MWp), four 250 kWp units and one 1.5 MWp plant on Mayotte (2.5 MWp), and a 250 kWp unit in Guadeloupe.

These facilities will expand the Group's fleet of photovoltaic plants equipped with energy storage solutions, reaching 12.9 MWp by 2019. Albioma has demonstrated its expertise with this high value-added technology, which significantly increases plant availability, smooths production over the course of the day and enhances predictability of supply. This expertise helps to cement Albioma's status as a major player in the energy transition in Overseas France.

3.2.3. FRANCE – ANAEROBIC DIGESTION BUSINESS

Following a transitional year in 2016, the Group decided to focus its efforts on the three plants already in operation: Tiper Méthanisation (2 MW), Cap'ter Méthanisation (0.5 MW) and Sain'ter Méthanisation (0.5 MW), respectively located in Thouars and Saint-Varent in the Deux-Sèvres department and in Sainte-Hermine in Vendée. All related personnel have been relocated close to the production facilities. The restructuring of the business initiated in late 2016, combined with an extension of the power purchase agreements from 15 to 20 years, should enable the plants to break even in the near future.

3.2.4. MAURITIUS

The Group's plants in Mauritius had a combined thermal capacity of 195 MW at 31 December 2017, unchanged from 2016. The Mauritian plants are booked using the equity method.

The plants achieved excellent performance over the year, with availability increasing to 93.8% and electricity production rising to 1,173 GWh, compared with 1,151 GWh in 2016, due mainly to high duty rates at all plants.

3.2.5. BRAZIL

3.2.5.1. Strong performance at both plants in operation

Against an improving macroeconomic backdrop, the Brazilian thermal power plants delivered strong operational performance, despite a late start to the sugar harvest (on 11 April at Albioma Codora Energia and 27 April at Albioma Rio Pardo Termoeletrica).

Sale prices improved in line with movements in the spot price between 2016 and 2017. The average spot price increased from BRL 97 per MWh in 2016 to BRL 325 per MWh in 2017. In order to limit its exposure to volatile spot prices, however, the Group has secured 75% of its sales for the 2017-2019 period, via long-term power purchase agreements under the terms of requests for proposals organised by the regulator or short-term contracts negotiated with industrial customers.

3.2.5.2. Project development

In accordance with the operating plan, the grid connection permit for the Vale Do Parana plant was obtained in February 2017. The capital expenditure for this project will total around BRL 100 million and will be financed mainly by a loan from BNDES. The aim is to increase to 48 MW the generating capacity of an existing cogeneration plant. The Group will have a 40% stake in this project (equity accounted company).

On 18 December 2017, Albioma and Jalles Machado signed an agreement whereby the Group acquired a 60% stake in the bagasse cogeneration plant adjacent to the Jalles Machado sugar refinery and distillery in Goiânia (State of Goiás), which has an annual sugar cane crushing capacity of 2.8 million tonnes. The agreement includes provisions to renovate the existing boilers and install a new 25 MW turbine to increase the total capacity to 65 MW. By improving cogeneration yields and decreasing the refinery's steam consumption, it should be possible to export 145 GWh of energy to the distribution network annually with effect from the 2019 harvest, almost doubling the current output. More than 80% of energy sales have now been secured in the regulated market: the most recent request for proposals, issued on 18 December 2017, has resulted in long-term cogeneration contracts, under the terms of which 75 GWh per year, starting in 2021, will be sold at an inflation-linked BRL 258 per MWh. Approximately 60% of the capital cost will be funded by a long-term loan in the local currency. This transaction remains subject to a number of conditions precedent, which are not expected to be fulfilled until mid-2018 at the earliest.

3 • ACTIVITIES & RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

3.3. Comments on the consolidated financial statements

3.2.6. HOLDING COMPANY

3.2.6.1. Change in the composition of the Board of Directors

At the Shareholder's Meeting held on 31 May 2017, shareholders voted to approve the appointment of two new Directors proposed by the Board of Directors, giving Bpifrance Investissement a seat on the Board. On 27 March 2017, Bpifrance Investissement crossed the 5% capital and voting rights thresholds and is now one of the Group's five largest shareholders after its capital was restructured following the withdrawal of the Apax France VI fund in June 2015. Bpifrance Investissement is represented by Émilie Brunet, Director of Investment in the Mid & Large Caps division of Bpifrance. The other seat went to Frédéric Moynes, who has held the position of Chief Executive Officer of Albioma since 1 June 2016, on which date he succeeded Jacques Pétry, as a result of the

separation of the functions of Chairman of the Board of Directors and Chief Executive Officer.

When it met on 19 September 2017, the Board of Directors decided to add Ulrike Steinhorst as an Independent Director, appointing her to replace Michèle Remillieux as chair of the Nomination and Remuneration Committee.

3.2.6.2. 2016 dividend

The option for payment in new shares of the dividend in respect of the 2016 financial year resulted in the subscription of 403,678 new shares, giving a reinvestment rate of over 75%.

The option could be exercised from 8 to 28 June 2017. It offered the option of having 50% of the dividend for the 2016 financial year (set at €0.57 per share) paid in the form of new shares, issued at a price of €16.01 per share.

3.3. Comments on the consolidated financial statements

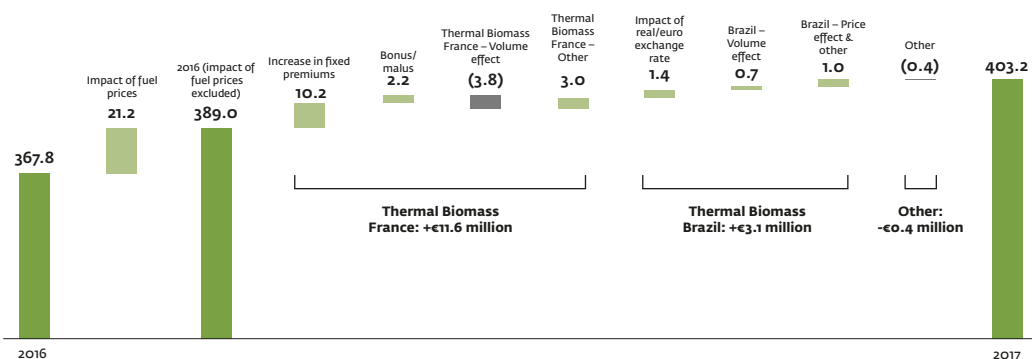
3.3.1. INCOME STATEMENT

3.3.1.1. Revenue

In millions of euros	2017	2016	Change
France – Thermal Biomass	334.2	301.5	11%
France & Southern Europe – Solar Power	42.4	42.7	(1%)
Brazil	20.8	17.7	18%
Holding company, Anaerobic Digestion and Other	5.8	5.9	(2%)
Revenue	403.2	367.8	10%

Revenue for 2017 was up 10% compared with 2016. The change can be analysed as follows:

In millions of euros



Stripping out the negative impact of changes in fuel prices of €21.2 million linked to the increase in the average prices of coal and fuel oil between 2017 and 2016 (although this had no direct effect on the profit margin due to electricity sales prices being contractually indexed to fuel costs), revenue increased by 4%. This increase was due to the combined effects of:

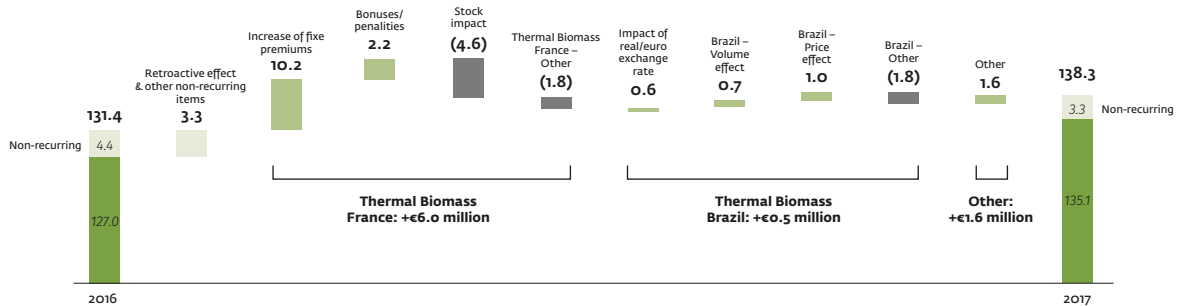
- the increase in the fixed premiums and the variable remuneration as a result of the indexation provided for by the power purchase agreements of the thermal power plants in the French overseas departments and regions and the pricing adjustments obtained from EDF by Albioma Caraïbes and the additional fixed premiums received in respect of the investments to bring the plants into compliance with the new standards;
- an improvement in availability due to technical shutdowns being carried out smoothly;
- a negative volume and energy mix effect of €3.8 million, coal production at the thermal power plants in the French overseas departments having decreased from 1,759 GWh in 2016 to 1,718 GWh in 2017, offset by increased bagasse production due to successful sugar harvests on Reunion Island and in the West Indies;
- an increase in steam revenue generated with our sugar-refining partners in line with the successful sugar harvests;
- the rise in revenue in Brazil resulting from increased production, higher electricity prices and a favourable average real/euro exchange rate in 2017 as compared to 2016.

3.3.1.2. EBITDA

<i>In millions of euros</i>	2017	2016	Change
France – Thermal Biomass	102.1	96.0	6%
France & Southern Europe – Solar Power	32.0	31.4	2%
Mauritius	3.5	3.2	7%
Brazil	7.7	7.2	7%
Holding company, Anaerobic Digestion and Other	(6.9)	(6.3)	(9%)
EBITDA	138.3	131.4	5%

EBITDA came to €138.3 million, a 5% increase compared with 2016. It included non-recurring items totalling €3.3 million resulting in particular from the signing of a new rider to contracts between EDF and the Albioma Caraïbes power plant (compensation for the extra costs of managing combustion by-products borne since 2013). In 2016, it also included non-recurring items totalling €4.4 million.

In millions of euros



3 • ACTIVITIES & RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

3.3. Comments on the consolidated financial statements

EBITDA for the Thermal Biomass France business was up 6% compared with 2016. This improvement was due mainly to the rate revisions to compensate it for the cost of the initial work to make the facilities for processing liquid and gaseous waste compliant with current standards and the signing of a new rider with EDF enabling the Albioma Caraïbes power plant to receive retroactive pricing compensation as a result of EDF agreeing to bear the costs of processing the combustion by-products in previous years. The Albioma Bois-Rouge power plant received similar compensation in 2016. EBITDA for the Brazil business was up by €0.5 million compared with 2016 due to the increase in production sold, higher electricity prices and a favourable average exchange rate.

EBITDA for the other businesses was up by €1.6 million, due in particular to effective control of the expenses relating to the photovoltaic power plants and of overheads.

3.3.1.3. Charges for depreciation, amortisation and provisions and other non-cash items

The increase in charges for power plant depreciation to €44.7 million compared with €41.5 million in 2016 was due mainly to the commissioning of part of the equipment for processing liquid and gaseous waste from the Le Gol and Bois-Rouge power plants.

The charges for amortisation of electricity and steam supply agreements remained stable at €6.2 million compared with €6.1 million in 2016.

As regards the «Charges to provisions net of reversals» heading, there were net charges of €6.1 million in 2016, which increased to net charges of €7.5 million in 2017.

3.3.1.4. Net financial income (expense)

Cost of financial debt fell: from €27.1 million in 2016 to €24.3 million in 2017. This change was due mainly to the decrease in the outstanding debt of the power plants in operation, the favourable change in interest rates in Brazil and the effect of the reorganisation of the Anaerobic Digestion business at the end of 2016.

Other financial income essentially comprises income from cash investments and income from deposits, as well as remuneration for the parent company guarantee granted in connection with the Galion 2 project in Martinique.

3.3.1.5. Tax charge

The tax charge came to €11.9 million, compared with a charge of €8.9 million in 2016. It comprised the tax charge payable in respect of the period and the deferred tax.

As a result of the passing at the end of 2017 of the Public Finance Planning Act, which provides for the progressive reduction in the corporation tax rate from 33^{1/3}% to 25% by 2022, tax income was recognised in the Group's consolidated financial statements. Deferred taxes, which are expected to reverse as from 1 January 2019, have been measured on the basis of a standard tax rate increasing gradually to 25% by 2022 compared with the 28% rate previously applied as from 2020, in accordance with the Public Finance Planning Act, which was passed at the end of 2016.

Following recent judgements of the Court of Justice of the European Union and then the Constitutional Council, the additional 3% contribution on dividend payments has been withdrawn and the Treasury is expected to reimburse amounts relating to dividends paid in the past. In this regard, at 31 December 2017 the Group recognised income related to the reimbursement of the additional contributions on the dividends paid for the years from 2013 to 2017 totalling €4.4 million.

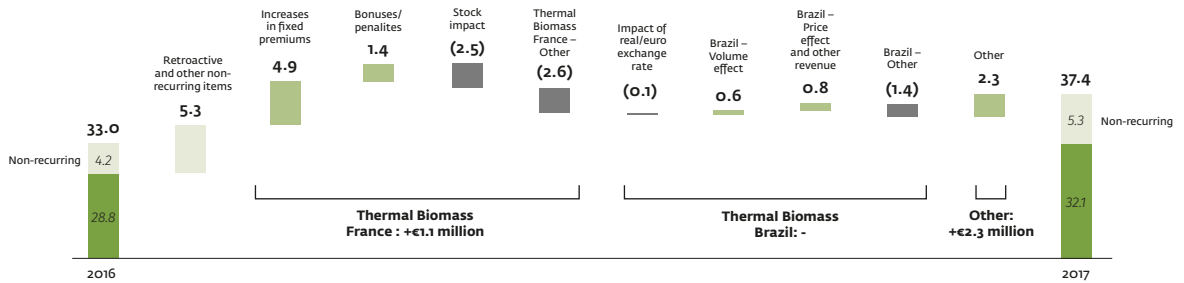
The restated normalised effective tax rate¹ for the year ended 31 December 2017 came to 34.4% compared with 38.3% in 2016.

1. Tax rate restated for the effects of impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term, excluding Brazil and excluding the effect of the change in the tax rate as from 2019.

3.3.1.6. Net income, Group share

For the year ended 31 December 2017, net income, Group share, came to €37.4 million, a 13% increase compared with 2016.

In millions of euros



3.3.2. STATEMENT OF CASH FLOWS

In millions of euros

	2017	2016
Cash flow from operations	139.4	132.7
Change in the working capital requirement	(1.9)	8.1
Tax paid	(17.0)	(19.2)
Cash flow from operating activities	120.6	121.5
Operating capex	(12.4)	(17.3)
Free cash-flow from operating activities	108.1	104.2
Development capex	(146.9)	(117.5)
Other/acquisitions/disposals	2.5	4.0
Net cash flow from investing activities	(144.4)	(113.5)
Dividends paid to Albioma shareholders	(10.6)	(11.6)
Borrowings (increases)	105.6	169.5
Borrowings (repayments)	(41.4)	(74.4)
Cost of financial debt	(24.3)	(27.1)
Other	4.0	(0.8)
Net cash flow from financing activities	33.3	55.7
Currency effect on cash and cash equivalents and other changes	(0.9)	1.4
Net change in cash and cash equivalents	(3.9)	47.8
Opening net cash and cash equivalents	96.0	48.2
Closing net cash and cash equivalents	92.1	96.0

3.3.2.1. Cash flow from operating activities

This item amounted to €120.6 million compared with €121.5 million in 2016. This slight decrease was due principally to the €1.9 million negative change in the working capital requirement.

3.3.2.2. Cash flow from investing activities

Ces flux se décomposent entre :

- operating investment expenses: these comprised investment expenses for power plants in operation, primarily in connection with the servicing, maintenance, repair, optimisation and modernisation work and investment programmes for the thermal power plants. These expenses totalled €12.4 million, compared with €17.3 million in 2016;

3 • ACTIVITIES & RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

3.5. Key events since 1 January 2018 and outlook

▪ development investment expenses: these totalled €146.9 million, compared with €117.5 million in 2016. They related mainly to the ongoing construction of the Galion 2 bagasse/biomass power plant and the Saint-Pierre combustion turbine on Reunion Island, as well as the investment programme aimed at bringing the thermal biomass power plants in Overseas France into compliance with the Industrial Emissions Directive (IED) following the signing of new riders to contracts with EDF.

In 2017, the investment flows also comprised income from the disposal of the 50% stake in Quantum Caraïbes to its co-shareholder and of a non-current asset no longer employed in the business.

3.3.2.3. Cash flow from financing activities

Financing activities generated positive cash flow of €33.3 million compared with positive cash flow of €55.7 million in 2016.

New borrowings totalling €105.6 million were drawn down, mainly to finance work on the construction of the Galion 2 power plant in Martinique and the Saint-Pierre power plant on Reunion Island and work to make the second tranche of the Le Gol power plant on Reunion Island compliant with the Industrial Emissions Directive (IED). Additional borrowing was also drawn down to finance the initial expenses incurred in connection with work to make the first tranche of the Albioma Le Moule power plant compliant with the Industrial Emissions Directive (IED).

The decrease in the cost of financial debt to €24.3 million was due mainly to the decrease in the outstanding debt of the power plants in operation and the favourable change in interest rates in Brazil.

3.3.3. FINANCIAL STRUCTURE

At 31 December 2017, total equity stood at €388.8 million, €24.0 million higher than at 31 December 2016. Equity attributable to non-controlling interests was €78.5 million.

Gross borrowings stood at €707 million at 31 December 2017, up compared with €648 million at 31 December 2016, following drawdowns of borrowings to finance projects in the construction phase.

3.5.2.2. 2018 targets

They consisted of project debt of €622 million and corporate debt of €85 million. Most of the project debt is without recourse to shareholders with the exception of the Brazilian debt and the debt in respect of projects in the construction phase for which Albioma has granted parent company guarantees.

Consolidated net borrowings came to €613 million after taking into account net cash and cash equivalents of €92 million and security deposits (€2.6 million of deposits at 31 December 2017). They increased from €549 million at 31 December 2016.

At 31 December 2017, Albioma had consolidated cash and cash equivalents of €95 million (including €2.6 million of security deposits), and still had sufficient resources to pursue its development.

3.4. Significant changes in the financial or commercial position

None.

3.5. Key events since 1 January 2018 and outlook

3.5.1. KEY EVENTS SINCE 1 JANUARY 2018 AND OUTLOOK

None.

3.5.2. OUTLOOK

3.5.2.1. Long-term outlook

The Group confirms its objective of sustained expansion. Over the 2013-2023 period, its investment programme, the budget for which totals around €1 billion, will focus mainly on new renewable energy production projects in France, Mauritius and Brazil. Opportunities for development in new countries are also being examined.

In millions of euros	2017		2018
	Reported	Recurring	
EBITDA	138	135	158-166
Net income, Group share	37	32	37-42

3.6. Company financial statements

The Company reported net income of €31.0 million, significantly higher than in 2016, due mainly to the restructuring of the balance sheet of the Anaerobic Digestion business, which had a negative impact on the previous year's financial statements.

3.6.1. INCOME STATEMENT

At €5.6 million, the operating loss was slightly lower than the previous year (€6.5 million), due mainly to the increase in revenue.

Net financial income increased from €27.6 million to €31.5 million, due mainly to the increase in income from participating interests from €26.8 million to €37.8 million due to the good results achieved by the subsidiaries in 2016 leading to an increase in the dividends received in 2017. In 2016, reversals of impairment provisions were in line with the €15.8 million net non-recurring expense related largely to the waiver of the current account granted by Albioma to its subsidiary Methaneo in connection with the complete restructuring of the balance sheet of the Anaerobic Digestion business.

In 2017, net non-recurring income/(expense) included provision reversals relating to disputes settled during the year as well as income from an earn-out obtained as a result of the completion of a wind power project sold to EDF Énergies Nouvelles in 2012.

The tax consolidation scope did not change in 2017. It includes the Company and its subsidiaries Albioma Bois-Rouge and Albioma Le Moule in accordance with the tax conventions signed on 31 March 2005 and 22 April 2009 respectively, as well as Albioma Solaire Guyane and Albioma Solaire Fabrègues.

3.6.2. STATEMENT OF FINANCIAL POSITION

3.6.2.1. Main items

Equity investments represented €248.5 million. This amount was higher than at 31 December 2016, due mainly to the capital increase carried out by Albioma Participações do Brasil.

Receivables increased by €22.9 million, due mainly to current account contributions from shareholders in Albioma Galion and Albioma Saint-Pierre, which own, respectively, the projects concerning the Galion 2 bagasse/biomass power plant in Martinique and the combustion turbine on Reunion Island, currently in the construction phase.

Equity totalled €169.6 million.

Borrowings from financial institutions remained stable at €85.2 million.

3 • ACTIVITIES & RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

3.6. Company financial statements

3.6.2.2. Payment times: payments made to suppliers and received from customers

The tables below show the positions concerning trade payables and trade receivables overdue at 31 December 2017..

Trade payables overdue at 31 December 2017

<i>In thousands of euros</i>	Invoices received, unpaid and overdue at the reporting date (Article D. 441-4 (I) (1°) of the French Commercial Code)				Total (1 or more days)
	1 to 30 days	31 to 60 days	61 to 90 days	91 or more days	
Overdue payment categories (A)					
Number of invoices concerned					250
Total amount of invoices concerned (including taxes)	652	-	3	23	678
Percentage of total purchases for the year (including taxes)	4%	-	-	-	4%
Invoices excluded from (A) relating to payables and receivables in dispute or not recognised					
Number of excluded invoices	-	-	-	-	-
Total amount of excluded invoices	-	-	-	-	-
Benchmark payment terms used to calculate overdue payments	Contractual payment terms				

Trade receivables overdue at 31 December 2017

<i>In thousands of euros</i>	Invoices issued, unpaid and overdue at the reporting date (Article D. 441-4 (I) (1°) of the French Commercial Code)				Total (1 or more days)
	1 to 30 days	31 to 60 days	61 to 90 days	91 or more days	
Overdue payment categories (A)					
Number of invoices concerned					112
Total amount of invoices concerned (including taxes)	591	58	77	3,620	4,347
Percentage of total purchases for the year (including taxes)	2%	-	-	11%	14%
Invoices excluded from (A) relating to payables and receivables in dispute or not recognised					
Number of excluded invoices	-	-	-	-	-
Total amount of excluded invoices	-	-	-	-	-
Benchmark payment terms used to calculate overdue payments	Contractual payment terms				

3.6.3. DIVIDENDS

Given the growth prospects, the Board of Directors will ask the General Meeting of shareholders to approve the payment of a dividend of €0.60 per share, with an option for 50% of this dividend to be paid in new shares.

Appropriation of 2017 net income

<i>In euros</i>	
SOURCE OF AMOUNTS TO BE APPROPRIATED	
Net income for the year	31,019,231.48
Retained earnings brought forward	78,207,082.80
Total	109,226,314.28
APPROPRIATION	
To the legal reserve	1,554.16
To the payment of a dividend of €0.60 per share ¹	18,149,356.20
To retained earnings	91,075,403.92
Total	109,226,314.28

1. Based on the number of shares entitled to dividends at 31 December 2017.

3.6.4. FIVE YEAR FINANCIAL SUMMARY FOR THE COMPANY

<i>In thousands of euros</i>	2017	2016	2015	2014	2013
Closing share capital					
Share capital	1,179	1,163	1,147	1,145	1,123
Number of shares in issue	30,620,910	30,217,232	29,783,757	29,734,932	29,167,899
Of which treasury shares	371,983	368,823	261,092	116,499	58,193
Operations and results for the year					
Revenue excluding taxes	28,228	26,660	21,664	21,781	19,432
Income before tax, depreciation, amortisation and provisions	37,336	4,670	16,820	23,033	21,474
Tax charge (income)	(3,386)	(7,472)	(1,856)	(1,539)	(1,643)
Income after tax, depreciation, amortisation and provisions	31,019	12,568	18,222	12,488	17,914
Distributions	18,149 ^{1,2}	17,014 ¹	16,828 ¹	18,942 ¹	17,472 ¹
Earnings per share (in euros)					
Income after tax but before depreciation, amortisation and provisions	1.33	0.40	0.63	0.83	0.79
Income after tax, depreciation, amortisation and provisions	1.01	0.42	0.61	0.42	0.61
Dividend paid	0.60 ^{1,2}	0.57 ¹	0.57 ¹	0.64 ¹	0.60 ¹
Headcount	86 ⁴	92 ⁴	94 ³	80 ³	75 ³

1. With option for 50% of the dividend to be paid in new shares.

2. Proposed dividend submitted for approval by the shareholders at the General Meeting to be held on 30 May 2018.

3. Including one corporate officer.

4. Including two corporate officers.

4

CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.1. Consolidated income statement	158	Note 18. Non-current financial assets	185
4.2. Statement of comprehensive income	159	Note 19. Cash and cash equivalents	185
4.3. Consolidated statement of financial position	160	Note 20. Trade receivables	185
4.4. Statement of changes in shareholders' equity	162	Note 21. Stocks	186
4.5. Statement of consolidated cash flows	163	Note 22. Other current assets	186
4.6. Notes to the consolidated financial statements	164	Note 23. Share capital and potential shares	186
Note 1. Highlights of the year	164	Note 24. Financial debt	190
Note 2. Accounting policies	164	Note 25. Financial derivatives	193
Note 3. Management estimates	171	Note 26. Employee benefits	194
Note 4. Changes in the consolidation scope	173	Note 27. Provisions for liabilities	196
Note 5. Operating segments	174	Note 28. Deferred tax	196
Note 6. Income from ordinary activities	176	Note 29. Trade payables	197
Note 7. Purchases (including changes in stocks)	176	Note 30. Corporation tax, duties, and tax and social security liabilities	197
Note 8. Logistics costs and other operating income and expenses	176	Note 31. Other current operating liabilities	197
Note 9. Staffs costs	177	Note 32. Financial instruments	198
Note 10. Other operating income and expenses	177	Note 33. Risk and capital management	199
Note 11. Cost of financial debt	178	Note 34. Off-balance sheet commitments	201
Note 12. Other financial income and expenses	178	Note 35. Related parties	203
Note 13. Tax	179	Note 36. CO ₂ emission allowances	204
Note 14. Goodwill	180	Note 37. Reconciliation of statement of cash flows and notes to the financial statements	205
Note 15. Intangible assets	181	Note 38. Events after the reporting period	205
Note 16. Property, plant and equipment	182	Note 39. Consolidation scope	206
Note 17. Participating interests in equity-accounted companies	183	Note 40. Information on equity investments with significant shareholders excluding the Group	208
		Note 41. Other information	209
		4.7. Statutory Auditors' report on the consolidated financial statements	210

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.1. Consolidated income statement

4.1. Consolidated income statement

<i>In thousands of euros</i>	Note	2017	2016
Revenue	6	403,223	367,814
Purchases (including change in stocks)	7	(131,690)	(107,153)
Logistics costs	8	(10,809)	(11,599)
Staff costs	9	(44,366)	(43,771)
Other operating expenses	8	(84,930)	(81,659)
Amortisation of electricity and steam supply agreements		(6,067)	(6,067)
Charges to depreciation, amortisation and provisions		(46,509)	(42,157)
Share of net income of equity-accounted companies	18	3,632	3,321
Current operating income		82,397	78,728
Other operating income and expenses	10	(2,504)	(919)
Operating income		79,893	77,809
Cost of financial debt	11	(24,298)	(27,069)
Other financial income	12	1,886	1 316
Other financial expenses	12	(1,321)	(1,062)
Profit before tax		56,159	50,993
Tax charge	13	(11,888)	(8,887)
Net income		44,271	42,106
Net income attributable to:			
shareholders of Albioma	23	37 439	33 030
non-controlling interests	23	9 076	9 076
Basic and diluted earnings per share (in euros)	23	1,238	1,105

The notes form an integral part of the consolidated financial statements.

4.2. Statement of comprehensive income

The statement of comprehensive income presents the net income for the period as well as income and expenses for the period recognised directly in equity, in accordance with IFRS.

<i>In thousands of euros</i>	2017	2016
Net income	44,271	42,106
Actuarial gains and losses on employee benefits	(1,437)	(5,159)
Deferred tax on actuarial gains and losses	495	1,776
Items not available for recycling through profit or loss	(942)	(3,383)
Translation adjustments ¹	(10,739)	10,506
Cash flow hedges (interest rate swaps)	8,402	(1,633)
Deferred tax relating to cash flow hedges	(2,926)	(1,198)
Items available for recycling through profit or loss	(5,263)	7,675
Comprehensive income	38,066	46,398
Attributable to:		
shareholders of Albioma	32,476	35,237
non-controlling interests	5,590	11,161

1. Translation adjustments are presented after taking account of the effect of hedges of a net investment in a foreign operation, which amounted to €0.1 million in 2017 compared with €0.5 million in 2016.

The notes form an integral part of the consolidated financial statements.

The change in comprehensive income mainly reflects the impact of the change in the exchange rate of the Brazilian real against the euro, the effect of the change in interest rates on the measurement at fair value of cash flow hedges (interest rate swaps), the recognition in profit or loss of swap interest paid during the period, as well as the effect of the modification of the actuarial assumptions used to measure employee benefits.

For the year ended 31 December 2017, of the deferred tax for the period, €0.4 million (€2.2 million in 2016) represented the effect of the decrease in the corporation tax rate on the deferred tax in respect of other comprehensive income. This reduced rate, which was provided for by the 2017 Finance Bill and then the 2018 Finance Bill, applies to the Group's French companies as from the 2019 financial year.

4.3. Consolidated statement of financial position

ASSETS

<i>In thousands of euros</i>	Notes	31/12/2017	31/12/2016
NON-CURRENT ASSETS			
Goodwill	14	11,713	11,835
Intangible assets	15	98,120	107,045
Property, plant and equipment	16	1,042,385	941,170
Non-current financial assets	18	4,210	3,796
Investments in associates	17	23,380	25,473
Deferred tax assets	28	6,619	6,605
Total non-current assets		1,186,427	1,095,923
CURRENT ASSETS			
Stocks and assets in progress	21	54,547	54,599
Trade receivables	20	44,533	42,190
Other current operating assets	22	40,953	39,462
Cash and cash equivalents	19	92,053	96,462
Total current assets		232,086	232,713
Total assets		1,418,512	1,328,636

The notes form an integral part of the consolidated financial statements.

EQUITY AND LIABILITIES

<i>In thousands of euros</i>	Notes	31/12/2017	31/12/2016
SHAREHOLDERS' EQUITY, GROUP SHARE			
Share capital	23	1,179	1,163
Additional paid-in capital		42,199	35,752
Reserves		324,531	302,174
Translation reserves		(16,562)	(7,373)
Net income for the year		37,439	33,030
Total shareholders' equity, Group share		388,787	364,746
Non-controlling interests		78,493	73,509
Total equity		467,281	438,255
NON-CURRENT LIABILITIES			
Employee benefits	26	33,025	28,922
Provisions for liabilities	27	12,518	8,546
Deferred tax liabilities	28	39,074	44,480
Non-current financial debt	24	647,700	593,916
Non-current derivatives	25	34,279	42,236
Total non-current liabilities		766,596	718,100
CURRENT LIABILITIES			
Trade payables	29	62,700	62,660
Tax and social security liabilities	30	30,469	30,037
Current financial debt	24	59,577	53,879
Other current operating liabilities	31	31,889	25,705
Total current liabilities		184,635	172,280
Total equity and liabilities		1,418,512	1,328,636

The notes form an integral part of the consolidated financial statements.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.4. Statement of changes in shareholders' equity

4.4. Statement of changes in shareholders' equity

<i>In thousands of euros</i>	Share capital	Additional paid-in capital	Reserves and retained earnings	Cash flow hedges	Translation differences	Shareholders' equity, Group share	Non-controlling interests	Total equity
Shareholders' equity at 31/12/2015	1,147	30,472	356,873	(24,434)	(15,662)	348,396	60,815	409,211
Dividends paid	16	5,280	(16,867)	-	-	(11,571)	(5,030)	(16,601)
Stock options/performance shares	-	-	407	-	-	407	-	407
Transactions between shareholders	-	-	(6,839)	-	-	(6,839)	6,839	-
Treasury shares	-	-	(1,001)	-	-	(1,001)	-	(1,001)
Capital increases	-	-	-	-	-	-	1,102	1,102
Impact of changes in the consolidation scope	-	-	117	-	-	117	(1,378)	(1,261)
Total transactions with shareholders	16	5,280	(24,183)	-	-	(18,887)	1,533	(17,354)
Change in translation adjustment	-	-	-	-	8,289	8,289	2,217	10,506
Change in actuarial gains and losses	-	-	(2,990)	-	-	(2,990)	(393)	(3,383)
Change in fair value of hedging derivatives	-	-	-	(3,092)	-	(3,092)	261	(2,831)
Sub-total of items recognised in equity	-	-	(2,990)	(3,092)	8,289	2,207	2,085	4,292
Net income for the period	-	-	33,030	-	-	33,030	9,076	42,106
Total comprehensive income for the period	-	-	30,040	(3,092)	8,289	35,237	11,161	46,398
Shareholders' equity at 31/12/2016	1,163	35,752	362,730	(27,526)	(7,373)	364,746	73,509	438,255
Dividends paid	16	6,447	(17,014)	-	-	(10,551)	(4,524)	(15,075)
Stock options/performance shares	-	-	2,391	-	-	2,391	-	2,391
Transactions between shareholders	-	-	(244)	-	-	(244)	244	-
Treasury shares	-	-	(31)	-	-	(31)	-	(31)
Capital increases	-	-	-	-	-	-	3,051	3,051
Impact of changes in the consolidation scope	-	-	-	-	-	-	623	623
Total transactions with shareholders	16	6,447	(14,898)	-	-	(8,435)	(606)	(9,041)
Change in translation adjustment	-	-	-	-	(9,189)	(9,189)	(1,550)	(10,739)
Change in actuarial gains and losses	-	-	(807)	-	-	(807)	(135)	(942)
Change in fair value of hedging derivatives	-	-	-	5,033	-	5,033	443	5,476
Sub-total of items recognised in equity	-	-	(807)	5,033	(9,189)	(4,963)	(1,242)	(6,205)
Net income for the period	-	-	37,439	-	-	37,439	6 832	44 271
Total comprehensive income for the period	-	-	36,632	5,033	(9,189)	32,476	5 590	38 066
Shareholders' equity at 31/12/2017	1,179	42,199	384,464	(22,493)	(16,562)	388,787	78,493	467,280

The notes form an integral part of the consolidated financial statements.

4.5. Statement of consolidated cash flows

<i>In thousands of euros</i>	2017	2016
OPERATING ACTIVITIES		
Net income for the year attributable to shareholders of Albioma	37,439	33,030
Non-controlling interests	6,832	9,076
Adjustments	-	-
Charges to depreciation, amortisation and provisions	56,477	55,655
Change in deferred tax	(7,843)	(10,423)
Share of net income of associates net of dividends received	(797)	(751)
Gains and losses on disposals	(412)	-
Other non-cash items	1,186	(1,637)
Share-based payments	2,533	1,322
Cost of financial debt	24,298	27,069
Current tax charge for the year	19,731	19,310
Cash flow from operations	139,444	132,651
Impact of the change in the working capital requirement	(1,865)	8,081
Tax paid	(17,011)	(19,203)
Net cash from operating activities	120,568	121,529
INVESTING ACTIVITIES		
Acquisitions of non-current assets	(159,322)	(134,788)
Increase in financial assets	-	(235)
Sales proceeds from non-current assets	1,844	477
Sales proceeds from and reductions in financial assets	1,252	3,626
Acquisitions and disposals of subsidiaries less any cash acquired or sold	(634)	82
Net cash from/(used by) investing activities	(156,860)	(130,838)
FINANCING ACTIVITIES		
Transactions between shareholders	-	-
Capital increases subscribed by non-Group shareholders	1,013	1,102
Change in treasury shares	(118)	(1,001)
Dividends paid to shareholders of Albioma	(10,552)	(11,570)
Dividends paid to non-controlling interests	(4,582)	(5,077)
Borrowings and financial debt issued or subscribed	105,599	169,513
Cost of financial debt	(24,298)	(27,069)
Borrowings and financial debt repaid	(41,428)	(74,388)
Other items	7,666	4,220
Net cash from/(used by) financing activities	33,300	55,730
Impact of currency movements on cash and cash equivalents and other changes	(944)	1 385
Net change in cash and cash equivalents	(3,936)	47,806
Opening cash and cash equivalents	95,989	48,183
Closing cash and cash equivalents	92,053	95,989
Change in cash and cash equivalents	(3,936)	47,806
CASH AND CASH EQUIVALENTS		
CASH	74,440	79,951
Cash equivalents	17,613	16,511
Total cash and cash equivalents	92,053	96,462
Bank overdrafts	-	(473)
Net cash and cash equivalents	92,053	95,989

The notes form an integral part of the consolidated financial statements.

4.6. Notes to the consolidated financial statements

NOTE 1. HIGHLIGHTS OF THE YEAR

- In the Thermal Biomass France sector, the Group continued implementing its investment programme aimed at bringing its thermal power plants into compliance with the regulations on industrial emissions.
- In the first half of the year, a new rider to the contract for the purchase of the electricity generated by the Albioma Caraïbes power plant was signed by the latter with EDF on 26 May 2017 following a favourable opinion from the French Energy Regulatory Commission (Commission de Régulation de l'Énergie) on 22 February 2017. On the one hand, it enables the plant to be compensated for the extra costs of managing the combustion by-products, which the plant has borne since 2013 following changes in the regulations. On the other hand, it provides for an adjustment of the remuneration to take into account all of the costs associated with bringing the systems for processing the power plant's liquid and gaseous waste into compliance with current standards.
- As a result of the Deliberation of the French Energy Regulatory Commission (Commission de Régulation de l'Énergie) of 21 September 2017, a rider to the contract for the sale of the electricity generated by the Albioma Le Moule power plant in Guadeloupe was also signed with a view to defining, for future financial years, the procedures for remunerating the capital expenditure incurred in bringing this plant into compliance with the regulations.
- In Brazil, on 18 December 2018, Albioma signed an agreement with the Jalles Machado group, for the acquisition of 60% of the bagasse cogeneration plant adjacent to the sugar refinery-distillery of the same name in Goianésia (state of Goiás). Its annual crushing capacity totals 2.8 million tonnes of sugar cane. The agreement provides for the renovation of the existing boilers as well as the installation of a new 25 MW turbine, bringing the site's total capacity to 65 MW. The completion of the transaction remains subject to a number of conditions precedent that are expected to be satisfied by mid-2018 at the earliest.

NOTE 2. ACCOUNTING POLICIES

2.1. Changes to the accounting framework in 2017

The Group's consolidated financial statements for the year ended 31 December 2017 have been prepared in accordance with the framework of International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2017, available on the following website:

http://ec.europa.eu/finance/company-reporting/ifrs-financial-statements/index_fr.htm

The financial statements are presented in thousands of euros and were approved by the Board of Directors at its meeting of 5 March 2018.

The accounting principles used for the preparation of the consolidated financial statements for the year ended 31 December 2017 are identical to those used by the Group for the preparation of the consolidated financial statements for the year ended 31 December 2016, with the exception of the following standards that are now applicable.

- Amendments to IAS 7 "Disclosure Initiative – Information related to financing activities";
- Amendments to IAS 12 "Recognition of deferred tax assets for unrealised losses".

These standards, amendments to standards and interpretations did not have a material impact on the Group's consolidated financial statements for the year ended 31 December 2017.

In 2017, the Group decided not to apply in advance any standards, interpretations or amendments.

The following standards, interpretations and amendments, which have been published and whose application is mandatory as from 2017, could have an impact on the Group's financial statements:

- IFRS 15 "Revenue from Contracts with Customers" and the related amendments "Clarifications to IFRS 15";
- IFRS 9 "Financial Instruments" and the related amendments "Prepayment features";
- IFRS 16 "Leases";
- IFRS 2 amendments "Clarification and measurement of share based payment transactions";
- Annual Improvements to IFRS Standards, 2014–2016 Cycle;
- IAS 40 amendments "Transfers of Investment Property";
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration";
- IFRIC 23 "Uncertainty over Income Tax Treatments";
- IAS 28 amendments "Long-term Interests in Associates and Joint Ventures";
- IAS 19 amendments "Plan Amendment, Curtailment or Settlement".

IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" will come into force for financial statements covering accounting periods beginning on or after 1 January 2018. The Group has carried out a review of these standards to ascertain their impact on its financial statements. The Group does not expect them to have a material impact on its financial statements.

The accounting treatment under IFRS 9 of debt renegotiations not giving rise to derecognition was clarified in the amendment entitled "Prepayment Features with Negative Compensation" published by the IASB in October 2017. Modifications of financial liabilities not resulting in derecognition will always result in an adjustment of the amortised cost on the modification date; said adjustment must be recognised in full in the income statement.

This resulted in a change to the Group's current practice (under the IAS 39 option), which involved the expected saving (or additional expense) being spread over the residual term of the renegotiated debt by a prospective adjustment to the debt's effective interest rate.

The impact of retrospective application at 1 January 2018 of this clarification of the standard to all modifications of debts that do not result in their derecognition (because they are non-substantial) remains not material for the Group.

IFRS 16 will come into force for financial statements covering accounting periods beginning on or after 1 January 2019 (subject to its adoption by the European Union). This standard, which will replace IAS 17 and its interpretations, will result in the recognition in lessees' balance sheets of most leases in accordance with a single model, in the form of a right-of-use asset and a lease liability (the standard removes for lessees the distinction between finance leases and operating leases). Work is underway to analyse and measure the impact and to select the first-time application options.

2.2. Consolidation methods

Exclusively-controlled subsidiaries are fully consolidated. Control by the Group derives from its ability to direct activities with a significant impact on returns, its exposure or rights to variable returns and its ability to affect those returns. Control is presumed to exist when the Group owns, directly or indirectly, the majority of the voting rights in the company.

The equity method is applied to associates over which the Group has significant influence (usually more than 20%) but does not have control, as well as entities under joint control that meet the definition of a joint venture pursuant to IFRS 11 "Joint Arrangements". Under the equity method, the company's net assets and net income are consolidated in proportion to the participating interest held by the parent company in the share capital, as well as, where applicable, related goodwill.

The financial statements of all consolidated companies are drawn up to 31 December of each year shown.

Inter-company receivables and payables as well as inter-company income and expenses relating to fully-consolidated companies are eliminated in full. Internal margins generated between such companies are also eliminated. Internal results generated between companies that are equity-accounted

or fully consolidated are eliminated to the extent of the percentage interest held by the Group in the share capital of the equity-accounted company.

2.3. Income from ordinary activities

Income from ordinary activities of the Group comes from:

- sales of electricity and steam under energy supply agreements for terms ranging from 15 to 35 years, mainly entered into with EDF but also with sugar refineries for the power plants fuelled by bagasse and coal. Income for the year corresponds to the remuneration stipulated by these agreements in respect of each accounting period;
- sales of electricity to various distributor and industrial customers by Albioma Rio Pardo Termoelétrica and Albioma Codora Energia in Brazil as well as compensation due by sugar refineries related mainly to the quantity of biomass delivered;
- services provided by the parent company to companies not under its control.

In the case of the thermal power plants located in the French overseas departments and regions, the remuneration stipulated in the electricity and steam sale agreements entered into with EDF comprise an annual fixed portion and a variable portion. The fixed remuneration portion received is recognised in the income statement on a pro rata basis. The variable portion of the revenue is recognised on the basis of the quantities produced and delivered to the network as well as on the basis of the quantities of steam sent to the sugar refineries. This portion is increased by bonuses or decreased by penalties determined on the basis of the availability of the plants during the period to which the contracts apply.

In the case of the other plants, the remuneration depends exclusively on the energy produced and delivered.

Compensation for additional costs as well as remuneration for supplementary capital expenditure related to regulatory changes are the subject of negotiations and riders to the electricity sale agreements with EDF. These two revenue components are measured on the basis of tariffs revised by the riders and recognised when they have been agreed in principle and their amounts can be reliably estimated.

Contractual riders with EDF, in addition to agreements with sugar refineries, allowed for the operation of the "bagasse premium" established in 2009 by the authorities in favour of sugar cane growers indirectly contributing to the production of electricity from bagasse. Under this mechanism, the premium is collected by the producers of this electricity (therefore the Group's bagasse/coal power plants) and subsequently paid over to its beneficiaries (the growers) via the sugar refineries to which they deliver their sugar cane.

The Group thereby acts as an intermediary and does not bear the risks and rewards associated with this premium. As such, in accordance with IAS 18, collection of this premium has no impact on the Group's revenue. Nor does it have any effect on net income. The amounts collected from EDF and paid over to the sugar refineries are recognised in the statement of financial position in third-party accounts.

2.4. Operating segments

Segment information is presented based on the internal organisation and reporting structures used by Group management.

The Group uses the following split for operating segments:

- France - Thermal Biomass: this segment comprises the thermal power plants that produce electricity and steam in the French overseas departments;
- France - Solar Power: this segment comprises the various photovoltaic panel farms in France, Spain and Italy, as well as the sale of photovoltaic installations and panels to third parties and joint ventures for the share held by third parties;
- Brazil: this segment comprises the activities conducted in Brazil, including the development activities, the holding company activities and the operation of its thermal power plants;
- Mauritius: this segment comprises the thermal power plants that produce electricity on Mauritius;
- Holding Company, Anaerobic Digestion and Other: this segment comprises the operating activities of Albioma, as well as the activities of Methaneo.

2.5. Classification and presentation principles

Certain one-off transactions for material amounts are classified in "Other operating income" and "Other operating expenses". In particular, these include:

- disposal gains and losses and significant but unusual impairment of non-current assets, property, plant and equipment and intangible assets;
- other operating income and expenses for material amounts.

Cash and cash equivalents comprise cash, current bank accounts, term deposits (with withdrawal options that can be exercised within three months with no penalty), and marketable securities that can be realised in the very short term, are readily convertible into cash and do not present a significant risk of a change in value. The change in cash and cash equivalents analysed in the statement of consolidated cash flows corresponds to cash and cash equivalents net of bank overdrafts. Short-term loans are included in the change in debt.

2.6. Business Combinations

In accordance with the provisions of IFRS 3 revised, business combinations are recognised using the acquisition method. Under this method, the assets acquired and the liabilities and contingent liabilities assumed are measured at fair value. Goodwill corresponds to the difference between the acquisition price paid at the time of the business combination and the fair value of identifiable assets acquired net of any liabilities and contingent liabilities assumed. These are determined on a provisional basis at the time of acquisition and are revised within a period of 12 months with effect from the acquisition date. Goodwill is not amortised and is subject to impairment testing at least once a year.

Pursuant to IFRS 3 (revised):

- acquisition costs are expensed in the period in which they are incurred;
- contingent consideration is estimated at fair value at the date on which control is taken and included in the acquisition price of the shares.

The Group presents acquisition costs in the line "Other operating expenses" in the income statement.

For each business combination, the Group can choose to measure non-controlling interests either at fair value or on the basis of their share of the identifiable net assets of the entity acquired measured at fair value on the acquisition date.

For all transactions carried out, the Group has opted to value the non-controlling interests on the basis of their proportionate share of the identifiable net assets of the entity acquired and not at their fair value.

2.7. Intangible assets

Intangible assets acquired during a business combination are recognised separately when they meet the recognition criteria stipulated in IAS 38.

The fair value of contracts acquired during business combinations is determined by discounting the estimated net cash flows generated by the asset.

Following their initial recognition, contracts are recognised at cost less accumulated amortisation and impairment. Contracts are amortised on a straight-line basis over their residual term, but not exceeding 35 years.

2.8. Property, plant and equipment

Property, plant and equipment mainly comprise installations for the production of steam and electricity. Such items are recognised at cost including all expenses incurred to bring them into service, less any recoverable unpaid VAT, less depreciation and any impairment losses, where applicable. For property, plant and equipment produced internally, the cost includes directly attributable project development costs. In accordance with IAS 23, the Group capitalises financial charges incurred during the asset construction phase. The interest thus capitalised relates to specific debt assumed to finance the projects in question or pre-financing granted by the lessors during the construction phase.

When the components of an asset have different useful lives, they are recognised separately and depreciated over their specific useful lives when their value is material.

Subsequent expenses incurred for the replacement or improvement of a component of an item of property, plant or equipment are recorded in property, plant and equipment. In the event of replacement, the old component replaced is expensed.

Major spare parts relating to plant safety, so-called strategic parts, are capitalised and depreciated over the useful lives of the plants in question.

Plant maintenance expenditure aimed at maintaining the plants in good working order is expensed as incurred.

Production installations are depreciated on a straight-line basis over their estimated useful lives with effect from the date on which the asset is ready to be brought into service, i.e. as soon as it is in the location and necessary condition to be able to be operated as intended by management. These installations are depreciated over a period of 40 years for the bagasse/coal thermal power plants, 35 years for the thermal power plants using fuel oil, 20 years for plants in Brazil and 20 years for the photovoltaic installations.

Other property, plant and equipment is depreciated on a straight-line basis over periods ranging from two to ten years. Where applicable, the Group revises the useful lives.

Investment grants received are recognised as a reduction against the cost of property, plant and equipment. They are recognised in profit or loss over the useful life of the asset they finance.

2.9. Leases

Asset leases for which the Group is lessee and bears substantially all the risks and enjoys the economic benefits incident to ownership are recognised as leases, in particular, agreements relating to the financing of power plants.

To restate finance leases, the Group determines the present value of the minimum lease payments. These are the payments that the lessee is, or may be, required to make during the lease term, excluding any conditional lease payments, cost of services and taxes to be paid or reimbursed to the lessor.

The Group identifies agreements that, although not taking the legal form of a lease, can be regarded as leases in accordance with IFRIC 4. Agreements regarded as leases are then analysed in accordance with IAS 17 "Leases" to determine whether they qualify as operating leases or finance leases. Income from finance lease activities is treated as income from ordinary activities.

2.10. Impairment of assets

In accordance with IAS 36, goodwill is tested for impairment every year and the Company regularly looks for indications of impairment of property, plant and equipment and intangible assets. When such an indication exists, the Company performs an impairment test to determine whether the carrying amount of the asset exceeds its recoverable amount, defined as the higher of the fair value less disposal costs and the value in use.

The main indications of impairment used by the Group consist of:

- for the photovoltaic installations, a significant and permanent decrease in the equivalent full-power hours (EFPH);
- for the anaerobic digestion installations, a lower availability rate than that used in the business plans;
- for the plants in the Thermal Biomass sector, availability that is permanently and significantly lower than that forecast in the business plans;
- for all installations, operating costs that are permanently and significantly higher than those forecast in the business plans and for which the Group cannot be compensated by virtue of contractual provisions.

An asset's value in use is generally measured by discounting the future cash flows generated by the asset. Assets that do not generate any cash flows that are largely independent of those from other assets are grouped into cash-generating units (CGUs). Each thermal power plant, photovoltaic fleet and anaerobic digestion installation constitutes a CGU of the Group.

The data used to perform the tests using the discounted cash flow method are taken from:

- business plans established at the outset of the project and covering the term of the electricity sale agreements, the underlying assumptions being updated on the test date; or
- Group business plans established annually and covering the term of the agreements (from 15 to 40 years).

These tests are based on the following key assumptions:

- electricity selling prices, which are set contractually;
- for the photovoltaic installations, equivalent full-power hours (EFPH);
- for the anaerobic digestion installations, the period of production build-up preceding entry into service and subsequently the availability rate during operation.

2.11. Stocks

Stocks mainly comprise fuels, supplies and non-strategic spare parts needed for operation of the power plants as well as solar panels and inverters. Note that strategic parts are recognised under non-current assets. Stocks are measured at cost price or net realisable value (market price) if this is lower than the purchase cost.

2.12. Financial assets

Financial assets comprise operating receivables, deposits and cash collateral relating to leases, term deposits, loans, non-consolidated investments, short-term investments and cash equivalents and derivatives with a positive value. The measurement methods applied to financial assets are as follows:

- except for term deposits, short-term investments and cash equivalents are measured at fair value, fair value adjustments being recorded in profit or loss;
- operating receivables, security deposits and term deposits are recognised at amortised cost. Impairment losses are recognised if there is an objective indication of impairment.

The methods used for derivatives with a positive market value are explained in note 2.14 to the consolidated financial statements.

2.13. Financial liabilities

Financial liabilities comprise financial debt, operating liabilities and derivatives with a negative market value. The specific case of derivatives with a negative market value is covered in note 2.14 to the consolidated financial statements.

In accordance with IAS 39, applied since 1 January 2005, financial debt is initially measured at fair value less transaction costs and subsequently according to the amortised cost method using the effective interest rate. This method does not result in material differences compared with their face value.

Financial liabilities are split between current and non-current liabilities. Current liabilities essentially consist of financial liabilities falling due within the 12 months following the reporting date.

2.14. Derivatives

The purpose of the derivatives used by the Group is to hedge interest rate risks on the borrowings and leases entered into a variable interest rates. In accordance with IAS 32 and IAS 39 covering the measurement and recognition of financial instruments, derivatives with a positive market value are recognised in assets, while those with a negative market value are recognised in liabilities. When they are not considered for accounting purposes as cash flow hedges, changes in the fair value of such instruments are recorded in profit or loss. Otherwise, they are recognised in other comprehensive income (recyclable components) for the effective portion of the hedge and in profit or loss for the ineffective portion.

In accordance with IAS 39, embedded derivatives are recognised separately from their host contract on the contract start date and are measured at fair value, in the same way as stand-alone derivatives entered into with a bank. These derivatives are recorded in the statement of financial position at their fair value, in assets or liabilities depending on whether this value is positive or negative. Changes in the fair value of such instruments are recorded in profit or loss, except for derivatives that qualify as hedges of a net investment in a foreign operation, for which the change in fair value of the effective portion is recorded in translation reserves (in other comprehensive income). On disposal of a foreign entity covered by a net investment hedge, the currency loss or profit recognised in translation reserves is recognised in profit or loss.

Treatment of put options on non-controlling interests

On initial recognition of a put option, a debt is recognised with a corresponding charge to equity (consolidation reserves) in accordance with IAS 32.

As regards subsequent changes in fair value, in accordance with IAS 39 and in the absence of IFRS stipulations, the Group

recognises put options on non-controlling interests as derivatives. When applying this standard, changes in fair value are recognised under net financial income for the period.

2.15. Employee benefits

Employee benefits comprise defined contribution plans and defined benefit plans.

Defined contribution plans refer to post-employment benefit plans by virtue of which the Group pays defined contributions to various employee welfare bodies. The contributions are paid in exchange for services rendered by the employees in respect of the financial year. They are expensed as incurred.

Defined benefit plans refer to plans that provide employees with guaranteed additional funds. For the Group, this guarantee of additional funds constitutes a future service for which an obligation is calculated. The provision is calculated by estimating the amount of benefits that the employees will have accumulated in exchange for services rendered during the year and previous years.

Changes to an existing plan or the introduction of a new plan for post-employment benefits or other long-term benefits may result in an increase in the present value of the obligation in respect of defined benefits for services rendered during previous years, known as "past service cost". This past service cost is recognised in profit or loss for the period.

Within the Group, defined benefit plans cover post-employment benefits and other long-term benefits.

Post-employment benefits

Post-employment benefits comprise:

- lump-sum retirement payments;
- time banking for pre-retirement leave (*comptes épargnes jours retraite* - CEJR);
- defined benefit plans reserved for certain employees of the parent company in addition to the previous plan;
- specific pensions for the employees of certain subsidiaries in connection with the Electricity and Gas Industries statute and the guarantee to maintain certain specific benefits after their retirement.

In accordance with IAS 19 "Employee benefits", they are measured annually using the projected unit credit method, with length of service being taken into account on a pro rata basis.

The discount rate used on the reporting date is established based on the yields at the reporting date of high-quality private corporate bonds.

Actuarial gains and losses result from revised assumptions and from differences between the estimated results based on the actuarial assumptions and the actual results. These variances are recognised immediately in other comprehensive income for all actuarial gains and losses in respect of defined benefit plans. The impact of the unwinding of the discount on the provision for employee benefits is recorded in net financial income/(expense) under "Other financial expenses".

Other long-term benefits

Other long-term benefits mainly comprise additional medical coverage. A provision is calculated using the same methods, assumptions and frequency as those used for the measurement of post-employment benefits.

Actuarial gains and losses arising from the measurement of other long-term benefits are recognised directly in profit or loss in the year in which they occur.

2.16. Provisions for liabilities

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation;
- the amount of the obligation can be estimated reliably.

Provisions for dismantling

Dismantling costs are included in the initial cost of installations when the Group has a legal or implied obligation to dismantle. As a rule, the Group has no present, legal or implied obligation to dismantle pursuant to the criteria of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", such an obligation being likely to appear only once the activities of an installation definitively cease. As at 31 December 2017, the Group is not planning to cease the activities of any of its installations currently in operation.

For the Solar Power sector, dismantling costs are considered to be immaterial.

2.17. CO₂ allowances

The Group's thermal power plants located in the overseas departments are included in operations subject to regulations regarding carbon dioxide (CO₂) emission allowances. The following thermal power plants are concerned: Albioma Bois-Rouge (units 1 and 2), Albioma Le Gol (units A and B), Albioma Le Moule, Albioma Galion and Albioma Caraïbes.

In accordance with contractual terms, the Group signed riders on electricity sale contracts with EDF to take these regulatory changes into account and to cover excess costs relating to shortfalls between allowances allocated and allowances used.

The allowances acquired and used in respect of the shortfalls for the period are presented in "Other operating expenses", as are the amounts billed to EDF pursuant to the riders.

After taking into account the impact of the riders to the electricity sale agreements, any variance between available allowances and surrender obligations on maturity is covered by provisions calculated on the basis of the market value of the allowances at the reporting date. These provisions appear under "Other current liabilities". No such provisions existed at the end of the periods presented.

Allowances acquired during the financial year and unused are recognised in stocks. At 31 December 2017 and 31 December 2016, they were valued at below €0.1 million.

2.18. Tax

Corporation tax

The corporation tax charge shown in the income statement comprises tax payable in respect of the current period and deferred tax.

Deferred tax is recognised on all temporary differences between the amounts for accounting and tax purposes of asset and liability items, as well as on tax losses available for carry forward. Deferred tax assets are recognised only when they are likely to be recovered.

The bulk of these deferred taxes stems from temporary differences resulting from:

- for deferred tax liabilities: the revaluation of electricity sale contracts, the neutralisation of accelerated depreciation for tax purposes and the effect of the restatement of finance leases;
- for deferred tax assets: tax losses, the effect of neutralising internal margins relating to installation development, and the recognition of provisions in respect of employee benefits.

Deferred taxes are measured at the tax rate enacted or almost enacted by the relevant body at the reporting date, based on when the temporary differences are expected

to reverse. The liability method is applied and the impact of any changes in the tax rate is recognised in the income statement except for changes relating to items recognised directly in equity. Deferred taxes are not discounted.

Territorial Economic Contribution (*Contribution Économique Territoriale* – CET)

The 2010 Finance Act introduced a Territorial Economic Contribution (*Contribution Économique Territoriale* – CET) to replace the business tax (*taxe professionnelle*). The CET incorporates two new contributions: a tax on enterprise land value (*Taxe Foncière des Entreprises* – CFE) and a contribution for enterprise added value (*Cotisation sur la Valeur Ajoutée des Entreprises* – CVAE). For the financial years presented, the Group has recognised these two contributions under operating income in the item "Taxes and duties (other than corporation tax)".

2.19. Share-based payments

Allotments of stock subscription options and bonus shares subject to performance conditions

In accordance with IFRS 2, the fair value of stock subscription options and bonus shares is determined based on methods suited to their characteristics:

- stock subscription options, not subject to any share price performance conditions, are measured using the Black and Scholes model;
- subscription options allotted in 2010, with performance conditions, are measured using a binomial-based mathematical model;
- bonus shares allotted in 2009 and 2012, subject to share price performance conditions, are measured using the Monte-Carlo model;
- bonus shares allotted in 2014, 2016 and 2017, subject to share price performance conditions, are measured using the Monte-Carlo model, while shares whose final allotment depends on internal performance (power plant availability rates and EBITDA target) are measured using the Black and Scholes model.

The fair value on the allotment date of the share subscription options is recognised in expenses over the option acquisition period, based on the probability of these options being exercised before their expiry, with a corresponding increase in consolidated reserves.

For allotments of bonus shares and stock subscription options subject to performance conditions, the rights acquisition period corresponds to the most probable time frame for fulfilment of the performance conditions. The parameters used in this model are described in note 22.1 to the consolidated financial statements.

At each reporting date, the Group assesses the probability of loss of rights to the stock subscription options or bonus shares prior to the end of the acquisition period. Where applicable, the impact of the revision of these estimates is recognised in profit or loss with a corresponding movement in consolidated reserves. Performance conditions are not revised if market conditions are involved (as these are taken into account on the allocation date as part of the fair value measurement of the equity instruments to be issued).

2.20. Currency translation

Transactions denominated in foreign currency are recognised at the exchange rate prevailing on the transaction date. At the year end, receivables and payables in foreign currency are translated at the exchange rate prevailing on this date, with any resulting differences being recognised in profit or loss. Investments in the Mauritian companies are equity-accounted in the statement of financial position based on the exchange rate prevailing at the end of the accounting period, while the share of profit or loss attributable to the Group is translated at the average rate for the year. Resulting translation differences are recorded directly in equity.

The Brazilian entities' results and cash flows for the period are translated at the average rate for the period. The statement of financial position is translated at the closing rate of the period concerned. Resulting translation differences are recorded directly in equity.

The following rates were used by the Group to translate Brazilian reals into euros for the periods presented:

Euro/ Brazilian real	Opening rate	Average rate	Closing rate
2016	4.31	3.86	3.43
2017	3.43	3.60	3.97

NOTE 3. MANAGEMENT ESTIMATES

Preparation of the financial statements requires the Group to make best estimates and assumptions that affect the carrying amounts of assets and liabilities, information relating to contingent assets and liabilities, and the amount of income and expenses recorded during the period. Actual future results may differ from these estimates.

The main items in the financial statements for which the Group uses material estimates are as follows:

3.1. IAS 17: "Leases" and IFRIC Interpretation 4: "Determining Whether an Arrangement Contains a Lease"

The Group may enter into an agreement, including a transaction or a series of related transactions, that does not take the legal form of a lease but which confers the right to use an asset (e.g. a piece of property, plant or equipment) in return for a payment or a series of payments. IFRIC Interpretation 4 indicates the approach to be followed to determine whether agreements of this kind constitute or contain leases to be recognised in accordance with IAS 17. To determine whether an agreement constitutes or contains a lease, one must consider the substance of the agreement and assess if execution of the agreement depends on the use of one or more specific assets and if the agreement confers a right to use the asset. The analysis of these criteria assumes that management makes use of estimates. Given their characteristics, some of the Group's sale contracts may fall within the scope of IFRIC 4. To classify a contract, management must exercise its judgement in order to determine whether the agreement results in the transfer to the customer of virtually all the risks and rewards inherent in ownership of the asset by assessing whether execution of the agreement depends on the use of a specific asset and if the agreement confers the right to use the asset.

Group management believes that there is no transfer of virtually all the risks and rewards attached to the agreements for sale of electricity to EDF and that, as a result, any leases that exist are not treated as finance leases.

When a contract meets the criteria for a finance lease in accounting terms, determining the fair value of the leased asset and the present value of minimum lease payments also implies the formulation of a judgement by management.

3.2. SIC 27: "Evaluating the substance of transactions with the legal form of a lease"

The Group may enter into a transaction or a structured series of transactions (an agreement) taking the legal form of a lease with one or more investors in order to finance its property, plant and equipment. A series of transactions assuming the legal form of a lease are related and must be recognised for accounting purposes as a single transaction when their overall economic impact cannot be understood without reference to the series of transactions as a whole. Analysis of the substance of agreements assumes that management makes estimates and formulates judgements. If the agreement does not meet the conditions to be recognised for accounting purposes as a lease, management's estimates and judgements concern the facts and circumstances specific to each agreement, so as to determine when a fee received by the Group, where applicable, must be recognised in income. Such a fee is recognised only when it is probable that the economic benefits associated with the transaction will accrue to the entity and the outcome of the transaction can be reliably assessed, which assumes that management relies on estimates and formulates judgements. This analysis is performed on a case-by-case basis.

3.3. IFRS 3: "Business Combinations"

All business combinations are recognised using the acquisition method. As a result, the Group recognises the acquired entity's identifiable assets, liabilities and contingent liabilities at their fair value on the acquisition date, and also recognises the goodwill. The values attributed to the assets acquired and liabilities assumed are subject to management estimates, e.g. the expected cash flows on the assets and discount rates used.

3.4. IAS 16: "Useful lives of property, plant and equipment and intangible assets"

Property, plant and equipment and intangible assets other than goodwill are recognised at cost and are depreciated or amortised over their economic useful lives based on estimates made by management. When management observes that the actual useful lives differ substantially from the estimates used to calculate the depreciation or amortisation, this difference gives rise to adjustments in subsequent periods. Given the significance of the Group's non-current assets, differences between actual useful lives and estimated useful lives could have a material impact, positive or negative, on its operating income.

3.5. IAS 36: "Impairment of Assets"

Goodwill is tested for impairment annually, and property, plant and equipment and intangible assets are subject to impairment testing when circumstances indicate that the asset's carrying amount may not be fully recoverable. When such indications exist, the Company performs impairment tests in order to verify that the asset's carrying amount does not exceed its recoverable amount, which is defined as the higher of the fair value less costs to sell and the value in use. An asset's value in use is generally determined by discounting the future cash flows expected to be generated by the asset. To estimate the future cash flows on property, plant and equipment and intangible assets, management formulates a judgement according to its intended use of the asset, notably as regards future income, expenses, or even discount rates.

The impairment tests are performed on the basis of business plans approved by the Board of Directors.

3.6. IAS 12: "Income Taxes"

The Group previously benefited directly from certain tax advantages corresponding to a percentage of eligible direct investments made in the form of capital contributions in assets located in the French overseas departments. These capital contributions were deductible from the taxable profit according to the date on which the tax benefits were approved. Approval from the public authorities was conditional on the continuing operation of the asset and conservation for a period of five years, in all cases, of the shares received in exchange for the capital contributions.

These tax benefits did not fall directly within the scope of application of either IAS 12 "Income Taxes" or IAS 20 "Accounting for Government Grants". Management therefore exercised its judgement to determine the accounting treatment to be applied and concluded that an analogy with IAS 12 was appropriate. The tax benefit was therefore recognised as a reduction of the tax on current income when there was reasonable assurance that the Group would meet all the conditions for grant of the tax relief and the capital contribution became deductible from the taxable income for the current year.

Deferred tax assets are recognised for the amounts of tax on the profit recoverable in future years in respect of deductible temporary differences and the carry forward of unused tax losses and tax credits. To determine if a deferred tax asset is to be recognised in respect of the carry forward of unused tax losses and tax credits, management examines the probability of these unused tax losses and tax credits being used against a future taxable profit. Management takes into account past and projected results, the future taxable profit and the combination of results and strategies, both existing and realisable, in matters of tax planning.

3.7. IAS 39: “Fair value of financial derivatives and embedded derivatives”

The best indication of the fair value of a contract is the price that would be agreed between knowledgeable, willing parties in an arm’s length transaction. On the transaction date, fair value generally corresponds to the transaction price. Subsequently, fair value is determined based on observable market data, which provide the most reliable indications concerning the change in a contract’s fair value.

Market-based measurements, particularly those that are not based on readily available listed prices, include an intrinsic margin of uncertainty. This uncertainty increases with the term of the underlying contracts and when the underlying market is limited due to low transaction volumes. Market-based measurements may also differ substantially from the actual profits and losses realised on maturity of the contract due to changes in market conditions or specific events such as changes made to the underlying contract. More generally, any changes in the facts and circumstances relating to market conditions and the underlying assumptions used for measurement purposes may have an impact on the Group’s net financial income and equity.

Derivatives are traded in OTC markets in which there is no listed price. As a result, they are valued according to models commonly used by operators to evaluate these financial instruments (discounted cash flow models).

3.8. Other estimates

Concerning retrocessions of tax benefits, the Group recognises the impact of tax relief measures only when it is probable that the economic benefits associated with the transaction will accrue to the Group and the outcome of the transaction can be reliably measured. The Group considers the economic benefits associated with the transaction to be probable as soon as it receives the necessary approvals, the installations meet the conditions required, notably regarding grid connection, and investors have committed to the operations.

3.9. Consortium

In connection with its energy production operations in Brazil, the Group may set up a consortium with its sugar-refining partners.

The purpose of such a consortium is to deal solely with transactions between the plant owner/operator and the sugar refiner. The consortium does not therefore own any assets or generate any income.

The obligations of the consortium’s stakeholders are as follows:

- the sugar refiner must provide the biomass and water needed for the electricity and steam produced by the consortium, in accordance with the specifications drawn up concerning quantity and quality, as well as a certain number of sites that it currently owns and that are partially occupied by the installations, and the access routes and roadways needed for the plant’s operation and maintenance;
- the plant’s owner/operator must provide all the cogeneration equipment and contribute to the consortium exclusively at its expense as regards the plant’s operation and maintenance, including predictive maintenance.

In the event that either of the parties fails to comply with its obligations, the agreement provides for a compensation mechanism.

All of the consortium’s transactions are included in the financial statements of the Albioma Group project company, which has virtually all of the voting rights within the consortium and which directs, manages and represents the consortium for all legal purposes.

NOTE 4. CHANGES IN THE CONSOLIDATION SCOPE

In February 2017, Albioma sold its stake in Quantum Caraïbes. This entity was previously consolidated using the equity method. This disposal did not have a material impact on the Group’s consolidated financial statements.

In November 2017, Albioma sold its stake in UMAP. This disposal did not have a material impact on the Group’s consolidated financial statements.

For the purposes of simplifying its legal structure, the Group carried out a universal transfer of assets and liabilities in respect of its dormant companies, which it then liquidated.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

NOTE 5. OPERATING SEGMENTS

5.1. Information by operating segment and region

Year ended 31 December 2017

<i>In thousands of euros</i>	France – Thermal Biomass	France – Solar Power ¹	Brazil	Mauritius	Holding company, Anaerobic Digestion and other	Eliminations	Total
INCOME STATEMENT							
Income from ordinary activities	334,238	42,352	20,844	-	5,789		403,223
Inter-segment					18,870	(18,870)	-
Income from ordinary activities	334,238	42,352	20,844	-	24,659	(18,870)	403,223
EBITDA²	102,090	31,970	7,680	3,485	(6,882)		138,343
Operating income	64,441	15,524	2,284	3,485	(5,840)		79,893
Financial expenses and income							(23,734)
Tax charge							(11,888)
Net income for the year							44,271
STATEMENT OF FINANCIAL POSITION							
Goodwill	7,313	950	3,450		-		11,713
Intangible assets	71,841	7,427	18,701		151		98,120
Property, plant and equipment	801,467	183,237	55,477		2,204		1,042,385
Participating interests in equity-accounted companies	587	(2)	-	22,794	-		23,380
Current assets	155,767	29,891	12,535		33,893		232,086
Other non-current assets (including deferred tax)	10,910	2,640	255		(2,976)		10,829
Total assets	1,047,885	224,143	90,418	22,794	33,272	-	1,418,512
Equity	242,327	65,220	12,963	10,658	136,113		467,281
Non-current financial debt	418,764	125,548	18,786		84,602		647,700
Other non-current liabilities (including deferred tax)	96,555	24,046	-		(1,705)		118,896
Current liabilities	127,638	22,961	9,434		24,603		184,635
Inter-sector eliminations ³	162,599	(13,620)	49,235	12,136	(210,351)		-
Total equity and liabilities	1,047,883	224,155	90,418	22,794	33,262	-	1,418,512
OTHER INFORMATION							
Investments in property, plant and equipment and intangible assets	148,774	2,036	1,706	-	1,057		153,573
Charges to depreciation and amortisation	(29,553)	(15,028)	(5,396)	-	(675)		(50,652)

1. Including Spain and Italy.

2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals and other non-cash items recognised in other operating income and expenses.

3. Inter-sector eliminations include intra-Group payables and receivables, as well as the elimination of consolidated equity investments.

Year ended 31 December 2016

<i>In thousands of euros</i>	France – Thermal Biomass	France – Solar Power ¹	Brazil	Mauritius	Holding company, Anaerobic Digestion and other	Eliminations	Total
INCOME STATEMENT							
Income from ordinary activities	301,522	42,661	17,726	-	5,905		367,814
Inter-segment					18,321	(18,321)	-
Income from ordinary activities	301,522	42,661	17,726	-	24,226	(18,321)	367,814
EBITDA²	95,991	31,355	7,174	3,247	(6,326)		131,441
Operating income	67,624	15,722	2,512	3,247	(11,296)		77,809
Financial expenses and income							(26,816)
Tax charge							(8,887)
Net income for the year							42,106
STATEMENT OF FINANCIAL POSITION							
Goodwill	7,313	950	3,572		-		11,835
Intangible assets	76,251	7,916	22,921		(43)		107,045
Property, plant and equipment	677,007	195,199	66,739		2,225		941,170
Participating interests in equity-accounted companies	541	1,171	-	23,761	-		25,473
Current assets	119,281	26,404	11,144		75,885		232,713
Other non-current assets (including deferred tax)	10,018	1,823	220		(1,660)		10,401
Total assets	890,411	233,462	104,595	23,761	76,407	-	1,328,636
Equity	233,529	62,566	21,956	11,621	108,584		438,255
Non-current financial debt	343,783	139,062	27,230		83,841		593,916
Other non-current liabilities (including deferred tax)	96,702	25,866	-		1,616		124,184
Current liabilities	108,779	25,550	9,724		28,227		172,280
Inter-sector eliminations ³	107,618	(19,582)	45,685	12,140	(145,862)		-
Total equity and liabilities	890,411	233,462	104,595	23,761	76,407	-	1,328,636
OTHER INFORMATION							
Investments in property, plant and equipment and intangible assets	129,189	828	1,699	-			131,603
Charges to depreciation and amortisation	(27,673)	(15,553)	(4,643)	-	(10,903)		(58,919)

1. Including Spain and Italy.

2. EBITDA: operating income (including income from equity-accounted companies) before depreciation, amortisation and provisions net of reversals and other non-cash items recognised in other operating income and expenses.

3. Inter-sector eliminations include intra-Group payables and receivables, as well as the elimination of consolidated equity investments.

Other segment assets comprise stocks, trade receivables and other debtors.

Segment liabilities comprise specific liabilities relating to operating sites, provisions for employee benefits, other provisions for liabilities and charges (excluding provisions for risks relating to non-consolidated entities), trade payables and other creditors.

A reconciliation between operating income and EBITDA is shown below:

<i>In thousands of euros</i>	2017	2016
Operating income	79,893	77,809
Amortisation of contracts	6,154	6,067
Depreciation of non-current assets	44,748	41,480
Charges to/reversals of provisions (including employee benefits)	1,761	677
Charges to/reversals of provisions and other non-cash items recognised in other operating income and expenses	5,786	5,408
EBITDA from continuing operations	138,343	131,441

5.2. Other segment information

The Group sells virtually all the electricity it produces under agreements entered into with EDF in France, other distributor or industrial customers authorised as the Câmara de Comercialização de Energia Elétrica (CCEE) agents by the Agência Nacional de Energia Elétrica (ANEEL) for the Albioma

Rio Pardo Termoelétrica and Albioma Codora Energia plants in Brazil and, for the equity-accounted companies, the Central Electricity Board (CEB) in Mauritius.

NOTE 6. INCOME FROM ORDINARY ACTIVITIES

Income from ordinary activities can be broken down as follows:

<i>In thousands of euros</i>	2017	2016
Sales of electricity and steam	401,509	366,069
Services	1,714	1,745
Income from ordinary activities	403,223	367,814

The change in revenue was due mainly to the impact of:

- the increase in the fixed premiums and the variable remuneration as a result of the indexation provided for by the power purchase agreements of the thermal power plants in the French overseas departments and regions and the pricing adjustments obtained from EDF for Albioma Caraïbes and the additional fixed premiums received in respect of the investments to bring the plants into compliance with the new standards (IED);
- the improvement in availability due to technical shutdowns being carried out smoothly;
- greater energy production fuelled by bagasse due to the successful sugar harvest;
- the rise in revenue in Brazil resulting from increased production, higher electricity prices and a favourable average real/euro exchange rate in 2017 as compared to 2016.

NOTE 7. PURCHASES (INCLUDING CHANGES IN STOCKS)

Purchases include the cost of raw materials consumed in the production of electricity, notably coal and fuel oil. The change in purchases consumed includes, in particular, the effect of the change in the price of raw materials consumed and the production mix.

NOTE 8. LOGISTICS COSTS AND OTHER OPERATING INCOME AND EXPENSES

8.1. Logistics costs

The change in logistics expenses was due mainly to the fact that a greater proportion of the energy production was fuelled by bagasse in 2017 than in 2016.

8.2. Other operating income

Other operating income includes the amount of insurance indemnities received following claims and income from the disposal of non-current assets.

8.3. Other operating expenses

Other operating expenses comprise all expenses other than purchases, logistics costs and staff costs. They also include the expenses and income associated with the CO₂ allowances.

The change during the period was due mainly to the maintenance work carried out on the Albioma Caraïbes power plant in 2017 and to increased taxes. It should be noted that the Albioma Caraïbes power plant did not have an annual shutdown in 2016, in keeping with its policy of spacing shutdowns every 18 months.

NOTE 9. STAFFS COSTS

Staff costs break down as follows:

<i>In thousands of euros</i>	2017	2016
Wages and salaries	(25,220)	(25,971)
Social security charges	(13,125)	(12,725)
Profit-sharing and incentive schemes	(3,488)	(3,753)
Share-based payments	(2,533)	(1,322)
Total staff costs	(44,366)	(43,771)
Employee benefits (cost of services rendered net of benefits paid)	(1,557)	(488)
Total staff costs including employee benefits	(45,923)	(44,259)

The charges in respect of share-based payments relate to the bonus performance shares plans detailed in note 23.2 to the consolidated financial statements. Effective acquisition of these shares is subject to performance conditions, which had not been achieved at the end of the reporting period. No shares were actually allotted during the period.

The change in staff costs includes the increase in the charges in respect of the share-based payments related to the revised estimate of the probability of achieving the performance conditions as well as the charges in respect of the 2016 and 2017 plans.

NOTE 10. OTHER OPERATING INCOME AND EXPENSES

<i>In thousands of euros</i>	2017	2016
Reversal of litigation provisions	2,420	-
Reversals of impairment losses	621	-
Other income	5,573	6,613
Other operating income	8,614	6,613
Impairment of projects	-	(4,867)
Provisions for litigation and uncertainties concerning projects	(8,827)	(2,411)
Other expenses	(2,291)	(254)
Other operating expenses	(11,119)	(7,532)
Total other operating income and expenses	(2,504)	(919)

For the year ended 31 December 2017:

- the main components of other income were the retroactive effect of riders to the Albioma Caraïbes power purchase agreement compensating the plant for the extra costs associated with managing combustion by-products and processing liquid waste, the energy management premium received by Albioma Le Gol in respect of previous periods as well as the favourable finalisation during the period of a conditional earn-out;
- other expenses included the expenses relating to the settlement of disputes and uncertainties concerning projects.

For the year ended 31 December 2016:

- the main components of other income were the retroactive effect of the rider to the Bois-Rouge power purchase agreement compensating the plant for the extra costs associated with managing combustion by-products for the 2013, 2014 and 2015 financial years and with processing liquid waste for the 2015 financial year and, to a lesser extent, the net effect of the restructuring of the Anaerobic Digestion business;
- other expenses comprised mainly asset impairment losses resulting from the recognition of provisions for uncertainties surrounding projects in the development phase and of provisions for liabilities in respect of disputes.

NOTE 11. COST OF FINANCIAL DEBT

Cost of financial debt comprises the following items:

<i>In thousands of euros</i>	2017	2016
Financial expenses on financial debt	(19,509)	(21,121)
Financial expenses on leases	(4,789)	(5,948)
Cost of financial debt	(24,298)	(27,069)

The change in interest expenses was due mainly to:

- the decrease in the outstanding debt of the power plants in operation;
- the effect of the reorganisation of the Anaerobic Digestion business at the end of 2016;
- the favourable change in interest rates in Brazil.

For the year ended 31 December 2017, the amount recognised in financial expenses in respect of hedging instruments amounted to €8.9 million, compared with €8.3 million in 2016. These amounts correspond to interest disbursed or accrued under swap contracts (amount recycled through profit or loss of the fair values previously recognised in equity).

Furthermore, the amount of financial fees invoiced by lessors for swaps embedded in finance leases amounted to €3.4 million in 2017 compared with €3.7 million in 2016.

NOTE 12. OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses comprise the following items:

<i>In thousands of euros</i>	2017	2016
Currency gains	105	16
Income from marketable securities disposal	506	677
Other financial income	1,275	623
Other financial income	1,886	1,316
Impact of unwinding the discount on the provision for employee benefits	(467)	(456)
Change in the fair value of financial instruments	-	-
Other financial expenses	(854)	(606)
Other financial expenses	(1,321)	(1,062)
Total other financial income and expenses	565	254

NOTE 13. TAX

The corporation tax charge breaks down as follows:

<i>In thousands of euros</i>	2017	2016
Operating income	79,893	77,809
Share of net income of equity-accounted companies	(3,632)	(3,321)
Cost of financial debt	(24,298)	(27,069)
Other financial income and expenses	564	253
Income before tax and share in equity-accounted companies (A)	52,527	47,672
Tax charge (B)	(11,888)	(8,887)
Effective tax rate (B)/(A)	22.63%	18.64%

The tax charge for the period comprises the following:

<i>In thousands of euros</i>	2017	2016
Current tax charge	(23,464)	(18,397)
Tax on dividend payments	3,733	(913)
Deferred tax	7,843	10,423
Total corporation tax	(11,888)	(8,887)

A reconciliation between the actual tax charge and the theoretical tax charge is shown below:

<i>In thousands of euros</i>	2017			2016		
	Base	Rate	Tax	Base	Rate	Tax
Theoretical tax charge	52,527	34.4%	(18,085)	47,672	34.4%	(16,414)
Difference between local tax rate and standard tax rate including LODEOM allowance ¹	-	(0.1%)	60	-	(0.3%)	149
Impact of the change in the tax rate on deferred tax	-	(6.2%)	3,280	-	(17.9%)	8,522
Non-taxable income	-	(1.2%)	648	-	-	-
Tax on dividend payments	-	(6.9%)	3,619	-	1.9%	(913)
Non-deductible interest	-	1.1%	(554)	-	1.7%	(823)
Unrecognised deferred tax assets	-	1.1%	(552)	-	(4.0%)	1,897
Additional contributions and other permanent differences	-	0.6%	(304)	-	2.7%	(1,305)
Tax charge recognised	52,527	22.6%	(11,888)	47,672	18.6%	(8,887)

1. LODEOM: law no. 2009-594 of 27 May 2009 for the economic development of Overseas France.

The differences in the tax rates between the local rate and the standard tax rate include the difference between the tax rate in Brazil and the standard tax rate applicable in France as well as the effect of the allowance in respect of law no. 2009-594 of 27 May 2009 for the economic development of Overseas France (Loi pour le développement économique des Outre-mer - LODEOM).

The "Impact of the change in the tax rate on deferred tax" heading comprises in particular the effect of the decrease in the standard tax rate provided for by the 2018 Finance Act and applicable to the Group in France as from 2019. Thus, in accordance with IAS 12 "Income Taxes", deferred taxes which are expected to reverse as from 1 January 2019 have been measured on the basis of a standard tax rate

reducing gradually to 25% by 2022 as compared with the 33^{1/3}% rate previously applied. Deferred taxes were measured at 31 December 2016 taking into account the impact of the 2018 Finance Bill, which provided for a gradual reduction in the tax rate to 28%, and generated tax income of €8.5 million in respect of the 2016 financial year.

The "Tax on dividend payments" item includes the effect of the withdrawal of the 3% tax on dividends in respect of the financial years 2013 to 2017. The restated normalised effective tax rate for the year ended 31 December 2017 came to 34.43% compared with 38.28% in 2016.

The restated normalised effective tax rate¹ for the year ended 31 December 2017 came to 34.43% compared with 38.28% in 2016.

1. Restated normalised tax rate: tax rate restated for the effects of impairment losses on which no tax saving was recorded because there is no prospect of recovery in the short term, excluding Brazil and excluding the effect of the change in the tax rate as from 2019. For the year ended 31 December 2017, the restated normalised tax rate does not include the effect of the withdrawal of the 3% tax on dividend payments.

NOTE 14. GOODWILL

<i>In thousands of euros</i>	Net amount
At 31/12/2015	12,990
Impairment	(1,337)
Translation differences	182
At 31/12/2016	11,835
Impairment	-
Translation differences	(122)
At 31/12/2017	11,713

For the year ended 31 December 2016, the impairment losses related to the Anaerobic Digestion business, resulting from its restructuring, which led to the Group withdrawing from or selling projects in the portfolio.

The breakdown of goodwill by activity is as follows:

<i>In millions of euros</i>	
Thermal Biomass France	7.3
Thermal Biomass Brazil	3.4
Anaerobic Digestion	-
Solar Power	1.0

This goodwill is subject to an impairment test based on the assumptions presented in note 2.10 to the consolidated financial statements.

The Group carried out sensitivity calculations on the value of its assets based on the following assumptions:

- discount rate increased by 50bp;
- availability rate of the power plants in the Thermal Biomass sector reduced by 100bp;
- equivalent full-power hours for the photovoltaic installations reduced by 100bp.

No asset impairment losses would be recognised under any of the above assumptions.

NOTE 15. INTANGIBLE ASSETS

<i>In thousands of euros</i>	Electricity and steam supply agreements	Other intangible assets	Total intangible assets
GROSS AMOUNTS			
At 31/12/2015	160,041	2,445	162,485
Acquisitions	-	44	44
Impact of changes in the consolidation scope	1,021	(156)	865
Other movements	-	1,509	1,509
Translation differences	5,062	14	5,076
At 31/12/2016	166,124	3,856	169,980
Acquisitions	-	207	208
Impact of changes in the consolidation scope	-	(584)	(584)
Other movements	74	-	74
Translation differences	(3,386)	(13)	(3,399)
At 31/12/2017	162,812	3,467	166,279
AMORTISATION AND IMPAIRMENT			
At 31/12/2015	(53,260)	(1,184)	(54,444)
Amortisation charge and impairment losses for the period	(6,067)	(1,861)	(7,928)
Other movements	-	(287)	(287)
Translation differences	(266)	(11)	(277)
At 31/12/2016	(59,592)	(3,343)	(62,935)
Amortisation charge and impairment losses for the period	(6,154)	(185)	(6,339)
Reversals of impairment losses	-	72	72
Impact of changes in the consolidation scope	-	645	645
Translation differences	388	10	398
At 31/12/2017	(65,358)	(2,801)	(68,159)
NET AMOUNTS			
At 31/12/2015	106,781	1,261	108,042
At 31/12/2016	106,532	513	107,045
At 31/12/2017	97,455	666	98,120

The gross amount of intangible assets comprises:

- the fair value of agreements for the delivery of electricity entered into by Albioma Codora Energia in connection with the acquisition of control over this entity (see further information in note 3.1 to the consolidated financial statements);
- the fair value of agreements for the delivery of energy entered into by the thermal power plants (Albioma Bois-Rouge, Albioma Le Moule and Albioma Le Gol) with EDF when acquiring control of these entities on 1 October 2004, amortised over the residual lives of said agreements;
- the fair value of agreements entered into by the entities of the ElecSol sub-group, Albioma Solaire Réunion, Plexus Sol and Albioma Power Alliance recognised when allocating the acquisition price of these entities. These agreements are amortised over a period of 20 years.

Of the impairment losses recognised in 2016, the majority (totalling €1.7 million) related to the Anaerobic Digestion business' projects, from which the Group has withdrawn following the restructuring of this business.

Impairment of other intangible assets is presented in the "Charges to provisions" line. Reversals of impairment losses are presented in the "Reversals of provisions" line in the income statement.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

NOTE 16. PROPERTY, PLANT AND EQUIPEMENT

<i>In thousands of euros</i>	Installations in service	Non-current assets in progress	Total
GROSS AMOUNTS			
At 31/12/2015	1,130,422	80,233	1,210,655
Acquisitions	48,991	82,622	131,612
Asset disposals and derecognition	(732)	(2,169)	(2,901)
Impact of changes in the consolidation scope	(1,051)	477	(574)
Reclassifications	3,652	(4,995)	(1,343)
Translation differences	16,525	17	16,542
At 31/12/2016	1,197,807	156,184	1,353,991
Acquisitions	73,077	80,288	153,366
Asset disposals and derecognition	(750)	3	(747)
Impact of changes in the consolidation scope	(150)	(277)	(427)
Reclassifications	527	109	636
Translation differences	(11,119)	(48)	(11,168)
At 31/12/2017	1,259,392	236,260	1,495,652
DEPRECIATION AND IMPAIRMENT			
At 31/12/2015	(358,088)	(2,642)	(360,730)
Depreciation charge for the period	(41,717)		(41,717)
Impairment of assets and projects	(4,912)	(4,638)	(9,550)
Reversals of impairment losses	-	276	276
Asset disposals and derecognition	48	1,605	1,653
Impact of changes in the consolidation scope	(915)	424	(491)
Translation differences	(2,514)	-	(2,514)
Reclassifications	151	101	252
At 31/12/2016	(407,947)	(4,874)	(412,821)
Depreciation charge for the period	(44,472)	(91)	(44,563)
Reversals of impairment losses	250	-	250
Asset disposals and derecognition	507	-	507
Impact of changes in the consolidation scope	738	-	738
Translation differences	2,306	-	2,306
Reclassifications	316	-	316
At 31/12/2017	(448,302)	(4,965)	(453,267)
NET AMOUNTS			
At 31/12/2015	772,334	77,591	849,925
At 31/12/2016	789,860	151,309	941,170
At 31/12/2017	811,090	231,295	1,042,385

Increases in property, plant and equipment during 2017 related mainly to expenditure for improvements to thermal power plants and for the development of projects, in particular the Galion 2 power plant and the Saint-Pierre combustion turbine.

For the year ended 31 December 2017, the Group did not identify any indications of impairment in respect of its installations.

At 1 December 2016, the Group carried out impairment tests on the Anaerobic Digestion business, which showed indications of impairment, in accordance with the methodology described in note 2.10 to the consolidated financial statements.

The tests were carried out using the discounted cash flow method and based on business plans established by management. They resulted in the recognition of impairment amounting to €5.4 million in 2016. Other impairment losses were recognised in respect of projects considered not material.

With regard to the sensitivity of the value of these assets to the discount rate, it should be noted that an increase or decrease of 100 basis points would not have a material impact on the value of the assets tested.

As regards the year ended 31 December 2017, the amount of interest expenses recognised in the production cost of plants in respect of projects in the construction phase totalled €3.3 million, compared with €1.3 million in respect of 2016.

In thousands of euros

	31/12/2017	31/12/2016
MOVEMENTS DURING THE ACCOUNTING PERIOD		
Amount at the start of the period	25,473	26,237
Dividends paid	(2,835)	(2,552)
Share of net income of associates	3,632	3,321
Impact of changes in the consolidation scope – Sale of Quantum Caraïbes	(1,171)	-
Translation differences on the Mauritian interests	(1,719)	(1,163)
Other changes	(1)	(370)
Amount at the end of the period	23,379	25,473

Agreements for the sale of the electricity produced by the Mauritian entities include price indexation clauses that are treated as currency derivatives. Under these clauses, sale prices for part of the electricity delivered are indexed to changes in the Mauritian rupee/euro exchange rate.

Pursuant to IAS 39, these embedded derivatives are recognised separately from their host contract (the agreement for the sale of electricity) on the contract start date and are measured at fair value, in the same way as stand-alone derivatives entered into with a bank.

Finance leases

A significant portion of the Group's industrial equipment is subject to finance leases. At the end of the lease period, the Group can exercise an option to purchase the equipment.

The amount net of depreciation of assets under finance leases was €149.7 million at 31 December 2017, compared with €165.8 million at 31 December 2016.

Financial debt in respect of finance leases is presented in note 24 to the consolidated financial statements.

NOTE 17. PARTICIPATING INTERESTS IN EQUITY-ACCOUNTED COMPANIES

Equity-accounted investments include entities under significant influence, mainly comprising interests in the Mauritian entities and interests under joint control, essentially Quantum Caraïbes, which was sold in 2017. The financial information for the main equity-accounted companies is as follows:

Pursuant to IAS 39 "Financial instruments" and IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", these derivatives have been classified as hedges of a net investment in a foreign operation. As such, changes in the fair value of these derivatives are recognised in equity, within translation reserves, with no impact on profit or loss.

For both periods ended 31 December 2016 and 31 December 2017, the effect net of tax of the restatement of embedded derivatives in sale contracts on the value of investments in associates and recognised in translation reserves was €1.2 million. The change in fair value for 2017 was €0.1 million net of tax on the Group share compared with €(0.5) million in 2016.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

As at 31 December 2017

<i>In thousands of euros</i>	Terragen	OTEO Saint-Aubin	OTEO La Baraque	Other entities	Total
Location	Mauritius	Mauritius	Mauritius		
Activity	Thermal Biomass	Thermal Biomass	Thermal Biomass		
Percentage interest	25%	25%	27%		
STATEMENT OF FINANCIAL POSITION					
Cash and cash equivalents	299	1 813	4,458		
Other current assets	14,335	9,644	17,008		
Non-current assets	39,639	19,231	70,729		
Current liabilities	7,579	7,141	13,395		
Non-current liabilities	5,445	7,644	47,295		
Net assets	41,250	15,902	31,504		
Contribution to the Group's investments in equity-accounted companies	10,312	3,976	8,506	585	23,379
Dividends paid to the Group	1,250	508	941	136	2,835
INCOME STATEMENT					
Revenue	34,612	22,956	53,113		
Net income for the year	5,565	2,444	5,492		
Group share of net income	1,391	611	1,487	143	3,632
Net income for the year	5,565	2,444	5,492		
Other comprehensive income (net of tax)	(112)	149	90		
Total comprehensive income	5,453	2,593	5,582		

As at 31 December 2016

<i>In thousands of euros</i>	Terragen	OTEO Saint-Aubin	OTEO La Baraque	Other entities	Total
Location	Mauritius	Mauritius	Mauritius		
Activity	Thermal Biomass	Thermal Biomass	Thermal Biomass		
Percentage interest	25%	25%	27%		
STATEMENT OF FINANCIAL POSITION					
Cash and cash equivalents	2,825	2,341	5,999		
Other current assets	11,787	10,397	18,537		
Non-current assets	41,570	21,513	80,809		
Current liabilities	6,870	6,953	15,884		
Non-current liabilities	5,699	10,984	56,944		
Net assets	43,613	16,314	32,517		
Contribution to the Group's investments in equity-accounted companies	10,903	4,078	8,780	1,712	25,473
Dividends paid to the Group	1,109	450	1,011	-	2,570
INCOME STATEMENT					
Revenue	29,183	19,528	42,821		
Net income for the year	5,063	2,789	4,717		
Group share of net income	1,270	699	1,278	74	3,321
Net income for the year	5,063	2,789	4,717		
Other comprehensive income (net of tax)	(296)	(100)	(79)		
Total comprehensive income	4,768	2,689	4,638		

NOTE 18. NON-CURRENT FINANCIAL ASSETS

<i>In thousands of euros</i>	Note	31/12/2017	31/12/2016
Security deposits		2,529	2,656
Non-consolidated investments		92	138
Loans due in more than one year		660	497
Financial instruments	25	929	504
Total		4,210	3,796

Security deposits relate to finance leases used to finance the thermal power plants. These deposits and collateral bear interest, most of which is capitalised. These items are repayable on fixed dates or on the call option exercise date. The security deposit also generates interest that is capitalised.

All non-current financial assets are due in more than one year.

NOTE 19. CASH AND CASH EQUIVALENTS

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Cash equivalents	17,613	16,511
Cash	74,440	79,951
Total	92,053	96,462

Cash equivalents comprise available money market mutual funds and term deposits, for which changes in fair value are recognised in profit or loss. These cash equivalents consist of overnight placements of cash, whose value presents a negligible risk of change over time.

NOTE 20. TRADE RECEIVABLES

At 31 December 2017, trade receivables stood at €44.5 million compared with €42.2 million at 31 December 2016.

The Group sells almost all the electricity it produces under agreements with:

- EDF for the thermal and photovoltaic companies in France;
- the Central Electricity Board (CEB) for the equity-accounted companies in Mauritius;

- various distributor or industrial customers authorised as Câmara de Comercialização de Energia Elétrica (CCEE) agents by the Agência Nacional de Energia Elétrica (ANEEL) for the Albioma Rio Pardo Termoelétrica and Albioma Codora Energia plants in Brazil.

Given the high quality of the parties to the electricity sale agreements, in the Group's opinion, the counterparty risk relating to trade receivables is immaterial.

The statement of financial position included no material overdue trade receivables at either 31 December 2017 or 31 December 2016.

NOTE 21. STOCKS

Stocks are analysed as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
STOCKS - GROSS AMOUNT		
Raw materials and fuels	17,520	19,464
Non-strategic spare parts	37,187	35,378
Other stocks in progress	140	13
Total stocks – gross amount	54,847	54,856
IMPAIRMENT OF STOCKS		
Raw materials and fuels	(43)	-
Non-strategic spare parts	(257)	(257)
Total impairment of stocks	(300)	(257)
STOCKS - NET AMOUNT		
Raw materials and fuels	17,477	19,464
Non-strategic spare parts	36,930	35,121
Other stocks in progress	140	13
Total stocks – net amount	54,547	54,599

The increase in non-strategic spare parts was in line with the strategy of stepping up the level of preventive maintenance, which resulted, in particular, in an increase in the volume of spare parts held in stock.

NOTE 22. OTHER CURRENT ASSETS

Other current operating assets break down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Tax and social security receivables	26,831	26,308
Current tax receivables	1,208	3,443
Prepayments	2,892	2,673
Other debtors	10,021	7,039
Total	40,953	39,462

“Other debtors” include, in particular, current account balances due from, and advances paid to, suppliers as well as, for the year ended 31 December 2017, receivables related to claims for the reimbursement of the 3% tax on dividend payments.

NOTE 23. SHARE CAPITAL AND POTENTIAL SHARES

23.1. Share capital

At 31 December 2017, the share capital comprised 30,620,910 shares with a nominal value of €0.0385, fully paid up, including 371,983 treasury shares held in connection with a share buyback programme.

At 31 December 2016, the share capital comprised 30,217,232 shares with a nominal value of €0.0385, fully paid up, including 368,823 treasury shares held in connection with a share buyback programme.

23.2. Stock-option and bonus performance share plans

Description of the plans in operation at 31 December 2017

	2017 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (managers and administrative staff - France and Brazil)	2014 performance share plan (members of the Executive Committee)	2010 stock option plan
Date of the Board of Directors' meeting (allotment)	17/01/2017	24/05/2016 and 13/09/2016	24/05/2016 and 26/07/2016	27/05/2014	27/08/2010
Exercise period	n/a	n/a	n/a	n/a	From 28 August 2014 to 28 August 2017 subject to conditions
End of acquisition period	See details hereafter	See details hereafter	See details hereafter	See details hereafter	n/a
Total number of options and shares originally authorised	32,040	31,680	518,382	440,000	190,000
Original exercise price	n/a	n/a	n/a	n/a	21
Total number of options and shares after adjustment	n/a	n/a	n/a	n/a	n/a
Number of instruments in issue at 31/12/2010	-	-	-	-	189,500
Rights cancelled during the period	-	-	-	-	(66,900)
Number of instruments in issue at 31/12/2011	-	-	-	-	122,600
Rights allotted during the period	-	-	-	-	-
Rights cancelled during the period	-	-	-	-	(18,000)
Number of instruments in issue at 31/12/2012	-	-	-	-	104,600
Rights allotted during the period	-	-	-	-	-
Rights cancelled during the period	-	-	-	-	(5,200)
Number of instruments in issue at 31/12/2013	-	-	-	-	99,400
Rights allotted during the period	-	-	-	430,000	-
Rights cancelled during the period	-	-	-	(2,000)	(1,000)
Effective acquisitions in the period	-	-	-	-	-
Number of instruments in issue at 31/12/2014	-	-	-	428,000	98,400
Rights allotted during the period	-	-	-	10,000	-
Rights cancelled during the period	-	-	-	-	-
Effective acquisitions in the period	-	-	-	-	-
Number of instruments in issue at 31/12/2015	-	-	-	438,000	98,400
Rights allotted during the period	-	31,680	518,382	-	-
Rights cancelled during the period	-	(24,480)	(17,605)	-	-
Effective acquisitions in the period	-	(120)	-	-	-
Number of instruments in issue at 31/12/2016	-	7,080	500,777	438,000	98,400
Rights allotted during the period	32,040	-	-	-	-
Rights cancelled during the period	(480)	(360)	(41,236)	(438,000)	(98,400)
Effective acquisitions in the period	-	(6,720)	-	-	-
Number of instruments in issue at 31/12/2017	31,560	-	459,541	-	-

2010 stock option plan

Performance conditions

The exercise of options by all beneficiaries was subject to a performance condition relating to the change in the installed capacity of the Group's photovoltaic fleet: the installed capacity of the photovoltaic fleet of the Company and its subsidiaries, as at 31 December 2011, must have increased by at least 30% per annum compared to the fleet capacity as at 31 December 2009. This condition was met as at 31 December 2011.

Status of the plan at 31 December 2017

Closed.

2014 bonus performance share plan

Bonus performance share plan in favour of the Executive Committee members

Performance conditions

The allotments were divided up into two tranches, the first tranche covering one third and the second tranche the remaining two thirds of the shares allotted. Different performance conditions based on movements in the share price had to be met to trigger the effective acquisition of each tranche.

Lock-in commitment

Shares that have been effectively acquired were subject to a two-year lock-in commitment, the corporate officers being subject to the additional obligation to retain as registered shares 25% of the shares effectively acquired until they stand down from office.

Status of the plan at 31 December 2017

Closed.

"2016 managers and administrative staff" and "2016 Brazil" bonus performance share plans

"2016 managers and administrative staff" and "2016 Brazil" bonus performance share plans

Performance conditions

The allotments are divided up into three tranches, and each tranche covers one third of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche. These performance conditions are based on the growth in consolidated EBITDA during the 2018 financial year compared with the consolidated EBITDA for the 2015 financial year, on the growth in consolidated earnings per share for the 2018 financial year compared with the consolidated earnings per share for the 2015 financial year and on the change in the Albioma share price, calculated with net dividends reinvested (based on the average share price over 120 days) between 24 May 2016 and 24 May 2019 compared with the movement in the CAC Small Net Return (CACSN) index over the same period.

Lock-in commitment

Shares that have been effectively acquired are not subject to any lock-in commitment, the corporate officers being however subject to the obligation to retain as registered shares 25% of the shares effectively acquired until they stand down from office.

Status of the plan at 31 December 2017

Plan currently in operation.

"2016 thermal plants" and "2016 photovoltaic plants" bonus performance share plans

Performance conditions

Performance conditions

Performance conditions, based on the plant availability rate in 2016 (per plant in the case of the "2016 thermal plants" plan and by region in the case of the "2016 photovoltaic plants" plan), had to be met to trigger the effective acquisition of the shares.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2017

Closed.

2017 bonus performance share plan

"2017 thermal plants" and "2017 photovoltaic plants" bonus performance share plans

Performance conditions

Performance conditions, based on the plant availability rate in 2017 (per plant in the case of the "2016 thermal plants" plan and by region in the case of the "2017 photovoltaic plants" plan), must be met to trigger the effective acquisition of the shares.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2017

Plan currently in operation.

Valuation and amounts recognised as expenses

	2017 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (managers and administrative staff - France and Brazil)	2014 performance share plan (members of the Executive Committee)	2010 stock option plan
Initial unit fair value (in euros)	15.74	14.12	10.81	5.63	5.00
Life of the conditional allotment	1 year	1 year	3 years	3 years	4 years
Fair value of the conditional allotment (in thousands of euros)	232	99	2 244	2 419	939
AMOUNT RECOGNISED IN EXPENSES (IN THOUSANDS OF EUROS)					
2017	221	39	1 947	324	-
2016	-	59	447	807	-
2015	-	-	-	807	-
2014	-	-	-	481	101
2013	-	-	-	-	153
2012	-	-	-	-	153
2011	-	-	-	-	122
2010	-	-	-	-	88
ASSUMPTIONS USED FOR EVALUATION					
Volatility	28%	28%	28%	26%	29%
Stock lending/borrowing rate	n/a	n/a	n/a	7,5%	7,5%
Dividends	The expected dividend yield was estimated using a forward-looking approach, based on the distribution policy announced by the Group				

23.3. Number of shares

Movements in the number of shares making up the share capital are shown below:

At 31/12/2015	29,522,665
Shares issued due to the payment of dividends in shares	433,475
Treasury shares	(107,731)
At 31/12/2016	29,848,409
Shares issued due to the payment of dividends in shares	403,678
Treasury shares	(3,160)
At 31/12/2017	30,248,927

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

Calculation of the dilution

The diluted weighted average number of shares is calculated using the share buyback method. The funds received on exercise of the rights attached to the dilutive instruments are assumed to be allocated to the buyback of shares at market price on the last day of the financial year. The number of shares thus obtained is deducted from the total number of shares resulting from exercise of the rights.

Shares whose issuance is conditional are included in the calculation of diluted earnings per share only when, at the end of the period in question, the acquisition conditions are met.

The dilutive effects are created by the issuance of stock subscription options as well as by the allotment of bonus performance shares.

	31/12/2017	31/12/2016
Weighted average number of shares	30,250,507	29,902,275
Dilution	-	-
Diluted weighted average number of shares	30,250,507	29,902,275
GROUP TOTAL		
Net income, Group share (in thousands of euros)	37,439	33,030
Net income/weighted average number of shares (in euros)	1.238	1.105
Net income/diluted weighted average number of shares (in euros)	1.238	1.105

23.4. Dividends

On 31 May 2017, the General Meeting of Albioma's shareholders decided to set the dividend at €0.57 per share and to offer each shareholder the option of receiving payment of half of the dividend in new shares. This option could be exercised between 8 June and 28 June 2017.

The option for payment of the dividend in shares resulted in the subscription of 403,678 new shares issued at the price of €16.01 per share. The new shares were delivered and admitted for trading on Euronext Paris on 10 July 2017. The dividend payment in cash took place on the same date.

NOTE 24. FINANCIAL DEBT

24.1. Analysis by type (current and non-current)

The Group's financial debt can be broken down as follows:

In thousands of euros	At 31/12/2017				At 31/12/2016			
	Project debt	Corporate debt	Bank overdrafts, accrued interest and loan issue costs	Total	Project debt	Corporate debt	Bank overdrafts, accrued interest and loan issue costs	Total
Debts with financial institutions	539,335	85,000	(5,526)	618,809	461,337	85,000	159	546,496
Lease liabilities	88,468	-	-	88,468	101,299	-	-	101,299
Total	627,803	85,000	(5,526)	707,277	562,636	85,000	159	647,795
Non-current financial debt				647,700				593,916
Current financial debt				59,577				53,879

At 31 December 2017, the Group's average interest rate outside Brazil remained stable as compared with 2016 at 3.8%. The average interest rate in Brazil was 11.9% compared with 16.4% in 2016.

Financial debt included variable-rate debt of €644 million in 2017, compared with €409.9 million in 2016. Fixed-rate debt (after hedging is taken into account) represents 91% of total

financial debt (see details in note 25 to the consolidated financial statements).

Project debt is non-recourse debt in respect of Albioma, except in the case of Brazil and debt relating to projects in the construction phase, for which Albioma has granted parent company guarantees. It is borne by dedicated project entities.

The change in financial debt during the period is broken down below :

<i>In thousands of euros</i>	Lease liabilities	Bank and other borrowings	Total
31/12/2015	138,717	417,016	555,733
Bond issues	-	169,513	169,513
Repayments	(33,788)	(40,600)	(74,388)
Reclassifications	-	56	56
Other changes	-	(11,861)	(11,861)
Net change	-	1,406	1,406
Translation differences	-	7,336	7,336
Exercise of finance lease options	(3,630)	3,630	-
31/12/2016	101,299	546,495	647,795
Bond issues	-	105,599	105,599
Repayments	(5,334)	(36,090)	(41,424)
Reclassifications	(7,497)	7,497	-
Net change	-	(473)	(473)
Translation differences	-	(4,243)	(4,243)
31/12/2017	88,468	618,809	707,277

In order to refinance its existing debt and ensure financing of its IED investments, on 21 December 2017 Albioma Le Moule raised new long-term (13-year) bank finance totalling €115 million from a pool of credit institutions led by the BNP Paribas group.

"Other changes" include the effect of the exercise of finance lease options.

Debt issues for the period ended 31 December 2017 related to:

- the drawdown of the Albioma Le Moule debt amounting to €8.2 million (drawdown net of the portion of the debt refinanced);
- the additional drawdown of the Albioma Saint-Pierre debt amounting to €17.8 million;
- the additional drawdown of the Albioma Galion debt relating to the Galion 2 project amounting to €51.5 million;
- the additional drawdown of the Albioma Le Gol debt amounting to €33 million.

In addition, at 31 December 2017, Albioma had undrawn credit lines amounting to €55 million. Undrawn project debt at 31 December 2017 totalled €184 million.

In 2016, debt issues related to:

- the implementation by Albioma of additional corporate debt totalling €5 million. This fixed rate, euro-denominated debt matures in seven years;
- the implementation by Albioma Le Gol of variable rate debt totalling €135 million, in three tranches of €87 million, €33 million and €15 million respectively. The aim of this debt was to refinance the existing debt for tranches ALG-A and ALG-B currently in operation whilst extending their term, and to finance the investment needed to bring the

facilities into compliance with the Industrial Emissions Directive (IED). At 31 December 2016, only the first tranche, totalling €87 million, had been drawn down, €41 million of which was allocated to the refinancing of existing debt;

- the issue of a long-term (16-year) €144 million bank loan to finance the capital expenditure required to bring the fume treatment systems into compliance with current standards and to refinance all of Albioma Bois-Rouge's existing debt. This finance will be drawn down in line with progress on the construction of the new equipment during 2017, 2018 and 2019. At 31 December 2017, the amount drawn down was €67 million;
- the additional drawdown of the Galion 2 project debt amounting to €34.5 million taking the total used to €68.5 million out of a total amount financed of €120 million;
- the drawdown of the Albioma Saint-Pierre debt amounting to €21.8 million out of a total financed of €45 million. This debt has a maturity of 24 years.

The loan issued to acquire the Albioma Rio Pardo Termoeléctrica shares will mature in three years with the option of extending for a further five years at Albioma's discretion and subject to compliance with covenants.

The loan, denominated in BRL, carries a variable rate of interest and is subject to compliance with covenants. These covenants include compliance with a minimum debt service coverage ratio of 1.2. Albioma has issued a parent company guarantee to the lender in respect of this loan. These covenants were met at 31 December 2017 and 31 December 2016.

In addition, at 31 December 2016, Albioma had undrawn credit lines amounting to €40 million.

24.2. Maturity analysis of total repayments of financial debt

The breakdown by maturity of total undiscounted repayments of financial debt (including repayment of principal and payment of interest) is as follows:

At 31 December 2017

<i>In thousands of euros</i>	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years	Total
Financial debt	72,171	340,274	339,630	752,075
Lease liabilities	9,825	43,109	69,679	122,612
Total	81,996	383,382	409,309	874,687

At 31 December 2016

<i>In thousands of euros</i>	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years	Total
Financial debt	60 535	304 834	375 776	741 144
Lease liabilities	7 786	35 195	102 480	145 460
Total	68 321	340 028	478 255	886 604

For debt at variable interest rates, total repayments have been determined based on interest rates at the end of the financial year concerned.

The amount of minimum payments in respect of finance leases corresponds to the total repayments of lease liabilities indicated above.

24.3. Net borrowings

<i>In thousands of euros</i>	31/12/2017	31/12/2016
BORROWINGS AND FINANCIAL DEBT		
Finance leases	88,468	101,299
Bank loans	624,335	546,337
Other liabilities	(5,526)	159
Total	707,277	647,795
CASH AND CASH EQUIVALENTS		
Cash	(74,440)	(79,951)
Cash equivalents	(17,613)	(16,511)
Total	(92,053)	(96,462)
Finance lease deposits	(2,640)	(2,778)
Net financial debt after deducting deposits paid	612,584	548,555

The project companies also benefited from shareholder advances recognised in "Other current liabilities" in the amount of €17.2 million at 31 December 2017, compared with €12.2 million at 31 December 2016.

NOTE 25. FINANCIAL DERIVATIVES

25.1. Hedging instruments

Certain loans and leases entered into by the subsidiaries incorporate interest variation clauses. The agreements entered into with EDF generally allow for all or part of this variability to be passed on. When there is no such risk transfer, the Group has entered into interest rate swaps, lending at variable rates and borrowing at fixed rates. The situation pertaining to each lease for the subsidiaries in question, in terms of interest rate risk, as well as their impact on the statement of financial position pursuant to IAS 39, is shown in the table below. The swaps entered into by Albioma and its subsidiary Albioma Caraïbes for the purposes of

hedging the residual value of the lease have been recognised as cash flow hedges.

Analysis of electricity sale agreements entered into with the Central Electricity Board (CEB) in Mauritius by OTEO La Baraque, OTEO Saint-Aubin and Terragen indicated the presence of embedded currency derivatives that have been recognised at fair value in the financial statements of these equity-accounted companies. They have been classified as hedges of a net investment. The amounts recognised in respect of these derivatives are presented in note 16 to the consolidated financial statements.

The amount recognised in profit or loss in respect of the ineffective portion of hedging instruments is immaterial.

Maturity	Notional amount in millions of euros	Fair values in the statement of financial position				Recognition of changes in 2017		
		31/12/2016		31/12/2017		Profit or loss	Transitory account in shareholders' equity	
		Assets	Liabilities	Assets	Liabilities			
<i>In thousands of euros</i>								
Hedging of variable-rate debt by interest-rate swaps	2018 to 2040	409	504	(42,251)	929	(34,279)	(5)	8,402
Total cash flow hedging derivatives		409	504	(42,251)	929	(34,279)	(5)	8,402

A 50bp decline in interest rates would increase the amount of financial liabilities relating to hedging instruments by €14 million. A 50bp increase in interest rates would decrease the amount of financial liabilities relating to hedging instruments by €14 million. These effects would result in entries in equity for their amounts net of contingent tax.

The valuation of the credit risk of derivatives is calculated in accordance with IFRS 13 using historical probabilities of

default derived from the calculations of a leading rating agency and a collection rate. At 31 December 2017, this valuation was immaterial.

The following table provides an analysis by maturity date of the fair value of the financial instruments at 31 December 2017:

<i>In thousands of euros</i>	
Due within 1 year	9,527
Due between 1 and 5 years	21,011
Due in more than 5 years	2,812
Total	33,350

25.2. Albioma Rio Pardo Termoeléctrica call options

Albioma granted call options to the sugar refinery relating to 40% of the share capital of Albioma Rio Pardo Termoeléctrica for a period of five years from 31 March 2014.

In the first three years, the exercise price for the options will be based on a benchmark price that takes account of changes in the shareholders' equity of Albioma Rio

Pardo Termoeléctrica, an inflation index and shareholder remuneration.

After the third year, the exercise price will be based on the greater of i) the calculation based on the benchmark price and ii) the calculation based on EBITDA multiplied by the company's net debt at the option exercise date.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

These options meet the definition of derivatives set forth in IAS 39 "Financial Instruments" and must be recognised at fair value in the Group's financial statements. For the financial years presented, as the exercise price of the options was close to the market value of the shares, the fair value of the options was not material.

In addition, the Group gave Usina Rio Pardo an option enabling it, at the end of the consortium agreement, to acquire the Albioma Rio Pardo Termoeletrica shares held by the Group or the assets held by Albioma Rio Pardo Termoeletrica for a price of BRL 1. The exercise price will, with the agreement

of Usina Rio Pardo, be increased by the net carrying amount of the investments made and not fully depreciated on the date the option is exercised.

NOTE 26. EMPLOYEE BENEFITS

The amount of contributions paid in respect of defined contribution retirement plans amounted to €5,723 thousand for the year ended 31 December 2017 compared with €5,424 thousand for 2016.

Employee benefits break down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Post-employment benefits	30,414	26,516
Other long-term benefits	2,611	2,406
Total	33,025	28,922

26.1. Post-employment benefits

The provision for retirement obligations (defined benefit plan granted to employees) relates to the lump-sum retirement payment plan (*régime d'indemnités de départ en retraite* – IDR) applicable to French companies, the defined benefit plan put in place for employees of the parent company, the Electricity and Gas Industry (IEG) plan and the time banking

for pre-retirement leave (*comptes épargnes jours retraite* – CEJR) applicable to the employees of certain subsidiaries (specific pensions and guarantee to preserve specific benefits following their retirement).

The net expense recognised in the income statement in respect of defined benefit post-employment benefit plans breaks down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Cost of services rendered during the year	2,441	1,078
Financial cost	432	411
Net expense for the year	2,873	1,489

The cost of services rendered net of benefits paid is presented in the line "Charges to provisions" in the income statement. The financial cost is presented in the line "Other financial expenses" in the income statement.

The change in the net amounts recognised in the statement of financial position is analysed below:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Opening obligation	26,516	20,694
Net expense for the year	2,873	1,489
Contributions paid	(1,049)	(826)
Actuarial gains and losses recognised in reserves	1,440	5,159
Other changes	634	-
Closing obligation	30,414	26,516

The amount of plan assets is immaterial.

For the year ended 31 December 2017, actuarial gains and losses stem from experience effects for an amount of €0.3 million and the impact of changes in actuarial assumptions for an amount of €1.1 million.

For the year ended 31 December 2016, actuarial gains and losses stem from experience effects for an amount of €0.9 million and the impact of changes in actuarial assumptions for an amount of €4.2 million.

26.2. Other long-term benefits

Other long-term benefits mainly comprise additional medical coverage.

The amounts recognised in liabilities in respect of these plans break down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Present value of the liability	2,611	2,406
Net amount recognised in the statement of financial position	2,611	2,406

The net expense recognised in the income statement in respect of other long-term benefits breaks down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Cost of services rendered during the year	339	392
Financial cost	35	45
Net expense for the year	374	437

The cost of services rendered net of benefits paid is presented in the line "Charges to provisions" in the income statement. The financial cost is presented in the line "Other financial expenses" in the income statement.

The change in the net amounts recognised in the statement of financial position is analysed below:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Net amount recognised in the opening statement of financial position	2,406	2,125
Net expense for the year	374	437
Contributions paid	(174)	(156)
Other changes	5	-
Net amount recognised in the closing statement of financial position	2,611	2,406

26.3. Actuarial assumptions

The main actuarial assumptions used to calculate obligations in respect of retirement payments (*indemnités de départ en retraite* - IDR) and the Electricity and Gas Industry (*Industries Électriques et Gazières* - IEG) statute are as follows:

	31/12/2017	31/12/2016
Discount rate	1.50%	1.50%
Inflation rate	1.75%	1.75%
Life expectancy table	INSEE generational	INSEE generational

A 50bp increase in the discount rate would decrease the amount of employee benefit obligations by around €3.3 million, while long-term benefit obligations would fall by around €0.2 million.

NOTE 27. PROVISIONS FOR LIABILITIES

The change in provisions for liabilities and charges during the year comprises the following items:

<i>In thousands of euros</i>	Provisions to hedge industrial and other risks	Other provisions	Total non-current provisions
Provision at 31/12/2015	607	1,830	2,437
Charges	166	6,088	6,254
Reversals - utilised	(110)	(35)	(145)
Provision at 31/12/2016	663	7,883	8,546
Charges	1,300	7,860	9,160
Reversals - utilised	-	(283)	(283)
Reversals - utilised	(663)	(4,284)	(4,947)
Other	-	42	42
Provision at 31/12/2017	1,300	11,218	12,518

During the years ended 31 December 2016 and 31 December 2017, the Group recognised provisions for liabilities in respect of the uncertainties surrounding projects and in respect of litigation and disputes. The provision reversals were due to the liabilities or disputes concerned ceasing to exist.

NOTE 28. DEFERRED TAX

Deferred tax assets and liabilities recognised in the statement of financial position break down as follows:

<i>In thousands of euros</i>	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
DIFFERENCE BETWEEN AMOUNTS FOR ACCOUNTING AND TAX PURPOSES						
Non-current assets	11,953	8,933	(24,968)	(26,815)	(13,015)	(17,882)
Provisions	9,234	8,880	-	-	9,234	8,880
Other	2,135	1,550	(2,117)	(788)	18	762
Finance leases	-	-	(38,358)	(43,122)	(38,358)	(43,122)
Derivatives	8,621	12,024	-	-	8,621	12,024
Tax losses	1,045	1,463	-	-	1,045	1,463
Total	32,988	32,850	(65,443)	(70,725)	(32,455)	(37,875)
Impact of offsetting	(26,369)	(26,245)	26,369	26,245	-	-
Net deferred tax	6,619	6,605	(39,074)	(44,480)	(32,455)	(37,875)

The tax losses were generated by the application of Article 39 AB of the French Tax Code (*Code général des impôts*), resulting in the accelerated depreciation for tax purposes of certain installations. These tax losses will be utilised over the term of the agreements for the sale of electricity applicable to these installations. This recovery is supported by the business plans established by the Group.

The change in the net deferred tax during the period comprises the effect of the decrease in the standard tax rate provided for by the 2018 Finance Act and applicable to

the Group in France as from 2019. Thus, in accordance with IAS 12 "Income Taxes", deferred taxes which are expected to reverse as from 1 January 2019 have been measured on the basis of a standard tax rate of 28% as compared with the 33.33% rate previously applied.

Deferred tax assets on unrecognised losses amounted to €3.3 million at the end of 2017. They are deferred for an indefinite period.

The change in deferred tax is broken down below:

<i>In thousands of euros</i>	Total
Net deferred tax at 31/12/2015	(48,498)
Profit or loss	10,313
Other movements	(268)
Equity	578
Net deferred tax at 31/12/2016	(37,875)
Profit or loss	7,843
Other movements	8
Equity	(2,431)
Net deferred tax at 31/12/2017	(32,455)

NOTE 29. TRADE PAYABLES

These liabilities break down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Trade payables	54,574	50,433
Amounts due to suppliers of non-current assets	8,126	12,227
Total	62,700	62,660

The main components of the change in amounts due to suppliers of non-current assets were Albioma le Gol's and Albioma Galion's trade payables in respect of projects in the development phase.

NOTE 30. CORPORATION TAX, DUTIES, AND TAX AND SOCIAL SECURITY LIABILITIES

These liabilities break down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Current tax liabilities	7,518	1,797
Other tax and social security liabilities	22,951	28,240
Total	30,469	30,037

NOTE 31. OTHER CURRENT OPERATING LIABILITIES

Other current liabilities break down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Deferred income	8,556	10,050
Other creditors	23,222	15,655
Total	31,889	25,705

The main components of "Other creditors" are current accounts and other operating liabilities.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

NOTE 32. FINANCIAL INSTRUMENTS

The fair values of financial instruments are as follows:

In thousands of euros	Carrying amount		Fair value	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
FINANCIAL ASSETS				
Non-current financial assets	4,210	3,796	4,210	3,796
Trade receivables	44,533	42,190	44,533	42,190
Other current assets	40,953	39,462	40,953	39,462
Cash and cash equivalents	92,053	96,462	92,053	96,462
Total financial assets	181,749	181,911	181,749	181,911
FINANCIAL LIABILITIES				
Non-current financial debt	647,700	593,916	757,693	631,367
Current financial debt	59,577	53,879	59,577	53,879
Trade payables	62,700	62,660	62,700	62,660
Other current liabilities	62,358	55,742	62,358	55,742
Financial derivatives	34,279	42,236	34,279	42,236
Total financial liabilities	866,615	808,432	976,608	845,883

The fair value of an asset or liability is the price that would be agreed between willing parties in an arm's length transaction. On the transaction date, it generally corresponds to the transaction price. Subsequent determination of the fair value must be based on observable market data that provides the most reliable indication of the fair value of a financial instrument.

For the swaps, the fair value of derivatives is determined based on the discounted contractual cash flows. The fair value of borrowings is determined by discounting the contractual cash flows at market interest rates.

The fair value of trade payables and trade receivables corresponds to the carrying amount indicated in the statement of financial position as the impact of discounting the future cash flows is immaterial.

At 31 December 2017

In thousands of euros	Level ²	Carrying amount	Financial assets and liabilities measured at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and hedging instruments
FINANCIAL ASSETS					
Non-current financial assets	2	4,210	-	-	4,210
Trade receivables		44,533	-	-	44,533
Other current assets		40,953	-	-	40,953
Cash and cash equivalents	1	92,053	92,053	-	-
Total financial assets		181,749	92,053	-	89,696
FINANCIAL LIABILITIES					
Non-current financial debt ¹		647,700	-	-	647,700
Current financial debt		59,577	-	-	59,577
Trade payables		62,700	-	-	62,700
Other current liabilities		62,358	-	-	62,358
Financial derivatives	2	34,279	-	-	34,279
Total financial liabilities		866,615	-	-	866,615

1. Non-current financial debt relating to call options on non-Group interests is valued on the basis of discounted cash flows.

2. The classification levels are defined as follows:

- level 1: prices quoted on an active market;
- level 2: prices quoted on an active market for a similar instrument, or another evaluation technique based on observable parameters;
- level 3: evaluation technique incorporating non-observable parameters.

At 31 December 2016

<i>In thousands of euros</i>	Level ²	Carrying amount	Financial assets and liabilities measured at fair value through profit or loss	Available-for-sale financial assets	Loans, receivables and hedging instruments
FINANCIAL ASSETS					
Non-current financial assets	2	3,796	-	-	3,796
Trade receivables		42,190	-	-	42,190
Other current assets		39,462	-	-	39,462
Cash and cash equivalents	1 and 2	96,462	96,462	-	-
Total financial assets		181,911	96,462	-	85,449
FINANCIAL LIABILITIES					
Non-current financial debt ¹		593,916	-	-	593,916
Current financial debt		53,879	-	-	53,879
Trade payables		62,660	-	-	62,660
Other current liabilities		55,742	-	-	55,742
Financial derivatives	2	42,236	(15)	-	42,251
Total financial liabilities		808,432	(15)	-	808,447

1. Non-current financial debt relating to call options on non-Group interests is valued on the basis of discounted cash flows.

2. The classification levels are defined as follows:

- level 1: prices quoted on an active market;

- level 2: prices quoted on an active market for a similar instrument, or another evaluation technique based on observable parameters;

- level 3: evaluation technique incorporating non-observable parameters.

NOTE 33. RISK AND CAPITAL MANAGEMENT

33.1. Risk management

Interest rate risk

Since interest rate changes cannot be passed on to customers, companies with financing agreements have put in place appropriate hedges in the form of swaps, i.e. swapping variable interest rates for fixed interest rates.

Net financial debt after deducting finance lease deposits came to €612.6 million at 31 December 2017 compared with €548.6 million at 31 December 2016. Interest rate hedging instruments are presented in note 25 to the consolidated financial statements.

Financial debt included variable-rate debt of €644 million in 2017, compared with €409.6 million in 2016. Fixed-rate or hedged debt represents 91% of total financial debt.

Sensitivity of financial assets and liabilities to changes in interest rates

After taking into account interest rate hedges, a 50 basis points increase in interest rates would result in an additional expense of €0.5 million. This amount corresponds to 2% of the total amount of financial expenses for the year under review (€24.3 million). This percentage indicates the impact on the Group's financial expenses of a change in interest rates:

- on financial assets and liabilities at variable rates;

- on financial assets and liabilities at fixed rates maturing in less than one year.

The increase in charges is partly passed on to customers in accordance with the contracts for the sale of electricity for the Thermal Biomass sector.

Currency risk

The Group's transactions are carried out mainly in euros, except for:

- coal purchases by the subsidiaries, which are denominated in US dollars, with sale prices to clients specifically taking into account exchange rate movements;
- the business of the Brazilian companies: in the development of its Thermal Biomass business in Brazil, the Group is now exposed to a euro/Brazilian real currency risk that may affect its results when the financial statements of its Brazilian subsidiaries are converted into euros, and this will make it more difficult to compare performances from one year to the next. For example, if the euro appreciates against the Brazilian real, this will reduce the contribution to the consolidated results made by subsidiaries that prepare their financial statements in the Brazilian currency. As regards long-term assets, the Group has put in place a hedging policy aimed at reducing currency risks associated with financing in the Brazilian currency;

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

the activity of companies in which Albioma holds non-controlling interests in Mauritius. These companies' financial statements are prepared in Mauritian rupees. Currency risk arises mainly from the impact of the movement in the exchange rate on the overall amounts recognised using equity accounting (recognised directly in

equity), the revaluation of financial debt, denominated in certain cases in euros, and the partial indexation to the euro of electricity sale agreements. Also, the Group has recognised embedded currency derivatives (Euro/Mauritian rupee) relating to electricity sale contracts.

In respect of the periods presented, currency risks were as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Net value in euros of net assets denominated in Mauritian rupees	22,838	23,772
Net value in euros of net assets denominated in Brazilian real	47,937	55,977
Total net assets denominated in foreign currencies	70,775	79,749

Net assets denominated in Mauritian rupees are subject to hedging of a net investment in a foreign operation as described in note 17 to the consolidated financial statements.

For the year ended 31 December 2017, the impact of the change in the rate of the Brazilian real against the euro would be as follows:

Brazilian real	Impact on net income		Impact on shareholders' equity	
	5% increase	5% decrease	5% increase	5% decrease
Impacts	(0.1%)	0.1%	7.0%	(0.6%)

Counterparty risk

Given the high quality of the parties to the agreements, particularly the subsidiaries, the counterparty risk relating to trade receivables is immaterial. The statement of financial position included no material overdue trade receivables at 31 December 2017. Moreover, the Group does not have any specific dependence on its suppliers.

Regarding its investments and borrowings, the Group deals only with top-tier financial institutions.

Liquidity risk

The Group monitors its liquidity on a regular basis and has sufficient resources to enable it to meet any significant financial obligations.

The liquidity position can be broken down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Cash equivalents	17,613	16,511
Cash	74,440	79,951
Lines of credit not utilised	55,000	40,000
Liquidity position	147,053	136,462

Country, industrial and environmental risks

The risks relating to the location of assets, as well as the industrial and environmental risks, are presented in sections 1.8.1.6 and 1.8.1.2 respectively of the 2017 Registration Document.

Legal risks and risks stemming from regulatory changes

The legal risks stemming from changes in the regulatory framework are presented in section 1.8.1.9 of the 2017 Registration Document. The energy industry is highly regulated and largely driven by contractual arrangements. Regulatory changes (including tax regulations) rendering certain investments less attractive could adversely impact the Group's development. Furthermore, the Group has benefited from certain favourable tax measures in the French overseas departments that are subject to meeting various conditions relating to investment, employment, training and reporting and administrative formalities. As part of its day-to-day activities, the Group regularly reviews these risks, including social and tax risks.

33.2. Capital management

The Group's main objective is to ensure the maintenance of a good credit risk rating and healthy capital ratios in order to facilitate its activity and maximise shareholder value.

The Group manages its capital by using a ratio, equal to net debt excluding non-recourse project financing and pre-financing of new units divided by the amount of consolidated equity.

The Group's policy is to maintain this ratio below 1 and to maximise the return on the Company's shares, to maintain appropriate ratios for the statement of financial position and to ensure the capacity to finance its ambitious development programmes by adapting according to the availability of borrowings in any given period.

Equity includes the Group share of capital, as well as the unrealised gains and losses recorded under other comprehensive income in equity.

Under the Group's dividend policy, it aims to distribute 50% of the Group share of net income (excluding any gains on disposals, retroactivity and financing needs for new projects), with an option for the payment of 50% of the dividend in new shares.

Albioma appointed Rothschild Martin Maurel to implement a liquidity contract. This liquidity contract, which complies with the AMAFI (*Association des Marchés Financiers*) code of conduct approved by the Financial Markets Authority, is in line with the share buyback programme approved by the General Meeting of the shareholders on 28 May 2015, a description of which was published on the Company's website. The purpose of the contract is to stimulate the market for Albioma securities on Euronext Paris.

NOTE 34. OFF-BALANCE SHEET COMMITMENTS

34.1. Off-balance sheet commitments given

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Guarantees given to suppliers	22,367	39,878
Fixed leases	15,725	16,959
Guarantees concerning ensuring the safety of the Classified Installations for Environmental Protection (ICPE)	415	498
Commitments given relating to operating activities	38,507	57,335
Assets pledged as collateral	-	-
Guarantee on environmental risks	4,531	5,247
Sundry guarantees	822	622
Commitments given relating to financing activities	5,352	5,869
Liabilities guarantees	-	-
Commitments given relating to changes in the consolidation scope	-	-
Total off-balance sheet commitments given	43,859	63,204

Commitments given relating to operating activities

Guarantees given to suppliers

These guarantees generally constitute counter-guarantees for payment granted by the Group to equipment suppliers as a guarantee for payment in connection with supply agreements entered into by the subsidiaries. These guarantees relate mainly to the orders in progress for capital expenditure to be incurred in respect of the Galion 2 and Albioma Saint-Pierre thermal power plant projects.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

Leases

Leases relate to the photovoltaic installations in operation. These leases include fixed lease payments and conditional lease payments indexed to revenue or production volumes. Concerning the conditional lease payments, the best estimate of future lease payments is €22.1 million at 31 December 2017 compared with €24.2 million at 31 December 2016.

Guarantees concerning ensuring the safety of the Classified Installations for Environmental Protection (ICPE)

For the Thermal Biomass sector, the Group has filed with the examining administrative bodies a case justifying the financial guarantees to be provided for the safety of thermal installations classified for the protection of the environment (ICPE). At 31 December 2017, these guarantees amounted to €0.4 million.

Commitments given relating to financing activities

Assets pledged as collateral

Debts contracted by the Group in connection with project financing are guaranteed by collateral (industrial assets, mortgages, pledges of shares and receivables) to ensure their repayment.

Pledges of subsidiaries' shares

Company	Start date of pledge	Maturity date of pledge	Amount of pledged assets (in thousands of euros)	Value of securities in the parent company's financial statements (in thousands of euros)	Corresponding %	Number of shares pledged	% of capital pledged
OTEO La Baraque	09/11/2005	31/12/2022	4,868	4,868	100%	1,902,500	100%
OTEO Saint-Aubin	15/04/2004	31/12/2020	1,886	1,886	100%	637,500	100%
Albioma Solaire Guyane	18/12/2009	26/12/2026	40	40	100%	4,000	100%
Albioma Solaire Lasalle	22/04/2010	31/12/2025	32	32	100%	3,200	100%
Albioma Solaire Matoury	17/12/2010	30/11/2029	1,813	1,813	100%	1,600,240	100%
Albioma Solaire Pierrelatte	29/10/2009	30/06/2028	1,956	3,836	51%	195,636	51%
Elecsof La Réunion 10	08/07/2015	02/04/2025	100	1,554	100%	196	100%
VoltaRéunion	08/07/2015	02/04/2025	30	6,878	100%	29,600	100%
Albioma Saint-Pierre	18/07/2016	31/10/2040	40	20	51%	2,040	100%

Guarantee on environmental risks

This commitment relates to guarantees on environmental risks issued to the bank that financed the acquisitions of the Albioma Rio Pardo Termoeléctrica and Albioma Codora Energia power plants.

Sundry guarantees

The change in comparison with 2016 was due mainly to the signing of a €0.2 million joint and several guarantee in connection with a competitive bidding process.

34.2. Off-balance sheet commitments received

<i>In thousands of euros</i>	31/12/2017	31/12/2016
Shareholders' counter-guarantees	511	2,210
Reserve account: end of 2014 sugar harvest compensation	4,092	4,603
Commitments received for electricity purchases	Not evaluated	Not evaluated
Commitments received relating to operating activities	4,603	6,813
Lines of credit granted but not utilised	55,000	40,000
Lines of credit granted for projects	185,490	204,740
Sundry guarantees	-	-
Commitments received relating to financing activities	240,490	244,740
Liabilities guarantees	-	973
Earn-outs on sale of Wind Power business	Not evaluated	Not evaluated
Commitments received relating to changes in the consolidation scope	-	973
Total off-balance sheet commitments received	245,093	252,526

Commitments received relating to operating activities**Shareholders' counter-guarantees**

In order to cover the obligations of the Albioma Saint-Pierre thermal power plant in respect of an investment, a parent company guarantee was issued and a counter-guarantee received from the company's shareholders. The commitment received amounted to €0.5 million at 31 December 2017.

Reserve account: end of 2014 sugar harvest compensation

Following the signing of an agreement dated 9 December 2015 between Albioma Rio Pardo Termoeletrica and the Usina Rio Pardo sugar refinery, the Group decided to allocate contractual compensation due to the sugar refinery in respect of the 2014 sugar harvest to a reserve account.

The balance on this reserve account was €4 million at 31 December 2017 and it will be maintained until the end of the consortium's existence, i.e. until 31 March 2036. It will enable Albioma Rio Pardo Termoeletrica to offset any penalties due to the sugar refinery arising at the end of the sugar harvest.

Commitments received for electricity purchases

Each time an electricity production unit is built, the company carrying the project and appointed to operate it enters into a long-term electricity supply agreement with the network operator: EDF in France for the thermal power plants, the Central Electricity Board (CEB) in Mauritius, GIAT in Italy and ENDESA in Spain. The Group benefits from purchase commitments for extended periods ranging from 15 to 40 years at the start of the agreements.

Commitments received relating to financing activities

At 31 December 2017, the Group benefited from commitments received for the financing of projects and operations for an amount of €240.5 million, undrawn at this date (including €83 million for Albioma Le Moule, €10.4 million for Albioma Saint-Pierre, €77 million for Albioma Bois-Rouge, €15 million for Albioma le Gol and €55 million revolving credit for Albioma).

Commitments received relating to changes in the consolidation scope**Liabilities guarantees**

A €2.9 million liabilities guarantee with a two-year maturity was received following the acquisition on 10 April 2015 of 14 rooftop photovoltaic power plants from the Ciel et Terre and Samfi Invest groups. The new facilities, located on Reunion Island, have a combined power generating capacity of 3 MWp. This liabilities guarantee, valued at €0.9 at the end of 2016, came to an end in 2017.

NOTE 35. RELATED PARTIES

The consolidated financial statements comprise the financial statements of Albioma and the subsidiaries mentioned in note 39 to the consolidated financial statements.

Transactions entered into with related parties correspond to transactions with equity-accounted companies. The table below shows the amount of these transactions for the years ended 31 December 2017 and 31 December 2016:

<i>In thousands of euros</i>	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
2017	1,679	7,070	3,395	1,295
2016	1,705	7,277	2,277	1,752

Terms and conditions of transactions with related parties:

- Sales to and purchases from related parties are made at market prices. Outstanding balances at year end are not guaranteed, do not bear interest and settlements are made in cash. No guarantees have been given or received in respect of the receivables due from and payables due to related parties;

- For the years ended 31 December 2017 and 31 December 2016, the Group has not raised any provisions for non-performing receivables relating to amounts due from related parties.

Remuneration of key Group executives

The remuneration for the Group's key executives comprising the Executive Committee and the directors' fees paid to the Company's Directors in respect of 2017 and 2016 are shown below:

<i>In thousands of euros</i>	2017	2016
Remuneration	3,175	3,044
Directors' fees	180	160
Conditional share-based payments ¹	1,684	1,125
Total	5,039	4,329

1. Excluding IFRS 2 charges relating to the 2014 performance share plan cancelled during the year ended 31 December 2017.

In accordance with the decisions adopted by the Board of Directors at its meeting of 1 March 2016, Jacques Pêtry will not receive severance pay in the event he is removed from office as Chairman of the Board of Directors or his appointment is not renewed.

With effect from 1 June 2016, Frédéric Moyne is entitled to severance pay if his term of office as Chief Executive Officer comes to an end in the event the Board of Directors decides to remove him from office or not to renew his appointment as Chief Executive Officer. The maximum gross amount of the severance payment is set at 15 months of the gross fixed annual remuneration received in respect of the last 12 months preceding the termination of office, plus the average of the gross variable remuneration received in respect of the last three financial years preceding the termination of office.

Details of the allotments of performance shares to the members of the Executive Committee are provided in the following table:

<i>In number of shares</i>	2016 performance shares
Jacques Pêtry	59,598
Frédéric Moyne	59,598
Other members of the Executive Committee	277,146
Total	396,342

The 2014 performance share plan was cancelled during the year ended 31 December 2017 due to the failure to achieve the plan's performance conditions relating to share price targets.

NOTE 36. CO₂ EMISSION ALLOWANCES

The Group's power plants located in the overseas departments are included in operations subject to regulations regarding carbon dioxide (CO₂) emission allowances.

<i>In thousands of tonnes</i>	2017	2016
Opening allowances	17	23
Allowances allocated free of charge	136	139
CO ₂ emitted	(2,152)	(2,223)
CO ₂ allowances acquired	2,004	2,078
Closing allowances	5	17

The contracts between all of the Group's thermal power plants in the French overseas departments and EDF provide for the cost of purchasing quotas on the market to be passed on to EDF via monthly invoices, excluding any transaction fees and after transferring any free quotas allocated in respect of their cogeneration activity. In accordance with the ministerial order issued on 24 January 2014, the Bois-Rouge, Le Gol and Le Moule power plants received 136,265 tonnes of free quotas in respect of 2017 in recognition of their cogeneration activity.

NOTE 37. RECONCILIATION OF STATEMENT OF CASH FLOWS AND NOTES TO THE FINANCIAL STATEMENTS

37.1. Reconciliation of changes in statement of financial position items and cash flows

<i>In thousands of euros</i>	Note	Cash flow statement item							Closing balance
		Opening balance	Non-monetary changes ¹	Change in working capital	Tax paid	Investing flows	Other financing flows including the change in current accounts	Dividends paid	
Trade receivables	20	42,190	(472)	2,815	-	-	-	-	44,533
Stocks	21	54,599	(123)	71	-	-	-	-	54,547
Other creditors	22	39,462	(1,458)	(325)	1,480	1,794	-	-	40,953
Total		136,251	(2,053)	2,561	1,480	1,794	-	-	140,033
Trade payables	29	-	-	-	-	-	-	-	-
Amounts due to suppliers of non-current assets	29	50,433	(454)	4,596	-	-	-	-	54,574
Tax and social security liabilities	30	12,227	(146)	-	-	(3,955)	-	-	8,126
Other liabilities	31	30,037	(163)	(5,148)	5,744	-	-	-	30,469
Total		25,705	(2,671)	1,248	-	-	7,666	(59)	31,889
Impact on cash flows		118,402	(3,434,00)	695	5,744	(3,955)	7,666	(59)	125,059
Tax in Income statement				(1,865)	4,264	(5,749)	7,666	(59)	
Tax with no impact on cash				-	(19,731)	-	-	-	
Purchases of property, plant and equipment	29			-	(1,544)	-	-	-	
Purchases of intangible assets				-	-	(153 366)	-	-	
Dividends paid				-	-	(208)	-	-	
Total				-	-	-	-	(15,075)	
Statement of cash flows				(1,865)	(17,011)	(159,322)	7,666	(15,134)	

1. Non-monetary changes include reclassifications between accounts, and the effects of translation adjustments and changes in consolidation scope.

37.2. Breakdown of charges to depreciation, amortisation and provisions in the statement of cash flows

The information in the following table excludes the impact of the restructuring of the Anaerobic Digestion business.

<i>In thousands of euros</i>	Note	Amount
Impairment of goodwill	14	-
Amortisation and impairment of intangible assets	15	(6,339)
Depreciation and impairment of property, plant and equipment excluding the impact of the restructuring of the Anaerobic Digestion business	16	(44,563)
Reversals of impairment losses	16	250
Charges to provisions	27	(9,160)
Reversals of provisions	27	5,230
Employee benefits (charges net of benefits paid)		(2,024)
Reversal of impairment of deposits		129
Total charges net of reversals		(56,477)
Statement of cash flows		56,477

NOTE 38. EVENTS AFTER THE REPORTING PERIOD

None.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

NOTE 39. CONSOLIDATION SCOPE

Fully consolidated companies	Percentage interest at 31/12/2017	Percentage control at 31/12/2017	Percentage interest at 31/12/2016	Percentage control at 31/12/2016
Albioma (formerly Séchilienne-Sidec)	Parent	Parent	Parent	Parent
REUNION ISLAND				
Albioma Bois-Rouge	100%	100%	100%	100%
Albioma Le Gol	65%	65%	65%	65%
Albioma Power Alliance	100%	100%	100%	100%
Albioma Saint-Pierre	51%	51%	51%	51%
Albioma Solaire Bethléem	100%	100%	100%	100%
Albioma Solaire Réunion	100%	100%	100%	100%
Elecsof Cambaie	100%	100%	100%	100%
Elecsof Invest 10 ¹	-	-	100%	100%
Elecsof Invest 13 ¹	-	-	100%	100%
Elecsof La Réunion 1	100%	100%	100%	100%
Elecsof La Réunion 10	100%	51%	100%	51%
Elecsof La Réunion 13	100%	100%	100%	100%
Elecsof La Réunion 16	100%	100%	100%	100%
Elecsof La Réunion 18	100%	100%	100%	100%
Elecsof Les Avirons	100%	100%	100%	100%
Elecsof Les Tamarins	100%	100%	100%	100%
Elecsof Saint-André	100%	100%	100%	100%
Elecsof Sainte-Suzanne	100%	100%	100%	100%
Elecsof Saint-Pierre 1	100%	100%	100%	100%
Elect 12	100%	100%	100%	100%
Plexus 2010 ¹	-	-	100%	100%
Plexus Sol	100%	100%	100%	100%
Voltacojonde-Invest ¹	-	-	100%	100%
Voltagamm-Invest ¹	-	-	100%	100%
VoltaRéunion	100%	100%	100%	100%
Voltasier ¹	-	-	100%	100%
Voltagogerep ¹	-	-	100%	100%
GUADELOUPE				
Albioma Caraïbes	100%	100%	100%	100%
Albioma Énergipole Solaire (formerly Énergipole Quantum)	50%	50%	50%	50%
Albioma Le Moule	100%	100%	100%	100%
Albioma Marie-Galante	65%	65%	65%	65%
Albioma Services Réseaux (formerly Albioma Guadeloupe)	100%	100%	100%	100%
FRENCH GUIANA				
Albioma Guyane Énergie	100%	100%	100%	100%
Albioma Solaire Guyane	100%	100%	100%	100%
Albioma Solaire Kourou	100%	100%	100%	100%
Albioma Solaire Matoury	100%	100%	100%	100%
MARTINIQUE				
Albioma Galion	80%	80%	80%	80%
Albioma Solaire Antilles	80%	80%	80%	80%
Albioma Solaire Habitat	80%	80%	80%	80%
Albioma Solaire Lasalle	80%	80%	80%	80%
Biomasse de Martinique	33%	33%	33%	33%
Solaire de Martinique	33%	33%	33%	33%
MAYOTTE				
Albioma Solaire Mayotte	100%	100%	100%	100%

1. Company dissolved early with transfer of all its assets and liabilities to its sole shareholder in 2017.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

Sociétés intégrées globalement	Percentage interest at 31/12/2017	Percentage control at 31/12/2017	Percentage interest at 31/12/2016	Percentage control at 31/12/2016
SPAIN				
Sun Developers 3	100%	100%	100%	100%
Sun Developers 15	100%	100%	100%	100%
Sun Developers 16	100%	100%	100%	100%
Sun Developers 17	100%	100%	100%	100%
Sun Developers 18	100%	100%	100%	100%
Sun Orgiva 1 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 2 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 3 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 4 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 5 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 6 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 7 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 8 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 9 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 10 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 11 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 12 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 13 (subsidiary of Sun Developers 15)	100%	100%	100%	100%
Sun Orgiva 14 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 15 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 16 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 17 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 18 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 19 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 20 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 21 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 22 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
Sun Orgiva 23 (subsidiary of Sun Developers 16)	100%	100%	100%	100%
ITALY				
Quantum Energia Italia	100%	100%	100%	100%
Quantum 2008A (subsidiary of Quantum Energia Italia)	100%	100%	100%	100%
BRAZIL				
Albioma Codora Energia	65%	100%	65%	100%
Albioma Participações do Brasil	100%	100%	100%	100%
Albioma Rio Pardo Termoelétrica	100%	100%	100%	100%
MAINLAND FRANCE				
Albioma Solaire Fabrègues	100%	100%	100%	100%
Albioma Solaire Pierrelatte	100%	100%	100%	100%
Biogaz de Vignes ²	-	-	50%	100%
Biogazillac Méthanisation ²	-	-	40%	100%
Cap'ter Méthanisation	57%	57%	43%	50%
Carentan Méthanisation ²	-	-	55%	55%
Methaneo	100%	100%	100%	100%
Methaneo ENR ²	-	-	60%	60%
Méthaval ²	-	-	50%	50%
Perla ²	-	-	90%	90%
Sain'ter Méthanisation	44%	44%	44%	44%
Teras Méthanisation ²	50%	50%	50%	50%
Tiper Méthanisation	52%	52%	51%	51%
Unité de Méthanisation Agricole de Pauvres (UMAP) ³	-	-	47%	47%

2. Company dissolved and liquidated in 2017.

3. Company sold in 2017.

4 • CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

4.6. Notes to the consolidated financial statements

Entities representing a control percentage of less than 50% that are fully consolidated are either controlled indirectly by Albioma, usually through Methaneo, or controlled by Albioma under an agreement or due to the governance structure in place.

Equity-accounted companies	Percentage interest at 31/12/2017	Percentage control at 31/12/2017	Percentage interest at 31/12/2016	Percentage control at 31/12/2016
MAURITIUS				
Omnican Thermal Energy Operations La Baraque	27%	27%	27%	27%
Omnican Thermal Energy Operations Saint-Aubin	25%	25%	25%	25%
Terragen	25%	25%	25%	25%
Terragen Management	28%	28%	28%	28%
GUADELOUPE				
Élect'Sécurité ¹	-	-	30%	30%
Quantum Caraïbes ²	-	-	50%	50%
REUNION ISLAND				
Compagnie Industrielle des Cendres et Mâchefers	34%	34%	34%	34%

1. Company dissolved and liquidated in 2017.

2. Company sold in 2017.

NOTE 40. INFORMATION ON EQUITY INVESTMENTS WITH SIGNIFICANT SHAREHOLDERS EXCLUDING THE GROUP

40.1. Breakdown of subsidiaries with significant non-controlling interests

	Country	Non-controlling interest percentages	
		2017	2016
Albioma Le Gol	Reunion Island	35%	35%
Albioma Codora Energia	Brazil	35%	35%

The significance is assessed on the basis of the contributions of the entities concerned to current operating income, non-current assets, net debt and total consolidated equity.

The figures in the table below are the full amounts for each item, before elimination of intra-Group transactions.

<i>In thousands of euros</i>	31/12/2017	31/12/2016
INCOME STATEMENT		
Revenue	124,261	103,638
Net income	19,023	13,339
Net income, Group share	12,365	8,671
Net income, attributable to non-controlling interests	6,658	4,669
Total comprehensive income	14,906	9,626
Group share	9,689	6,257
Attributable to non-controlling interests	5,217	3,369
Dividends paid to non-controlling interests	(4,450)	(4,853)
STATEMENT OF FINANCIAL POSITION		
Non-current assets	290,554	276,741
Current assets	77,305	63,143
Total assets	367,860	339,885
Equity, Group share	75,170	72,431
Equity, attributable to non-controlling interests	64,765	62,959
Non-current liabilities	135,446	121,326
Current liabilities	92,478	83,168
Total equity and liabilities	367,860	339,885
STATEMENT OF CASH FLOWS		
Cash from operating activities	41,933	16,769
Cash used by investing activities	(30,705)	(28,911)
Cash from financing activities	3,037	12,781

40.2. Restrictions on the control of assets, liabilities and cash

None.

NOTE 41. OTHER INFORMATION

Information on the workforce and the Statutory Auditors' fees is provided in sections 1.9 and 9.1 respectively of the Registration Document for the 2017 financial year.

4.7. Statutory Auditors' Report on the consolidated financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the shareholders of Albioma

OPINION

In compliance with the engagement entrusted to us by your annual General Meeting, we have audited the accompanying consolidated financial statements of Albioma for the year ended 31 December 2017.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit, Accounts and Risks Committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (Code de déontologie) for Statutory Auditors.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of non-current assets (including goodwill) (Notes 2.7, 2.8, 2.10 and 14, 15 and 16 to the consolidated financial statements)

Description of risk

At 31 December 2017, non-current assets consisted of the following:

- Goodwill (€12 million) from acquisitions carried out;
- Intangible assets (€98 million), including the fair value of agreements for the delivery of electricity transferred further to the acquisition of control over entities;
- Property, plant and equipment (€1,042 million), mainly comprising installations for the production of electricity.

Albioma tests goodwill for impairment every year and regularly looks for indications of impairment of property, plant and equipment and intangible assets, performing an impairment test when necessary. The impairment indicators used by Albioma are described in note 2.10.

As part of these impairment tests, Albioma estimates the recoverable amount of the asset and records a provision for impairment if the carrying amount of that asset exceeds its recoverable amount. The recoverable amount is typically determined based on the present value of future cash flows and requires significant judgement from management, in particular as regards the preparation of business forecasts, as well as the discount rates and long-term growth rates used. Forecasts are based mainly on economic and operational assumptions, such as the availability of installations and changes in operating costs.

Accordingly, we deemed the measurement of goodwill, property, plant and equipment and intangible assets to be a key audit matter, due to their material value in the consolidated statement of financial position and the sensitivity of the impairment indicators and assumptions underlying the measurement of the recoverable amount to management's judgements.

How our audit addressed this risk

We conducted a critical assessment of the methods used to analyse impairment indicators and to perform impairment tests, which involved:

- Gaining an understanding of the process and controls put in place by Albioma;
- Examining the relevance of the impairment indicators identified by Albioma and the documentation of their analysis;
- Examining the reasonableness of the assumptions used for impairment tests (earnings forecasts, growth rates, discount rates), by comparing them with past performances and by corroborating them with the applicable contractual terms and conditions and the economic and regulatory environment in which Albioma operates.

We were supported by our experts in examining the consistency of the discount rates.

- Critically assessing tests carried out by management on the sensitivity of the recoverable amount to material changes in the assumptions used.

We also examined the appropriateness of the disclosures provided in notes 14, 15 and 16 to the consolidated financial statements, mainly concerning the sensitivity analysis of the recoverable amount of goodwill, property, plant and equipment and intangible assets to changes in the main assumptions used.

VERIFICATION OF THE INFORMATION PERTAINING TO THE GROUP PRESENTED IN THE MANAGEMENT REPORT

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Albioma by the annual general meeting held on 18 May 2010 for PricewaterhouseCoopers Audit and on 27 May 2004 for Mazars.

As at 31 December 2017, PricewaterhouseCoopers Audit and Mazars were in the 8th year and 14th year of total uninterrupted engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit, Accounts and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit, Accounts and Risks Committee

We submit a report to the Audit, Accounts and Risks Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit, Accounts and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit, Accounts and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit, Accounts and Risks Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, on 26 April 2018.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan

Partner

Mazars

Daniel Escudeiro

Partner

5

COMPANY FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

5.1. Income statement	216	Note 11. Transactions with related parties	235
5.2. Statement of financial position	218	Note 12. Accrued income and accrued expenses	235
5.3. Notes to the annual financial statements	220	Note 13. Consolidation	235
Note 1. Significant events	220	Note 14. Breakdown of corporation tax between current profit or loss and non-recurring profit or loss	235
Note 2. Accounting policies and methods	220	Note 15. Increases and decreases in the future tax liability	236
Note 3. Statement of financial position - assets	222	Note 16. Events after the reporting date	236
Note 4. Liabilities and equity	226	Note 17. Maturities of receivables and liabilities	236
Note 5. Income statement	229	Note 18. List of subsidiaries and participating interests	238
Note 6. Headcount	231		
Note 7. Remuneration of the administrative and executive bodies	231	5.4. Statutory Auditors' report on the annual financial statements	244
Note 8. Stock option and bonus performance share plans	231		
Note 9. Off-balance sheet commitments	233		
Note 10. Financial derivatives	235		

5 • COMPAGNY FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

5.1. Income statement

5.1. Income statement

<i>In thousands of euros</i>	France	Export	2017	2016
Sales of goods purchased for resale	-	-	-	-
Production sold – goods	-	-	-	-
Production sold – services	28,228	-	28,228	26,660
Net revenue	28,228	-	28,228	26,660
Production transferred to stocks			-	-
Depreciation and provisions written back, charges transferred			653	995
Other income			1,665	1,542
Operating income			30,546	29,197
EXTERNAL CHARGES				
Purchases of goods for resale including excise duties			1,002	1,007
Purchases of raw materials and other consumables			942	709
Changes in stocks			-	-
Other purchases and external charges			13,714	14,895
Total external charges			15,657	16,611
TAXES, DUTIES AND SIMILAR PAYMENTS				
			532	506
STAFF COSTS				
Wages and salaries			10,187	10,883
Social security charges			6,047	6,003
Total staff costs			16,234	16,886
OPERATING PROVISIONS				
Depreciation and amortisation of non-current assets			698	720
Provisions on current assets			-	-
Provisions for liabilities and charges			2,711	963
Total operating provisions			3,409	1,683
Other operating expenses			312	-
Operating charges			36,144	35,685
Operating income			(5,598)	(6,487)

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<i>In thousands of euros</i>	2017	2016
Operating income	(5,598)	(6,487)
FINANCIAL INCOME		
Income from participating interests	37,840	26,790
Income from other marketable securities and receivables from non-current assets	1,020	3,174
Provisions written back and charges transferred	677	7,944
Net income on disposals of marketable securities	134	217
Total financial income	39,671	38,125
FINANCIAL EXPENSES		
Impairment of financial assets	4,676	6,964
Interest payable and similar expenses	3,443	3,407
Net expenses on disposals of marketable securities	48	158
Total financial expenses	8,168	10,529
Net financial income	31,503	27,597
Pre-tax profit on ordinary activities	25,905	21,109
NON-RECURRING INCOME		
On revenue transactions	12	-
On capital transactions	2,038	978
Provisions written back and charges transferred	4,043	134
Total non-recurring income	6,093	1,112
NON-RECURRING EXPENSES		
On revenue transactions	281	19
On capital transactions	3,654	13,614
Depreciation, amortisation and impairment	189	3,231
Total non-recurring expenses	4,124	16,864
Net non-recurring income/(expense)	1,969	(15,752)
Employee profit-sharing	240	261
Corporation tax	(3,386)	(7,472)
Total income	76,310	68,435
Total expenses	45,291	55,867
Net income	31,019	12,568

5.2. Statement of financial position

ASSETS

<i>In thousands of euros</i>	Gross	Amortisation & impairment	Net	
			31/12/2017	31/12/2016
INTANGIBLE ASSETS				
Concessions, patents and similar rights	604	453	151	87
Other intangible assets	73	73	-	-
Total intangible assets	677	526	151	87
PROPERTY, PLANT AND EQUIPMENT				
Land	-	-	-	70
Buildings	-	-	-	185
Technical installations, equipment and industrial tooling	547	546	1	1
Other property, plant and equipment	2,534	1,650	884	358
Property, plant and equipment in progress	424	424	-	184
Total property, plant and equipment	3,505	2,620	885	798
LONG-TERM INVESTMENTS				
Other participating interests	255,143	6,691	248,452	245,056
Loans	246	-	246	247
Other long-term investments	562	-	562	1,547
Total long-term investments	255,951	6,691	249,260	246,850
Non-current assets	260,133	9,837	250,296	247,735
STOCKS AND WORK-IN-PROGRESS				
Work-in-progress - goods	-	-	-	-
Goods purchased for resale	-	-	-	-
Total stocks and work-in-progress	-	-	-	-
RECEIVABLES				
Advances and payments on account of orders	85	-	85	38
Trade receivables	20,470	-	20,470	12,598
Other receivables	62,886	9,991	52,895	37,904
Total receivables	83,441	9,991	73,449	50,540
CASH, CASH EQUIVALENTS AND OTHER				
Marketable securities	13,194	-	13,194	15,211
Cash and cash equivalents	39,439	-	39,439	49,695
Prepayments	464	-	464	358
Total cash, cash equivalents and other	53,097	-	53,097	65,264
Current assets	136,538	9,992	126,546	115,804
Borrowing costs to be deferred	716	-	716	1,004
Total	397,387	19,829	377,558	364,543

EQUITY AND LIABILITIES

<i>In thousands of euros</i>	Net	
	31/12/2017	31/12/2016
EQUITY		
Share capital <i>of which, paid: 1,179</i>	1,179	1,163
Additional paid-in capital	42,199	35,752
Revaluation differences <i>of which, equity accounting reserve: -</i>	3	3
Legal reserve	116	115
Statutory and contractual reserves	922	922
Regulated reserves	1	1
Other reserves	15,905	15,905
Retained earnings	78,207	82,783
Net income for the year	31,019	12,568
Total equity	169,552	149,212
Regulated provisions	-	-
Shareholders' equity	169,552	149,212
Provisions for liabilities	3,874	6,811
Provisions for charges	5,075	3,296
Provisions for liabilities and charges	8,950	10,106
FINANCIAL LIABILITIES		
Borrowings from financial institutions	85,215	85,213
Other borrowings (including current accounts with shareholders)	94,116	101,385
Total financial liabilities	179,331	186,598
OTHER LIABILITIES		
Trade payables	4,678	6,502
Tax and social security liabilities	12,019	8,709
Liabilities on non-current assets	22	193
Other liabilities	2,016	2,130
Total other liabilities	18,735	17,536
DEFERRED INCOME	990	1,092
Liabilities	199,056	205,225
Total	377,558	364,543

5.3. Notes to the annual financial statements

NOTE 1. SIGNIFICANT EVENTS

The highlights of the period are as follows:

- revenue recognition related to the reimbursement of tax on the dividends paid during the years 2013 to 2017 totalling €2,057 thousand;
- finalisation of the tax inspection in respect of the financial years 2013 to 2015;

NOTE 2. ACCOUNTING POLICIES AND METHODS

The financial statements are presented in accordance with French accounting principles, particularly on the basis of Regulation 2014-03 of 5 June 2014 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables*), and the provisions of the French Commercial Code (*Code de Commerce*).

The annual financial statements were prepared in accordance with the following underlying assumptions:

- principle of prudence;
- going concern;
- consistency of accounting methods between financial years;
- accruals basis of accounting.

The policies applied are as follows.

2.1. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are initially recognised at their acquisition cost. They comprise fixtures and fittings, vehicles, furniture and equipment, and IT hardware and software. The straight-line method of depreciation is used.

Non-current assets	Depreciation period
Software	2 years
IT hardware	3 years
Other property, plant and equipment	5 years

Where applicable, an impairment provision is recognised if the value in use of intangible assets and property, plant and equipment is lower than their cost.

2.2. Long-term investments

Equity investments and other long-term investments are initially recognised at their acquisition cost.

A review of internal indicators of impairment of participating interests is performed annually on a line-by-line basis. If there is evidence of impairment, the measurements are updated and the current value of the relevant participating interest is compared with its net book value. The current value is an estimate based on the market and the asset's utility for the company.

Valuation methods depend on the characteristics of participating interests, their profitability and their future prospects. The current value is initially determined on the basis of the Group's share in the recorded net assets of the investee. If said share is lower than the carrying amount of the participating interest, the current value is estimated on the basis of future cash flows.

The data used to perform the tests using the discounted cash flow method are taken from:

- business plans established at the outset of the project and covering the term of the electricity sale agreements, the underlying assumptions being updated on the test date; or
- Group business plans established annually and covering the term of the agreements (from 15 to 40 years).

These tests are based on the following key assumptions:

- electricity selling prices, which are set contractually;
- for the photovoltaic installations, equivalent full-power hours (EFPH);
- for the anaerobic digestion installations, the period of production build-up preceding entry into service and subsequently the availability rate during operation.

If the current value is less than the carrying amount of the receivables from participating interests and current accounts, an impairment provision is recognised to reduce the value of said assets to their current value.

In the event the investee has negative equity, a provision for liabilities is recognised. If the current value falls below the net carrying amount, an impairment loss is recognised to bring the participating interests back down to their current value.

2.3. Receivables

Receivables are measured at their nominal value: in the event of problems in collecting receivables, impairment provisions are made against the receivables concerned.

2.4. Current accounts and other receivables

Current accounts and other receivables are measured at their nominal value: in the event of problems in collecting receivables, impairment provisions are made against current accounts and receivables.

2.5. Marketable securities

Marketable securities are measured using the weighted average unit cost method. An impairment provision is recognised when the stock market value of these securities, or in the absence of such a valuation their likely trading amount, is lower than their acquisition cost.

2.6. Provisions for liabilities and charges

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources representing economic benefits will be needed to settle the obligation;
- the amount of the obligation can be estimated reliably.

2.7. Pensions and other retirement obligations

The expenses corresponding to the Company's obligations in respect of pensions and other retirement benefits have been provisioned.

Furthermore, two supplementary pension plans were put in place in 2004: a defined contribution plan covering 86 employees at 31 December 2017, supplemented by a defined benefit plan for those individuals employed by the Company prior to 1 January 1983.

Charges relating to defined contribution plans are expensed in the year in which they are incurred.

Charges relating to the lump-sum retirement payment plan and supplementary defined benefit plan are provisioned using the projected unit credit method, treating length of service on a pro rata basis.

The actuarial calculations mainly take into account assumptions concerning wage increases, staff turnover rates, retirement dates and projected changes in remuneration and life expectancy, together with an appropriate discount rate.

2.8. Tax consolidation

On 31 March 2005 and 22 April 2009 respectively, Albioma and its subsidiaries Albioma Bois-Rouge and Albioma Le Moule entered into a tax consolidation agreement, renewable by tacit consent, that stipulates that "application of the rules of said agreement shall not result in, for each company consolidated, a tax charge that is higher than that which it would have borne in the absence of the tax consolidation". In the absence of renewal of the agreement or in the event that the subsidiary leaves the consolidated group prior to expiry of the agreement for any reason whatsoever, the company leaving the tax consolidation group will be compensated by the head of the tax group for all additional tax costs stemming from its membership of the group.

As a result, and in accordance with opinion 2005-G of 12 October 2005 of the French National Accounting Council (Conseil National de la Comptabilité), a provision must be raised when the restitution of the cash saving (direct payment or recognition in a current account) is probable. Furthermore, savings relating to the parent company's loss are recognised immediately in profit or loss.

Additional changes in Albioma's consolidation scope were the following:

Company	Consolidation date	Deconsolidation date
Albioma Solaire Pierrelatte	01/01/2011	31/12/2013
Albioma Solaire Fabrègues	01/01/2011	n/a
Éoliennes de la Porte de France	01/01/2011	31/12/2012
Albioma Solaire Guyane	01/01/2014	n/a

NOTE 3. STATEMENT OF FINANCIAL POSITION - ASSETS

3.1. Non-current assets

Intangible assets

<i>In thousands of euros</i>	31/12/2016	Increases	Decreases	Transfers	31/12/2017
Concessions and similar rights, patents, licences, brands, processes, software, rights	447	157	-	-	604
Other intangible assets	73	-	-	-	73
Gross amount	520	157	-	-	677
Concessions and similar rights, patents, licences, brands, processes, software, rights	359	93	-	-	453
Other intangible assets	73	-	-	-	73
Amortisation and impairment	433	93	-	-	526
Concessions and similar rights, patents, licences, brands, processes, software, rights	87				151
Other intangible assets	-				-
Net amount	87				151

Property, plant and equipment

<i>In thousands of euros</i>	31/12/2016	Increases	Decreases	Transfers	31/12/2017
Land	70	-	70	-	-
Land: improvements and preparation costs	-	-	-	-	-
Buildings	680	-	680	-	-
Buildings on leasehold land	-	-	-	-	-
Technical installations, equipment and industrial tooling	547	-	-	-	547
General installations, fixtures and fittings	599	5	-	-	605
Vehicles	14	516	-	-	530
Office equipment and IT hardware, furniture	1,092	124	-	184	1,400
Property, plant and equipment in progress	608	-	-	(184)	424
Gross amount	3,610	645	750	-	3,505
Land	-	-	-	-	-
Land: improvements and preparation costs	-	-	-	-	-
Buildings	245	13	257	-	-
Buildings on leasehold land	-	-	-	-	-
Technical installations, equipment and industrial tooling	545	1	-	-	546
General installations, fixtures and fittings	433	83	-	-	516
Vehicles	14	61	-	-	75
Office equipment and IT hardware, furniture	901	159	-	-	1,060
Property, plant and equipment in progress	-	-	-	-	-
Impairment of property, plant and equipment	674	-	250	-	424
Depreciation and impairment	2,811	316	507	-	2,620
Land	70	-	-	-	-
Land: improvements and preparation costs	-	-	-	-	-
Buildings	185	-	-	-	-
Buildings on leasehold land	-	-	-	-	-
Technical installations, equipment and industrial tooling	1	-	-	-	1
General installations, fixtures and fittings	167	-	-	-	89
Vehicles	-	-	-	-	455
Office equipment and IT hardware, furniture	191	-	-	-	340
Property, plant and equipment in progress	184	-	-	-	-
Net amount	798	-	-	-	885

Albioma sold Mas d'Orgon during 2017 for €550 thousand. Its historical cost was €750 thousand, against which impairment provisions totalling €250 thousand had been recognised. Its net carrying amount was €423 thousand.

Long-term investments

Equity investments

<i>In thousands of euros</i>	31/12/2016	Increases	Decreases	31/12/2017
Investments in subsidiaries and associates	-	-	-	-
Non-group participating interests	66	-	47	19
Group participating interests	251,759	3,570	205	255,124
Gross amount	251,825	3,570	252	255,143
Investments in subsidiaries and associates	-	-	-	-
Non-group participating interests	-	-	-	-
Group participating interests	6,768	-	77	6,691
Impairment	6,768	-	77	6,691
Investments in subsidiaries and associates	-	-	-	-
Non-group participating interests	66	-	-	19
Group participating interests	244,990	-	-	248,433
Net amount	245,056	-	-	248,452

The increase in participating interests relates to:

- Albioma Participações do Brasil increasing its share capital from €45,685 thousand to €49,235 thousand;
- the incorporation of two new companies, Albioma Solaire Caraïbes and Albioma Solaire Guyane 2017, wholly-owned by Albioma with share capital of €6 thousand.

The decrease in participating interests was due to:

- the disposal of the Company's interest in Quantum Caraïbes;
- the liquidation of Isergie, Élect'Sécurité and Énergie de Martinique.

Most (€6,082 thousand) of the impairment loss on securities as at 31 December 2017 relates to the investment in the Anaerobic Digestion sector.

Other long-term investments

<i>In thousands of euros</i>	31/12/2016	Increases	Decreases	31/12/2017
Long-term loans	247	-	-	246
Deposits & guarantees paid	1,547	-	985	562
Gross amount	1,794	-	986	808
Long-term loans	-	-	-	-
Deposits & guarantees paid	-	-	-	-
Impairment	-	-	-	-
Long-term loans	247	-	-	246
Deposits & guarantees paid	1,547	-	-	562
Net amount	1,794	-	-	808

The €981 thousand deposit paid to the Mauritian authorities was used in 2013 in connection with the conciliation process with the Mauritian tax authorities in late 2017.

3.2. Current assets

Trade receivables

<i>In thousands of euros</i>	31/12/2017	31/12/2016	Change
Trade receivables	17,129	7,928	9,200
Group	16,550	7,208	9,342
Non-Group	579	720	(141)
Non-performing receivables (net)	-	(312)	312
Invoices to be raised	3,341	4,981	(1,640)
Group	3,341	4,981	(1,640)
Non-Group	-	-	-
Trade receivables	20,470	12,598	7,872

The increase in trade receivables corresponds to intra-Group billing.

Other receivables

<i>En milliers d'euros</i>	31/12/2017	31/12/2016	Change
Employees - advances and payments on account	1	-	1
VAT accounts receivable	625	767	(142)
VAT deductible on non-current assets	4	9	(6)
Accounts receivable from the State	-	2,574	(2,574)
Income accounts receivable	5,061	47	5,014
Current accounts	57,029	37,025	20,005
Tax consolidation current accounts	112	3,439	(3,327)
Receivables due from employee welfare bodies	53	35	18
Sundry accounts receivable	1	1	-
Impairment of current accounts	(9,991)	(5,993)	(3,998)
Total	52,895	37,904	14,991

The change in the current account balances was related to the support given by Albioma to its subsidiaries which own the construction projects.

Accrued income included the reimbursements due in respect of the tax on the dividends paid during the years 2013 to 2017.

Marketable securities

At 31 December 2017, the marketable securities item stood at €13,194 thousand.

It consisted of €8,041 thousand in short-term investments and €5,153 thousand in treasury shares

Prepayments and accrued income

Prepayments, of €464 thousand, related primarily to insurance and subscriptions.

Borrowing costs stood at €716 thousand at 31 December 2017. These costs are recognised to profit or loss over the terms of the loans to which they relate.

NOTE 4. LIABILITIES AND EQUITY

4.1. Equity

<i>In thousands of euros</i>	31/12/2016	Increases	Decreases	Appropriation of 2016 net income (in euros)	31/12/2017
Share capital	1,163	-	-	15,542	1,179
Additional paid-in capital	35,752	-	-	6,447,343	42,199
Revaluation differences	3	-	-	-	3
Legal reserve	115	-	-	1,669	116
Statutory reserves - Contractual	922	-	-	-	922
Regulated reserves	1	-	-	-	1
Other reserves	15,905	-	-	-	15,905
Retained earnings	82,783	10	-	(4,585,994)	78,207
Net income for the year	12,568	31,019	-	(12,567,749)	31,019
Dividends paid in cash				10,689,189	
Total equity	149,212	31,030	-	-	169,552
Regulated provisions	-	-	-	-	-
Total shareholders' equity	149,212	31,030	-	-	169,552

Share capital

At 31 December 2017, the share capital consisted of 30,620,910 shares with a nominal value of €0.0385 per share, fully paid-up and held for 13.53% by a group acting together and comprising, in addition to Financière Hélios (which itself held 10.5% of the share capital), Altamir and various individuals and corporate bodies affiliated to it, and for 86.47% by various shareholders on the market.

At this same date, the Company held 371,983 of its own shares (representing 1.2% of the share capital and stripped of voting rights), all of which were purchased on the market (including 361,983 to provide shares for bonus performance share plans.

Appropriation of 2016 net income

In accordance with the decisions of the 31 May 2017 General Meeting, the net income for 2016 was appropriated as follows:

<i>In thousands of euros</i>	
Transfer to the legal reserve	2
Dividends paid	17,014
Retained earnings	(4,586)

The General Meeting set the amount of the 2016 dividend at €0.57 per share and resolved to grant each shareholder an option for the payment of 50% of the dividend, i.e. €0.285 per share, in new shares, the remainder having been paid in cash. €12,568 thousand was settled in cash and €6,463 thousand in shares; 403,678 new shares were issued at a unit price of €16.01.

Net income for the year

<i>In thousands of euros</i>	
Operating income	(5,598)
Net financial income	31,503
Net non-recurring income/(expense)	1,969
Profit-sharing	(240)
Tax	3,386
Total	31,019

4.2. Provisions for liabilities and charges

<i>In thousands of euros</i>	31/12/2016	Charge	Reversals - used	Reversals - unused	31/12/2017
Provisions for liabilities	6,811	866	2,911	892	3,874
Provisions for liabilities	6,811	866	2,911	892	3,874
Provisions for lump-sum retirement benefits	1,672	236	-	-	1,908
Other provisions for charges	1,624	2,475	931	-	3,168
Provisions for charges	3,296	2,711	931	-	5,075
Of which operating	2,455	2,711	91	-	5,075
Of which financial	2,759	678	600	-	2,837
Of which non-recurring	4,892	189	3,152	892	1,038
Total provisions for liabilities and charges	10,106	3,577	3,842	892	8,950

Provisions for liabilities

Provisions for liabilities, which essentially cover the risks relating to disputes, litigation or participating interests, decreased from €6,811 thousand at 31 December 2016 to €3,874 thousand at 31 December 2017 (see explanations given in note 1 to the company financial statements).

Provisions for charges

Lump-sum retirement payments

At 31 December 2017, lump-sum retirement benefits represented an amount of €1,908 thousand.

These charges relate to 84 individuals and are based on the collective agreement applied to Company employees. The main assumptions used are as follows:

- Life expectancy table: INSEE table;
- staff turnover: 2.5% for employees less than 46 years of age, and no turnover for employees more than 46 years of age;
- increase in wages and salaries of 3% per annum;
- discount rate of 1.5% per annum.

Other provisions for charges

This item represents, in particular, the provision recorded following Albioma's buyback of 361,983 of its own shares (purchases made in the 2015 and 2016 financial years) to partly cover the servicing of the bonus performance share plans adopted by the General Meeting of 24 May 2016.

4.3. Liabilities

Borrowings from financial institutions

In May 2014, the Company refinanced all of its borrowings. To do this, Albioma carried out the private placement of a "Euro PP" bond issue totalling €80 million and maturing in December 2020 (bullet redemption) with an annual coupon of 3.85%.

At the same time, Albioma renewed its short-term bank funding lines in the form of a €40 million five-year confirmed revolving credit facility at the variable interest rate of Euribor plus 1.40%.

The Company also borrowed €5 million from Bpifrance Financement at the fixed rate of 2.22% maturing on 30 April 2023.

At 31 December 2017, borrowing costs to be deferred totalled €716 thousand.

Collateral

None.

Compliance with ratios within Albioma

- Interest cover ratio (cash EBIT/interest)>2.50
- Gearing ratio (net debt/equity)<1.50

These covenants were met at 31 December 2017.

Drawdowns

The following table provides a breakdown of the amounts drawn down at 31 December 2017:

<i>In thousands of euros</i>	
Euro PP	80,000
Revolving credit facility	-
Bpifrance Financement	5,000

Interest-rate hedging

Not applicable (main corporate debt is at a fixed rate).

Other borrowings

This item consists mainly of current accounts with shareholders.

Trade payables

Trade payables amounted to €4,678 thousand at 31 December 2017, including €3,398 thousand from invoices not yet received. All of these liabilities are due within one year.

Tax and social security liabilities

Tax and social security liabilities break down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016	Change
Tax liabilities	3,356	623	2,733
Social security/employee-related liabilities	4,840	5,049	(209)
Social security/employee welfare body liabilities	3,823	3,037	786
Total	12,019	8,709	3,310

Liabilities on non-current assets

At 31 December 2017, amounts due to suppliers of non-current assets totalled €222 thousand. All of these liabilities are due within one year.

Other liabilities

<i>In thousands of euros</i>	31/12/2017	31/12/2016	Change
Other creditors	74	63	11
Tax consolidation current accounts	373	245	128
Accrued expenses	1,569	1,813	(244)
Dividends payable	-	10	(10)
Total other liabilities	2,016	2,130	(115)

Deferred income

Deferred income, amounting to €990 thousand, related to billing for services performed after 31 December 2017 or accrued income relating to future periods.

NOTE 5. INCOME STATEMENT

5.1. Revenue

Revenue amounted to €28,228 thousand at 31 December 2017 and comprised:

<i>In thousands of euros</i>	31/12/2017	31/12/2016	Change
Goods sales	-	-	-
Goods sold production	-	-	-
Services sold production	28,228	26,660	1,568
Revenue	28,228	26,660	1,568

5.2. Net financial income (expense)

Net financial income breaks down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016	Change
Interest on loans and borrowings	-	-	-
Interest and financial charges	3,443	3,407	36
Net expenses on disposals of marketable securities	48	158	(109)
Provisions for financial liabilities and charges	678	2,759	(2,081)
Impairment of financial assets	3,999	4,205	(207)
Financial expenses	8,168	10,529	(2,361)
Income from participating interests	37,840	26,790	11,050
Other financial income	1,020	3,174	(2,155)
Provisions for financial liabilities and charges written back	600	1,500	(900)
Provisions written back and charges transferred	77	6,444	(6,367)
Net income on disposals of marketable securities	134	217	(83)
Financial income	39,671	38,125	1,545
Net financial income	31,503	27,597	3,906

5.3. Net non-recurring income/(expense)

Net non-recurring income/(expense) breaks down as follows:

<i>In thousands of euros</i>	31/12/2017	31/12/2016	Change
Penalties and tax fines	281	19	261
Net book value of transferred assets - Property, plant and equipment	493	962	(469)
Net book value of transferred assets - Financial	1,233	320	913
Other non-recurring expenses	1,928	12,332	(10,404)
Provisions for non-recurring liabilities and charges	189	3,231	(3,042)
Non-recurring expenses	4,124	16,864	(12,740)
Liquidation surplus	12	-	12
Proceeds from the sale of transferred assets - Property, plant and equipment	550	978	(428)
Proceeds from the sale of transferred assets - Intangible assets	676	-	676
Proceeds from the sale of transferred assets - Financial	606	-	606
Other non-recurring income	205	-	205
Reversals of regulated provisions - Non-current assets	-	134	(134)
Reversals of provisions for non-recurring liabilities and charges	4,043	-	4,043
Non-recurring income	6,093	1,112	4,981
Net non-recurring income/(expense)	1,969	(15,752)	17,722

The other non-recurring expenses in 2016 corresponded to the waiver of €12 million of the balance on the Company's current account with Methaneo, in connection with the restructuring of the Anaerobic Digestion business.

The reversal of the provision for liabilities and charges corresponds to the resolution of disputes during 2017.

5.4. Tax

The scope of the tax consolidation at 31 December 2017 included the company Albioma and its subsidiaries Albioma Bois-Rouge and Albioma Le Moule, in accordance with the tax grouping agreements signed on 31 March 2005 and 22 April 2009 respectively, Albioma Solaire Fabrègues, which was added to the scope on 1 January 2011, and Albioma Solaire Guyane, which was added to the scope on 1 January 2014.

At 31 December 2017, for the Company, the head of the tax group, these agreements resulted in a tax credit of €2,243 thousand, corresponding to the tax saving stemming from the tax consolidation.

Albioma also recognised in expenses €7,197 thousand in respect of tax, corresponding to the Group's taxable profit.

Albioma benefited from the tax credit for competitiveness and employment (Crédit d'Impôt pour la Compétitivité et l'Emploi - CICE) in the amount of €31 thousand in respect of 2017.

The tax rate was 331/3% plus the additional contribution of 3.3% on the tax in excess of €763,000.

NOTE 6. HEADCOUNT

At 31 December 2017, Albioma employed a total of 86 staff (including two corporate officers) compared with 92 (including two corporate officers) at 31 December 2016.

NOTE 7. REMUNERATION OF THE ADMINISTRATIVE AND EXECUTIVE BODIES

Remuneration paid by the Company in 2017 to corporate officers totalled €904 thousand, compared with €1,022 thousand in 2016.

Corporate officers do not benefit from specific plans for post-employment benefits.

A charge of €180 thousand was recognised in 2017 in respect of attendance fees allocated to members of the Board of Directors.

NOTE 8. STOCK OPTION AND BONUS PERFORMANCE SHARE PLANS

8.1. Description of the plans in operation at 31 December 2017

	2017 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (managers and administrative staff - France and Brazil)	2014 performance share plan (members of the Executive Committee)	2010 stock option plan
Total number of options and shares originally authorised	32,040	31,680	518,382	440,000	190,000
Number of instruments in issue at 31/12/2010	-	-	-	-	189,500
Rights cancelled during the period	-	-	-	-	(66,900)
Number of instruments in issue at 31/12/2011	-	-	-	-	122,600
Rights allotted during the period	-	-	-	-	-
Rights cancelled during the period	-	-	-	-	(18,000)
Number of instruments in issue at 31/12/2012	-	-	-	-	104,600
Rights allotted during the period	-	-	-	-	-
Rights cancelled during the period	-	-	-	-	(5,200)
Number of instruments in issue at 31/12/2013	-	-	-	-	99,400
Rights allotted during the period	-	-	-	430,000	-
Rights cancelled during the period	-	-	-	(2,000)	(1,000)
Effective acquisitions in the period	-	-	-	-	-
Number of instruments in issue at 31/12/2014	-	-	-	428,000	98,400
Rights allotted during the period	-	-	-	10,000	-
Rights cancelled during the period	-	-	-	-	-
Effective acquisitions in the period	-	-	-	-	-
Number of instruments in issue at 31/12/2015	-	-	-	438,000	98,400
Rights allotted during the period	-	31,680	518,382	-	-
Rights cancelled during the period	-	(24,480)	(17,605)	-	-
Effective acquisitions in the period	-	(120)	-	-	-
Number of instruments in issue at 31/12/2016	-	7,080	500,777	438,000	98,400
Rights allotted during the period	32,040	-	-	-	-
Rights cancelled during the period	(480)	(360)	(41,236)	(438,000)	(98,400)
Effective acquisitions in the period	-	(6,720)	-	-	-
Number of instruments in issue at 31/12/2017	31,560	-	459,541	-	-

8.2. 2010 stock option plan

Performance conditions

The exercise of options by all beneficiaries was subject to a performance condition relating to the change in the installed capacity of the Group's photovoltaic fleet: the installed capacity of the photovoltaic fleet of the Company and its subsidiaries, as at 31 December 2011, must have increased by at least 30% per annum compared to the fleet capacity as at 31 December 2009. This condition was met as at 31 December 2011.

Status of the plan at 31 December 2017

Closed.

8.3. 2014 bonus performance share plan

Bonus performance share plan in favour of the Executive Committee members

Performance conditions

The allotments were divided up into two tranches, the first tranche covering one third and the second tranche the remaining two thirds of the shares allotted. Different performance conditions based on movements in the share price had to be met to trigger the effective acquisition of each tranche.

Lock-in commitment

Shares that had been effectively acquired were subject to a two-year lock-in commitment, the corporate officers being subject to the additional obligation to retain as registered shares 25% of the shares effectively acquired until they stand down from office.

Status of the plan at 31 December 2017

Closed.

8.4. 2016 bonus performance share plan

"2016 managers and administrative staff" and "2016 Brazil" bonus performance share plans

Performance conditions

The allotments are divided up into three tranches, and each tranche covers one third of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche. These performance conditions are based on the growth in consolidated EBITDA during the 2018 financial year compared with the consolidated EBITDA for the 2015 financial year, on the growth in consolidated earnings per share for the 2018 financial year compared with the consolidated earnings per share for the 2015 financial year and on the change in the Albioma share price, calculated with net dividends reinvested (based on the average share price over 120 days) between 24 May 2016 and 24 May 2019

compared with the movement in the CAC Small Net Return (CACSN) index over the same period.

Lock-in commitment

Shares that have been effectively acquired are not subject to any lock-in commitment, the corporate officers being however subject to the obligation to retain as registered shares 25% of the shares effectively acquired until they stand down from office.

Status of the plan at 31 December 2017

Plan currently in operation

"2016 thermal plants" and "2016 photovoltaic plants" bonus performance share plans

Performance conditions

Performance conditions, based on the plant availability rate in 2016 (per plant in the case of the "2016 thermal plants" plan and by region in the case of the "2016 photovoltaic plants" plan), must be met to trigger the effective acquisition of the shares.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2017

Closed.

8.5. 2017 bonus performance share plan

"2017 thermal plants" and "2017 photovoltaic plants" bonus performance share plans

Performance conditions

Performance conditions, based on the plant availability rate in 2017 (per plant in the case of the "2017 thermal plants" plan and by region in the case of the "2017 photovoltaic plants" plan), must be met to trigger the effective acquisition of the shares.

Lock-in commitment

Shares that have been effectively acquired are subject to a one-year lock-in commitment.

Status of the plan at 31 December 2017

Plan currently in operation

8.6. Amounts recognised as expenses

	2017 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (thermal and photovoltaic plants)	2016 performance share plan (managers and administrative staff - France and Brazil)	2014 performance share plan (members of the Executive Committee)	2010 stock option plan
2017	192	-	2,963	-	-
2016	-	91	896	-	-
2015	-	-	-	-	-
2014	-	-	-	223	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	94

NOTE 9. OFF-BALANCE SHEET COMMITMENTS

<i>In thousands of euros</i>	2017	2016
OFF-BALANCE SHEET COMMITMENTS GIVEN		
Guarantees given to suppliers	22,367	39,878
Financing of project companies	-	-
Joint and several loan repayment guarantee	182,880	117,913
Option to repurchase shares held by non-controlling interests	-	-
Liabilities guarantees	-	-
Sundry commitments	1,033	622
Total off-balance sheet commitments given	206,280	158,413
OFF-BALANCE SHEET COMMITMENTS RECEIVED		
Shareholders' counter-guarantees - operating activities	511	2,210
Shareholders' counter-guarantees - repayment of borrowings	37,316	24,362
Lines of credit granted but not utilised	55,000	40,000
Earn-outs on disposal of the Wind Power business	Not measured	Not measured
Total off-balance sheet commitments received	92,827	66,572

9.1. Off-balance sheet commitments given

Guarantees given to suppliers

This commitment concerns guarantees for payment given to suppliers in connection with supply agreements entered into by the subsidiaries and due mainly to the orders in progress for capital expenditure to be incurred in respect of the Galion 2 and Albioma Saint Pierre thermal power plant projects.

Joint and several loan repayment guarantee

This commitment concerns parent company guarantees in the form of joint and several guarantees for the repayment of borrowings due to banks on behalf of:

- the Company's subsidiaries Albioma Rio Pardo Termoelétrica and Albioma Codora Energia in Brazil;

- the subsidiaries Albioma Galion and Albioma Saint-Pierre during the construction phase of the thermal power plant projects.

Sundry guarantees

The change in comparison with 2016 was due mainly to the signing of a €0.2 million joint and several guarantee in connection with a competitive bidding process, as well as a guarantee provided to the Directorate General of Customs (*Direction générale des Douanes*).

Note that, in connection with certain project financing transactions, Albioma has also pledged shares in its subsidiaries to the lenders.

Pledges of subsidiaries' shares

Company	Start date of pledge	Maturity date of pledge	Amount of pledged assets (in thousands of euros)	Value of securities in the parent company's financial statements (in thousands of euros)	Corresponding %	Number of shares pledged	% of capital pledged
OTEO La Baraque	09/11/2005	31/12/2022	4,868	4,868	100%	1,902,500	100%
OTEO Saint-Aubin	15/04/2004	31/12/2020	1,886	1,886	100%	637,500	100%
Albioma Solaire Guyane	18/12/2009	26/12/2026	40	40	100%	4,000	100%
Albioma Solaire Lasalle	22/04/2010	31/12/2025	32	32	100%	3,200	100%
Albioma Solaire Matoury	17/12/2010	30/11/2029	1,813	1,813	100%	1,600,240	100%
Albioma Solaire Pierrelatte	29/10/2009	30/06/2028	1,956	3,836	51%	195,636	51%
Albioma Saint-Pierre	18/07/2016	31/10/2040	40	20	51%	2,040	100%

9.2. Off-balance sheet commitments received

Shareholders' counter-guarantee - operating activities

In order to cover the obligations of the Albioma Saint-Pierre thermal power plant in respect of an investment, a parent company guarantee was issued and a counter-guarantee received from the company's shareholders. The commitment received amounted to €0.5 million at 31 December 2017.

Shareholders' counter-guarantee - loan repayment

In order to cover the obligations of the Albioma Galion and Albioma Saint Pierre thermal power plants in respect of their investments, parent company guarantees were issued and counter-guarantees received from the companies' shareholders. The commitment received amounted to €37.3 million at 31 December 2017.

Lines of credit granted:

Albioma received commitments for the financing of projects and operations for an amount of €55 million, not drawn down at 31 December 2017.

NOTE 10. FINANCIAL DERIVATIVES

None.

NOTE 11. TRANSACTIONS WITH RELATED PARTIES

<i>In thousands of euros</i>	2017	2016
STATEMENT OF FINANCIAL POSITION		
Trade receivables	19,891	12,189
Accrued expenses	1,375	1,638
Subsidiaries' current accounts – debit and tax consolidation	57,141	40,464
Accrued income	5,050	8
Subsidiaries' current accounts – credit and tax consolidation	66,090	101,586
Trade payables	692	2,203
INCOME STATEMENT		
Sales of photovoltaic plants, equipment and services	26,546	25,625
Recharging of seconded employees	820	1,003
Interest paid on subsidiaries' current accounts	(35)	(46)
Interest received on subsidiaries' current accounts	323	1,175
Income from participating interests	37,840	26,790

Transactions with related parties are entered into on an arm's length basis.

NOTE 12. ACCRUED INCOME AND ACCRUED EXPENSES

<i>In thousands of euros</i>	2017	2016
ACCRUED INCOME		
Suppliers' credit notes not yet received		8
Customer invoices to be raised		3,341
Value added tax on invoices not yet received		273
Value added tax on invoices to be raised		129
Provisions for accrued income		5,061
ACCRUED EXPENSES		
Suppliers' invoices not yet received		3,398
Amounts due to employees		3,188
Accrued social security charges		2,934
Amounts due to the State		234
Provisions for accrued expenses		1,569
Accrued interest on borrowings		213

NOTE 13. CONSOLIDATION

Albioma is the parent company of the Albioma Group, whose consolidated financial statements are drawn up in accordance with the International Financial Reporting Standards (IFRS).

NOTE 14. BREAKDOWN OF CORPORATION TAX BETWEEN CURRENT PROFIT OR LOSS AND NON-RECURRING PROFIT OR LOSS

<i>In thousands of euros</i>	Taxable base	Corporation tax
Current profit or loss before tax	(5,503)	(1,850)
Non-recurring profit or loss before tax	(1,078)	(362)
Total	(6,581)	(2,212)

NOTE 15. INCREASES AND DECREASES IN THE FUTURE TAX LIABILITY

<i>In thousands of euros</i>	Base amount	Increases and decreases in the future tax liability
INCREASES	-	-
DECREASES		
Company social solidarity contribution	46	15
Profit-sharing	240	81
Unrealised capital gain	-	-

NOTE 16. EVENTS AFTER THE REPORTING DATE

None.

NOTE 17. MATURITIES OF RECEIVABLES AND LIABILITIES

17.1. Receivables

<i>In thousands of euros</i>	Gross amount	Due within 1 year	Due in more than 1 year
NON-CURRENT ASSETS			
Receivables from participating interests	-	-	-
Loans	246	-	246
Other long-term investments	562	-	562
CURRENT ASSETS			
Trade receivables	20,470	20,470	-
Employee-related receivables	-	-	-
Social security and other employee welfare bodies	54	54	-
Corporation tax	-	-	-
Value added tax	629	629	-
Other taxes and duties	-	-	-
Group and shareholders	57,141	57,141	-
Sundry accounts receivable	5,062	5,062	-
Accrued income	-	-	-
Prepayments	464	464	-
Total	84,628	83,820	808

17.2. Liabilities

<i>In thousands of euros</i>	Gross amount	Due within 1 year	Due between 1 and 5 years	Due in more than 5 years
Bond issues	-	-	-	-
Borrowings from financial institutions				
within maximum of 2 years at inception	215	215	-	-
within more than 2 years at inception	85,000	500	84,000	500
Sundry borrowings and financial liabilities	813	813	-	-
Trade payables	4,678	4,678	-	-
Employee-related receivables	4,840	4,840	-	-
Social security and other employee welfare bodies	3,823	3,823	-	-
State and other public authorities				
Corporation tax	2,836	2,836	-	-
Value added tax	285	285	-	-
Other taxes and duties	234	234	-	-
Liabilities on non-current assets	22	22	-	-
Group and shareholders	93,303	93,303	-	-
Other liabilities	2,016	2,016	-	-
Accrued expenses	-	-	-	-
Deferred income	990	990	-	-
Total	199,056	114,556	84,000	500

NOTE 18. LIST OF SUBSIDIARIES AND PARTICIPATING INTERESTS

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
Biomasse de Martinique Centre d'Affaires de Californie Immeuble Coralie – 8 lotissement La Trompeuse 97232 Lamentin (Martinique)	7,500	-	2,475	33,00%
Albioma Participações do Brasil Rua Gomes de Carvalho 1069, 13º andar, conjuntos 131 e 132 Condominio Edificio Advances Tower, Jardim Paulista CEP 04547-004 São Paulo - SP (Brésil)	170,000,000 (paid-up share as at 31/12/2017: 165,954,393 BRL)	35,839,127 BRL	169,999,999	99,99%
Albioma Galion Usine du Galion 97220 La Trinité (Martinique)	17,040,000	32,420,468	13,632,000	80,00%
Albioma Caraïbes 97160 Le Moule (Guadeloupe)	17,040,000	19,146,177	1,704,000	100,00%
Compagnie Industrielle Cendres et Mâchefers Parcelle 13, Zone Artisanale "Ravine à Marquet" Route du Cimetière 97419 La Possession (La Réunion)	887,400	759,557	1,972	33,98%
Albioma Bois-Rouge 2 chemin de Bois-Rouge, Cambuston 97440 Saint-André (La Réunion)	18,826,302	38,551,647	1,235,000	100,00%
Albioma Services Réseaux Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	6,000	(3,525)	6,000	100,00%
Terragen Beau Plan Business Park Pamplemousses 21001 (Île Maurice)	520,523,500 MUR	1,061,674,220 MUR	14,054,134	27,00%
Terragen Management Beau Plan Business Park Pamplemousses 21001 (Île Maurice)	100,000 MUR	1,352,249 MUR	2,825	28,25%
Omicane Thermal Energy Operations Saint-Aubin Anglo-Mauritius House Adolphe de Plevitz street Port-Louis (Île Maurice)	255,000,000 MUR	338,933,581 MUR	637,500	25,00%
Omicane Thermal Energy Operations La Baraque Anglo-Mauritius House Adolphe de Plevitz street Port-Louis (Île Maurice)	761,000,000 MUR	474,598,528 MUR	1,902,500	25,00%
Albioma Le Gol Le Gol, 1 route Nationale 97450 Saint-Louis (La Réunion)	13,354,534	99,540,157	566,045	64,62%
Albioma Le Moule Gardel 97160 Le Moule (Guadeloupe)	22,379,516	17,674,893	1,468,000	100,00%
Albioma Énergipote Solaire Zone Industrielle Jaula 97129 Lamentin (Guadeloupe)	150,000	n/c	500	50,00%
Albioma Marie-Galante Usine de Grande Anse 97112 Grand-Bourg (Guadeloupe)	150,000	(45,683)	9,750	65,00%
Plexus Sol 21 rue Hélène Boucher Zone Aéroportuaire 97438 Sainte-Marie (La Réunion)	37,000	1,692,425	3,700	100,00%

5 • COMPAGNY FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

5.3. Notes to the annual financial statements

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividend received in 2017	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
2,475	2,475	309,000	-	-	n/c
49,235,000 (paid-up share as at 31/12/2017)	49,235,000	-	-	2,220,805 BRL	(3,897,071) BRL
13,632,000	13,632,000	27,388,462	-	34,154,678	2,198,986
17,40,000	17,40,000	(5,467,871)	7,395,360	40,610,640	5,238,938
312,260	312,260	-	135,999	8,592,121	437,992
63,365,942	63,365,942	(11,476,607)	11,287,900	98,770,640	12,643,961
6,000	6,000	-	-	-	(3,525)
5,392,972	5,392,972	-	1,250,662	1,355,209,101 MUR	217,892,131 MUR
2,400	2,400	-	-	56,218,616 MUR	1,352,249 MUR
1,885,803	1,885,803	-	565,043	898,81,0,623 MUR	95,687,201 MUR
4,868,018	4,868,018	-	941,738	2,079,607,122 MUR	215,053,000 MUR
28,054,763	28,054,763	(31,390,848)	8,218,930	118,612,952	20,567,369
35,774,642	35,774,642	(19,926,629)	2,774,520	56,667,547	3,759,753
75,000	75,000	142,250	-	-	n/c
97,500	-	1,098,000	-	-	(3,098)
459,111	459,111	(71,852)	181,300	982,080	133,181

5 • COMPTES SOCIAUX DE L'EXERCICE 2017

5.1. Compte de résultat

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
Albioma Power Alliance 36 cour de l'Usine de Bois-Rouge 97440 Saint-André (La Réunion)	120,000	(218,813)	1,000	100,00%
Albioma Solaire Antilles 16 rue des Artisans, ZAC du Bac 97220 La Trinité (Martinique)	10,185,000	956,984	814,800	80,00%
Albioma Guyane Énergie Lieu-dit Savane Aubanèle, pk 9 route du Degrad Saramaca 97310 Kourou (Guyane)	40,000	(80,538)	4,000	100,00%
Albioma Solaire Fabrègues Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	40,000	196,499	4,000	100,00%
Albioma Solaire Guyane Lieu-dit Savane Aubanèle, pk 9 route du Degrad Saramaca 97310 Kourou (Guyane)	40,000	1,922,209	4,000	100,00%
Albioma Solaire Habitat 16 rue des Artisans, ZAC du Bac 97220 La Trinité (Martinique)	4,370,000	565,201	349,600	80,00%
Quantum Energia Italia Piazzale Biancamano n°8 20121 Milano (Italie)	110,000	(318,359)	-	100,00%
Albioma Solaire Lassalle 16 rue des Artisans, ZAC du Bac 97220 La Trinité (Martinique)	40,000	4,098,840	3,200	80,00%
Albioma Solaire Matoury Carrefour de Stoupan, Route de Roula D6, Lieu-dit Macrabo Ouest Savanne du Tour de l'île 97351 Matoury (Guyane)	1,600,240	914,900	1,600,240	100,00%
Albioma Solaire Pierrelatte Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	3,836,000	4,466,380	383,600	100,00%
Albioma Solaire Kourou Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	1,000	(70,849)	900	90,00%
Albioma Saint-Pierre 2 chemin de Bois-Rouge, Cambuston 97440 Saint-André (La Réunion)	40,000	881,614	2,040	51,00%
Albioma Solaire Réunion 21 rue Hélène Boucher Zone Aéroportuaire 97438 Sainte-Marie (La Réunion)	50,000	17,176,982	5,000	100,00%
Albioma Solaire Bethléem 21 rue Hélène Boucher Zone Aéroportuaire 97438 Sainte-Marie (La Réunion)	3,600,000	2,128,754	1,764,000	49,00%
Solaire de Martinique Centre d'Affaires de Californie Immeuble Coralie - 8 lotissement La Trompeuse 97232 Lamentin (Martinique)	100,000	n/c	333	33,30%
Sun Developers 15 (Orgiva) Sancha de Lara 13 29015 Malaga (Espagne)	4,306	105,769	-	100,00%
Sun Developers 16 (Orgiva) Sancha de Lara 13 29015 Malaga (Espagne)	4,006	42,906	-	100,00%

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividend received in 2017	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
2,060,000	2,060,000	(773,525)	288,400	1,246,253	(520,339)
8,148,000	8,148,000	(3,184,881)	-	5,027,257	833,492
40,000	-	39,445	-	-	(3,509)
40,000	40,000	213,897	-	552,668	203,278
40,000	40,000	(1,457,677)	1,655,440	7,501,031	1,918,174
3,496,000	3,496,000	(1,850,828)	297,160	1,787,407	468,147
110,000	-	2,025,576	-	-	(12,985)
32,000	32,000	(150,621)	-	2,402,138	492,243
1,812,775	1,812,775	-	-	2,260,163	103,011
3,836,000	3,836,000	(6,170,619)	-	2,969,685	1,577,346
900	-	147,170	-	-	(4,698)
20,400	-	7,424,300	-	-	1,090,105
6,245,864	6,245,864	(22,070)	2,560,000	9,085,817	2,837,252
1,764,000	1,764,000	(499,375)	282,240	3,489,427	830,139
16,650	16,650	-	-	-	n/c
458,841	458,841	352,349	-	5,897	(3,587)
355,237	355,237	254,699	-	2,158	(4,139)

5 • COMPAGNY FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

5.3. Notes to the annual financial statements

<i>In euros (unless stated otherwise)</i>	Share capital	Other equity	Number of shares held	% of capital held
Sun Developers 17 (Orgiva) Sancha de Lara 13 29015 Malaga (Espagne)	1,000	-	-	100,00%
Sun Developers 18 (Linares) Sancha de Lara 13 29015 Malaga (Espagne)	250	-	-	100,00%
Sun Developers 2 (Linares) Sancha de Lara 13 29015 Malaga (Espagne)	113,250	-	-	100,00%
Sun Developers 3 (Linares) Sancha de Lara 13 29015 Malaga (Espagne)	226,500	-	-	100,00%
Methaneo Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	105,010	(2,687,143)	10,501	100,00%
Énergie Beaufonds 8 allée de Beaufonds 97470 Saint-Benoît (La Réunion)	37,000	n/c	1,195	64,62%
Albioma Solaire Caraïbes Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	10,000	n/c	10,000	100,00%
Albioma Solaire Guyane 2017 Tour Opus 12 77 esplanade du Général de Gaulle 92081 Paris La Défense Cedex	10,000	n/c	10,000	100,00%
Total				

Carrying amount of the shares		Shareholder advances, loans and current accounts	Dividend received in 2017	Revenue (excl. tax) for the last financial year	Net income for the last financial year
Gross	Net				
1,000	1,000	-	-	-	-
250	-	-	-	-	-
113,250	-	112	-	-	-
226,500	-	118	-	-	-
6,082,200	-	5,291,492	-	1,237,211	1,783,339
18,803	18,803	-	-	n/c	-
10,000	10,000	-	-	n/c	-
10,000	10,000	-	-	n/c	-
255,142,556	248,451,556	(37,756,533)	37,840,056		

5.4. Statutory Auditors' Report on the annual financial statements

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

OPINION

In compliance with the assignment entrusted to us by your General Meeting, we have audited the Albioma annual financial statements for the year ended 31 December 2017, as appended to this report.

In our opinion, the Company's financial statements for the year ended 31 December 2017 give a true and fair view of the assets and liabilities, financial position and results of the Company, in accordance with generally-accepted accounting principles in France.

The opinion given above is consistent with the content of our report to the Audit, Accounts and Risks Committee.

BASIS FOR OUR OPINION

Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are set out in the section of this report entitled "Statutory Auditors' responsibilities regarding the audit of the annual financial statements".

Independence

We conducted our audit, in accordance with the rules of independence that apply to us, during the period from 1 January 2017 to the date of issue of our report. In particular we did not provide any services prohibited by Article 5, Paragraph 1, of Regulation (EU) no. 537/2014 or by the French Code of Ethics for Statutory Auditors.

JUSTIFICATION OF OUR ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance for the audit of the annual financial statements for the year, as well as our responses to those risks.

These assessments were made in the context of our audit of the annual financial statements taken as a whole and of forming our opinion expressed above. We do not provide a separate opinion on specific items included in these annual financial statements.

Measurement of participating interests (notes 2.2 and 3.1 to the annual financial statements)

Description of the risk

Albioma holds participating interests in thermal power plants and in photovoltaic and anaerobic digestion plants. At 31 December 2017, the net amount at which participating interests were recognised in the statement of financial position was €248,452, i.e. 66% of the Company's total assets. The gross value at which current account balances due from investees

were recognised in the statement of financial position was €57,029 thousand, against which impairment provisions had been recognised totalling €9,991 thousand. These account balances are recognised on the "Other receivables" line.

Participating interests are initially recognised at their acquisition cost.

As indicated in note 2.2 to the annual financial statements, a review of the indications of impairment of participating interests is performed annually on a line-by-line basis. If there is evidence of impairment, the current value is updated

The current value is initially determined on the basis of the Group's share in the recorded net assets of the investee. If said share is lower than the carrying amount of the participating interest, the current value is estimated on the basis of future cash flows.

Estimating future cash flows requires significant judgement on the part of management, particularly as regards the drawing up of forecasts and the selection of the discount rates and long-term growth rates used. The forecasts are based on economic and operational assumptions such as the availability of the plants or changes in operating costs.

If the current value determined in this manner is lower than the carrying amounts of the interests held and the current account balances, a provision for impairment is recognised.

Given the relative importance of these participating interests to the statement of financial position and the uncertainties inherent in the assumptions used to measure their current value, we have taken the view that the measurement of participating interests and, where relevant, that of the related current account balances due from subsidiaries is a key audit matter.

Audit procedures implemented to address this risk

To assess the reasonableness of the estimated current values of the participating interests and current accounts, our audit work focussed mainly on:

- understanding the processes implemented by the Group for identifying indications of impairment and drawing up budgets;
- in the case of measurements based on historical data, verifying that the equity amounts used are consistent with the investees' financial statements and that, where relevant, the adjustments made to said amounts are based on documentary evidence;
- in the case of measurements based on forecast information, assessing the reasonableness of the assumptions used (forecast earnings, growth rates and discount rates) by comparing it with historical performance and by corroborating it with the relevant contractual terms and conditions and the economic and regulatory environment in which Albioma operates.

VERIFICATION OF THE MANAGEMENT REPORT AND OTHER DOCUMENTS SENT TO SHAREHOLDERS

We have also performed, in accordance with professional standards applicable in France, the specific verifications provided for by law.

Information provided in the management report and in the other documents sent to shareholders with respect to the financial position and the annual financial statements

We have no comments to make as to the fair presentation and consistency with the Company's financial statements of the information provided in the Board of Directors' management report and in the other documents addressed to the shareholders on the financial position and the financial statements.

Report on corporate governance

We confirm that the disclosures required under Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code have been included in the Board of Directors' report on corporate governance.

Regarding the information provided pursuant to the provisions of Article L. 225-37-3 of the French Commercial Code on the remuneration and benefits paid to corporate officers and on commitments given on their behalf, we have verified their consistency with the financial statements or with the data used in the preparation of these financial statements and, where applicable, with the information gathered by your Company from companies controlling your Company or controlled by it. Based on this work, we certify that this information provides a true and fair view.

Regarding the information relating to those factors your Company has deemed likely to have an impact in the event of a public purchase or exchange offer, which was provided in accordance with Article L. 225-37-5 of the French Commercial Code, we have verified its consistency with the documents from which it was extracted and which were provided to us. Based on this work, we have no comments to make on this information.

Other information

Pursuant to the law, we have verified that the various items of information on the acquisition of participating and controlling interests and on the identity of the holders of the share capital and voting rights has been provided to you in the management report.

DISCLOSURES RESULTING FROM OTHER LEGAL AND REGULATORY OBLIGATIONS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Albioma by the General Meeting of 18 May 2010 in the case of PricewaterhouseCoopers Audit and 27 May 2004 in the case of Mazars.

At 31 December 2017, PricewaterhouseCoopers Audit was in the eighth consecutive year of its term of office and Mazars was in its 14th year.

RESPONSIBILITIES OF MANAGEMENT AND PERSONS CHARGED WITH CORPORATE GOVERNANCE IN RESPECT OF THE ANNUAL FINANCIAL STATEMENTS

It is management's responsibility to prepare the annual financial statements giving a true and fair view in accordance with French accounting rules and principles and to implement the internal control procedures it deems necessary to ensure that the annual financial statements it has prepared are free of material misstatement, whether due to fraud or error.

When preparing the annual financial statements, it is management's responsibility to assess the company's ability to continue as a going concern, to present in those financial statements, where relevant, the necessary information relating to its viability as a going concern, and to apply the going concern accounting convention unless the company is expected to be wound up or to cease operating.

The Audit, Accounts and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of the internal control and risk management systems and, where relevant, the internal audit system, as these apply to the procedures for preparing and processing the accounting and financial information. The Company's financial statements have been approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES REGARDING THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Audit objectives and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole are free of material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will systematically identify all material misstatements. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions that users of the financial statements make based on them.

As specified by Article L. 823-10-1 of the French Commercial Code, our responsibility is to certify the financial statements, and not to guarantee the viability or the quality of your company's management.

As part of an audit carried out in accordance with French professional standards, the Statutory Auditors exercise professional judgement throughout the audit. In addition, they:

- identify and assess the risks of material misstatement in the annual financial statements, whether resulting from fraud or error, define and implement audit procedures to deal with those risks, and obtain audit evidence they deem sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the circumvention of internal controls;
- obtain an understanding of the internal control system relevant to the audit so as to define audit procedures that are appropriate in the circumstances, and not for the purposes of expressing an opinion on the effectiveness of the internal control system;
- assess the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management, as well as information about them disclosed in the annual financial statements;

- assess the appropriateness of management's application of the going concern accounting convention and, depending on the audit evidence obtained, whether a material uncertainty exists related to events or circumstances likely to jeopardize the company's ability to continue as a going concern. This assessment is based on the evidence obtained up to the date of the auditors' report. It should, however, be noted that subsequent circumstances or events could cause the company to cease to continue as a going concern. If they conclude that a material uncertainty exists, they will draw readers' attention to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, they will either issue a qualified opinion on the financial statements or refuse to certify them;
- evaluate the overall presentation of the annual financial statements and assess whether the annual financial statements represent the underlying transactions and events in such a manner as to achieve fair presentation

Report to the Audit, Accounts and Risks Committee

We submit a report to the Audit, Accounts and Risks Committee which provides information about the scope of our audit and the work programme implemented, as well as our audit findings. We also bring to its attention, where relevant, material weaknesses in the internal control system that we identified in respect of the procedures for preparing and processing accounting and financial information.

The information provided in our report to the Audit, Accounts and Risks Committee includes the risks of material misstatement that we consider to have been the most important to the audit of the annual financial statements for the year under review and which therefore constitute the key audit matters, which we are required to describe in this report.

We also provide the Audit, Accounts and Risks Committee with the statement stipulated by Article 6 of Regulation (EU) 537-2014 confirming our independence, within the meaning of the rules applicable in France as specified, in particular, in Articles L.822-10 to L.822-14 of the French Commercial Code and in the statutory auditors' professional code of ethics. Where relevant, we discuss with the Audit, Accounts and Risks Committee any risks to our independence and the safeguards applied.

Neuilly-sur-Seine and Courbevoie, on 26 April 2018.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan

Partner

Mazars

Daniel Escudeiro

Partner

6

LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.1. Company information	250	6.54. Holders of securities granting special rights of control	283
6.1.1. Identification details	250	6.55. Control mechanisms provided for in any employee shareholding plan if the employees do not exercise controlling rights	283
6.1.2. Memorandum and Articles of Association	250	6.56. Agreements between shareholders, of which the Company is aware, that may restrict share transfers or the exercise of voting rights.	283
6.2. Information about the capital	259	6.57. Rules governing the appointment and replacement of members of the Board of Directors and amendment of the Company's Memorandum and Articles of Association	284
6.2.1. Provisions of the Memorandum and Articles of Association concerning changes in capital and voting rights	259	6.58. Powers of the Board of Directors, in particular to issue and buy back shares	284
6.2.2. Issued capital and unissued authorised capital	259	6.59. Agreements entered into by the Company that would be amended or terminated in the event of a change of control of the Company	284
6.2.3. Changes in capital during the last five years	263	6.510. Agreements providing for severance payments to be made to the members of the Board of Directors or to employees if they resign or are dismissed without just cause or if their jobs are eliminated as a result of a public offering	284
6.3. Shareholders	263	6.6. Albioma shares	285
6.3.1. Shareholder structure as at 19 April 2018	263	6.6.1. Datasheet	285
6.3.2. Control of the Company, crossing of statutory disclosure thresholds, shareholders holding more than 5% of the capital or the voting rights	264	6.6.2. Stock market price	285
6.3.3. Changes in ownership of the capital and the voting rights during the last three financial years	265	6.6.3. Dividend	286
6.3.4. Employee shareholders	266	6.7. Financial communication, shareholder and investor relations	288
6.3.5. Shareholder agreements	266	6.7.1. Numerous meetings with finance industry players	288
6.3.6. Intra-group cross-shareholdings, treasury shares and share buyback programmes	266	6.7.2. Actionaria trade fair: Albioma meets its individual shareholders	288
6.3.7. Pledges of the Company's shares	271	6.7.3. 2018 financial calendar	288
6.3.8. Voting rights	271	6.7.4. Albioma contacts	288
6.4. Stock option plans and bonus performance share plans	271		
6.4.1. The Group's long-term profit share policy	271		
6.4.2. Stock option plans	272		
6.4.3. Bonus performance share plans	273		
6.5. Factors likely to have an impact in the event of a public offering	283		
6.5.1. The Company's capital structure	283		
6.5.2. Restrictions imposed by the Articles of Association on the exercise of voting rights and share transfers, contractual clauses notified to the Company pursuant to Article L. 233-11 of the French Commercial Code	283		
6.5.3. Direct or indirect participating interests in the Company's capital of which the Company is aware pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code	283		

6.1. Company information

6.1.1. IDENTIFICATION DETAILS

6.1.1.1. Name

The Company has been called Albioma since the General Meeting of 30 May 2013, at which the shareholders resolved to change the Company's name. Prior to this meeting, the Company was called Séchilienne-Sidex.

6.1.1.2. Legal form

Albioma is a French limited company incorporated as a société anonyme governed by a Board of Directors.

6.1.1.3. Legislation applicable to the issuer

Albioma is governed by French law.

6.1.1.4. Trade and companies register

The Company is registered in the Nanterre Trade and Companies Register under number 775 667 538 (APE Code: 7010 Z).

6.1.1.5. Date of incorporation and duration of the Company (Article 6 of the Memorandum and Articles of Association)

"The Company's duration (initially fixed at 30 years, extended until 31 December 1949 and then until 31 December 2039) has been further extended for an additional period of 60 years pursuant to a resolution adopted at the Extraordinary General Meeting of 16 June 2009 and accordingly, the Company will cease to exist on 31 December 2099 save in the event of early dissolution or further extension." Objects (Article 3 of the Memorandum and Articles of Association)

6.1.1.6. Objects (Article 3 of the Memorandum and Articles of Association)

"The Company has the following objects:

- *to study, create, finance, supply, operate and sell, either directly or indirectly, facilities recycling and/or using any form of fossil fuel or renewable energy along with all electrometallurgical, electronic, electrochemical, chemical, gaseous, metallurgical, electrical, mechanical, thermal, hydraulic, handling and traction products, appliances and equipment,*
- *to acquire direct or indirect holdings in any existing or future French or foreign business or company, whose corporate objects may contribute towards the achievement of the corporate objects or are connected to these objects or similar or related objects, and to take over the management of the said business or company,*
- *and, generally, to carry out all industrial and commercial transactions and all transactions involving movable or immovable property, that are directly or indirectly connected to the foregoing or that may be useful for the*

corporate objects or instrumental in the achievement or development thereof."

6.1.1.7. Registered office

Pursuant to a decision taken by the Chairman and Chief Executive Officer on 24 February 2014, acting within the scope of the powers that had been delegated to him by the Board of Directors at its meeting of 17 December 2013, the Company's registered office has been transferred to Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense. Article 4 of the Memorandum and Articles of Association has been amended accordingly.

This decision was ratified by shareholders at the General Meeting of 27 May 2014.

6.1.1.8. Financial year

The Company's financial year commences on 1 January and ends on 31 December of each year.

6.1.1.9. Consultation of company documents

The Memorandum and Articles of Association, company and consolidated financial statements, reports and shareholder information can be consulted at the Company's registered office, at Tour Opus 12, 77 Esplanade du Général de Gaulle, 92081 Paris La Défense, during office hours (postal address: Tour Opus 12, La Défense 9, 77 Esplanade du Général de Gaulle, 92914 La Défense Cedex). Most of these documents can also be viewed, free of charge, on the Company's website www.albioma.com.

6.1.2. MEMORANDUM AND ARTICLES OF ASSOCIATION

6.1.2.1. Amendments to the Memorandum and Articles of Association approved by the General Meeting of 31 May 2017

The General Meeting of 31 May 2017 approved the amendment of Article 5 of the Memorandum and Articles of Association concerning the Board of Directors' authority to transfer the registered office. The purpose of this amendment was to render the Memorandum and Articles of Association compliant with law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernised business practices.

6.1.2.2. Administration and General Management (Articles 19 to 29 of the Memorandum and Articles of Association)

Article 19 of the Memorandum and Articles of Association

"Governance of the Company shall be entrusted to a Board composed of at least three members and no more than twelve members, appointed by the shareholders at General Meetings.

The term of office of each member of the Board of Directors shall be four years, where one year corresponds to the period from one Annual General Meeting to the next.

Outgoing Directors may be reappointed.

In the event a seat on the Board becomes vacant between two General Meetings due to resignation or death, the Board shall be entitled to make a provisional appointment for the remainder of the term of office of the replaced Director, with a view to maintaining the same number of Board members.

The shareholders shall make a final appointment at the next Ordinary General Meeting. However, if the number of Board members falls below the statutory minimum of three, the Board or - failing that - the Statutory Auditors, shall immediately convene a General Meeting to make up the numbers. Any interested party may do the same, in accordance with the terms and conditions laid down by law.

In the event any appointments made by the Board of Directors are not subsequently ratified by the shareholders, all the Board's decisions and actions shall nevertheless remain valid.

No more than one-third of the total number of Directors in office may be aged over 70. Whenever this maximum is exceeded, the oldest Director who has not held or does not hold office as Chairman or who has not held office as Chief Executive Officer of the Company will stand down at the next General Meeting, unless compliance with the aforementioned maximum has been established as a result of a decision of the Board pursuant to this Article."

Article 20 of the Memorandum and Articles of Association

"The Directors must each hold four hundred (400) registered shares throughout their term of office.

In the event a Director does not hold the aforementioned number of shares at the time of his appointment or ceases to hold the aforementioned number at any time during his office, he will be deemed to have automatically resigned unless he remedies the situation within a six (6) month period."

Article 21 of the Memorandum and Articles of Association

"By way of remuneration for their duties, the Directors shall receive directors' fees, the amount of which will be set by the shareholders at General Meetings, as well as a share of the profits in accordance with Article 45."

Article 22 of the Memorandum and Articles of Association

"The Board shall appoint one of its members as Chairman, who must have French nationality or be a citizen of a member state of the European Economic Area, and, if need be, shall determine his remuneration. The Chairman shall be appointed

for a term of office that may not exceed his term of office as a Director. The Board shall appoint a Secretary, who may but need not be a Board member.

The Chairman represents the Board of Directors. He organises and oversees its work, and reports thereon to the General Meeting. He ensures the Company's bodies operate properly and, more specifically, that the Directors are in a position to perform their duties.

In the event the Chairman reaches the age of 65 during his term of office, he will remain in office until expiry of his term of office. The Board of Directors may then reappoint him as Chairman once or more than once, provided the total term does not exceed the term of a directorship.

The Board may elect a Deputy Chairman from its members. In the event the Chairman is absent or unable to act, the Deputy Chairman appointed by the Board will chair the meeting. If both are absent, the Board shall appoint one of its members to chair the meeting.

The Board of Directors shall meet whenever a meeting is called by the Chairman or half of the members of the Board, and as frequently as the Company's interests dictate, either at the registered office or at any other venues stated in the notice of meeting.

However, if a Board meeting has not been held for more than two months at least one third of the Directors may call a meeting, stating the agenda. The Chief Executive Officer may also ask the Chairman to call a meeting of the Board of Directors to consider a specific agenda.

Notice of meetings shall be given by any means, including by word-of-mouth.

In accordance with the legal and regulatory provisions and the Internal Regulations adopted by the Board of Directors, and within the limits provided thereby, Directors who attend meetings of the Board of Directors using videoconferencing or telephone conferencing facilities that allow them to be identified and guarantee their effective participation shall be deemed present when calculating the quorum and majority. However, such methods may not be used when adopting the annual financial statements and the management report or when adopting the consolidated financial statements and the Group management report.

Any Director may be represented by another Director at any given meeting. A proxy may be appointed by means of an ordinary letter or even by telegram. A Director may only represent one other Director at a given meeting. The presence of at least half of the Directors in office is necessary for the Board to validly transact business. Decisions shall be taken by a majority of the votes of the members present or represented, and any Director who represents another Director shall hold two votes. In the event of a tie, the chairman of the meeting shall have a casting vote."

Article 23 of the Memorandum and Articles of Association

“Decisions shall be recorded in minutes kept in a special minute book as required by law, and signed by the chairman of the meeting and at least one Director. In the event the chairman of the meeting is unable to sign, the minutes shall be signed by at least two Directors.

The minutes shall be drawn up in accordance with the law.

Copies of or excerpts from the minutes required as evidence in court, or for any other reason, shall be validly certified by the Chairman of the Board of Directors, the Chief Executive Officer, a Director temporarily acting as chairman or any person specifically authorised for that purpose by the Board of Directors.

Production of a copy of or excerpt from the minutes of a meeting shall be sufficient proof of the number of Directors in office and the number present or represented at the meeting.

An excerpt from minutes recording a grant of authority by the Board shall be sufficient evidence of the existence of such authority.”

Article 24 of the Memorandum and Articles of Association

“The Board of Directors shall define the Company’s business policies and supervise their implementation. Subject to the powers expressly granted to shareholders at General Meetings and to the scope of the Company’s objects, it shall deal with all issues affecting the proper running of the Company and settle all matters concerning the Company in the course of its meetings. It shall define the Company’s strategic policies, and its prior authorisation shall be required for any material transaction that falls outside the scope of the announced business strategy, including major organic growth investments, internal restructuring operations or external acquisitions or sales.

The Board of Directors shall carry out all the checks and controls it considers appropriate. It shall review the Company’s financial position, cash flow situation and commitments on a regular basis.”

Article 25 of the Memorandum and Articles of Association

Choice between two methods of General Management

“In accordance with Article L. 225-51-1 of the French Commercial Code, the Company’s General Management shall be the responsibility of either the Chairman of the Board of Directors or of another natural person appointed by the Board of Directors with the title of Chief Executive Officer.

The Board of Directors shall decide which method of General Management shall apply. The Board’s decision concerning the

choice of method of General Management must be approved by the majority of Directors present or represented at the meeting. Shareholders and third parties shall be informed of the Board of Directors’ decision in accordance with the terms and conditions laid down in the applicable regulations.

A change in the method of General Management shall not require the amendment of the Memorandum and Articles of Association.”

General Management

“The Chairman or the Chief Executive Officer shall be responsible for the Company’s General Management, depending on the method of management chosen by the Board of Directors.

The Chief Executive Officer shall be appointed by the Board of Directors, which shall also determine his term of office, his remuneration, if applicable, and any limitations placed on his authority, if appropriate.

He must be aged under 70 in order to hold office. In the event he reaches this age limit when in office, the Chief Executive Officer shall be automatically deemed to have resigned and a new Chief Executive Officer shall be appointed.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. A Chief Executive Officer who is not also Chairman may claim compensation if he is removed from office without just cause.”

Powers of the Chief Executive Officer

“The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of the Company. He shall exercise these powers within the limits of the Company’s objects and subject to any powers expressly granted by law to the shareholders and the Board of Directors.

He shall represent the Company in dealings with third parties. The Company shall be committed by any actions or decisions of the Chief Executive Officer that do not fall within the scope of the Company’s objects, unless the Company can prove that the third party was aware that the action or decision in question fell outside the scope of the objects or could not have been unaware thereof, in view of the circumstances. However, mere publication of the Memorandum and Articles of Association is not sufficient proof thereof.”

Deputy Chief Executive Officers

“Following a proposal by the Chief Executive Officer, irrespective of whether this office is held by the Chairman of the Board of Directors or by any other person, the Board of Directors may appoint one or more natural persons to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer.

The Board of Directors shall determine, in conjunction with the Chief Executive Officer, the scope and period of validity

of the powers granted to the Deputy Chief Executive Officers, and shall set their remuneration, if applicable.

The Deputy Chief Executive Officer or Officers shall have the same powers as the Chief Executive Officer with regard to third parties.

In the event the Chief Executive Officer no longer holds office or is unable to act, the Deputy Chief Executive Officers shall remain in office with the same powers and responsibilities until a new Chief Executive Officer is appointed, subject to any decision to the contrary by the Board of Directors.

Deputy Chief Executive Officers may be removed from office at any time by the Board of Directors, on the basis of a proposal by the Chief Executive Officer. Deputy Chief Executive Officers may claim compensation if they are removed from office without just cause.”

Article 26 of the Memorandum and Articles of Association

“The Board of Directors may create committees composed of Directors, or managers, or of both Directors and managers of the Company. Members of these Committees shall be responsible for reviewing any matters referred to them by the Board or its Chairman.”

Article 27 of the Memorandum and Articles of Association

“Subject to the Chairman’s consent, the Board of Directors may enter into agreements with any senior managers, defining the term of their appointments, the scope of their powers and responsibilities, retirement provisions and terms and conditions relating to their removal from office.

Lastly, the Board of Directors may grant powers to any person of its choice pursuant to a special power of attorney for one or more specific purposes.”

Article 28 of the Memorandum and Articles of Association

“Any agreement entered into directly or via an intermediary between the Company and one of its Directors, its Chief Executive Officer, one of its Deputy Chief Executive Officers, one of its shareholders holding more than 10% of the voting rights or, if the shareholder is a company, the company controlling it within the meaning of Article L. 233-3 of the French Commercial Code, shall require the prior authorisation of the Board of Directors under the terms and conditions laid down by law.

This shall also apply to any agreements in which any of the persons referred to in the previous paragraph have an indirect interest.

Any agreements entered into, directly or via an intermediary, between the Company and any company or undertaking

when one of the Directors, the Chief Executive Officer or one of the Deputy Chief Executive Officers of the Company is an owner, partner with unlimited liability, manager, director, member of the supervisory board or, more generally, senior executive of such company or business shall also require prior authorisation.

The Chairman of the Board of Directors shall inform the Statutory Auditors of all authorised agreements, as the Statutory Auditors are required to present a special report on such agreements to the shareholders at General Meetings. The shareholders shall vote on the report in accordance with the terms and conditions laid down by law.

The foregoing provisions shall not apply to agreements relating to everyday operations and entered into at arm’s-length. However, the interested party shall inform the Chairman of the Board of Directors of any such agreement, unless it is not material for any of the parties thereto, in view of its purpose or financial implications, and the Chairman of the Board of Directors shall inform the Directors and the Statutory Auditors of all such agreements and their purpose. Any shareholder may ask to receive a copy of any such agreement.”

Article 29 of the Memorandum and Articles of Association

“The Chairman and the members of the Board of Directors shall be responsible and liable for the performance of their duties in accordance with the terms and conditions laid down in the applicable laws.”

6.1.2.3. Rights, benefits and restrictions attached to shares (Articles 9 to 12, 14 to 18, 37 and 45 of the Memorandum and Articles of Association)

Article 9 of the Memorandum and Articles of Association

“At least one quarter of the par value of each share is payable at the time of subscription plus the issue premium, if any, in full, and the balance is payable on the dates set by the Board of Directors, and within a maximum time period of five years.

In the event of a public offering and if the capital increase is completed solely as a result of implementation of the performance bond signed in accordance with the terms and conditions laid down by law, the part of the par value that is due and, if applicable, the full amount of the issue premium, must be paid no later than 35 days after the end of the subscription period.

All shares that have not been fully paid up shall be registered shares until they are paid up in full.

Shareholders shall be informed of all calls for payments on shares that have not been fully paid up by means of a notice

published in an official gazette for legal notices for the area in which the registered office is located, fifteen days before the date set for payment.

Shareholders, intermediary transferees and subscribers shall be jointly and severally liable for the payment of the price of a share."

Article 10 of the Memorandum and Articles of Association

"Interest shall be automatically payable to the Company at the official rate on any late payments, with effect from the due date and without the need for any application to the courts.

In the event any payment after the first payment is not made on the due date, the Company shall be entitled to arrange for the sale, in accordance with the terms and conditions laid down by law, of the shares for which payment of the amounts due has not been received, one month after it has sent a formal demand for payment to the defaulting shareholder by recorded delivery with proof of delivery. The Company shall be entitled to sell the shares on the market on the defaulting shareholder's behalf and at his risk, without any need for a court order, using the services of a brokerage firm.

On expiry of a period of thirty clear days from the aforementioned formal demand, shares for which any amount due is still outstanding shall no longer entitle their holder to attend meetings of shareholders and take part in the voting, and shall not be counted when calculating the quorum.

Rights to dividends and preferential subscription rights in the event of a capital increase attached to such shares shall be suspended. After payment of all sums due in principal plus interest, the shareholder may request payment of any dividends that have not lapsed in the meantime. The shareholder may not take any action with regard to preferential subscription rights in the event of a capital increase if the time period set for exercising such rights has expired.

The net proceeds from the sale of such shares shall be offset against the amount owed to the Company by the expropriated shareholder, in accordance with the law, and the remaining balance shall be owed by or to the shareholder, as the case may be.

The Company shall also be entitled to take legal action personally and under ordinary law against the shareholder and his guarantors, either before, after or at the same time as the sale of the shares."

Article 11 of the Memorandum and Articles of Association

"Shares that have not been fully paid up shall be registered in an account as registered shares until full payment of the price. Each payment made on shares subscribed shall be recorded in an account opened in the name of the subscriber."

Article 12 of the Memorandum and Articles of Association

"Shares that have been fully paid up shall be registered in an account as registered shares or bearer shares, as the shareholder wishes.

Share transfers, irrespective of their form, shall be made by an account-to-account transfer in accordance with the terms and conditions laid down in the applicable laws and regulations."

Article 14 of the Memorandum and Articles of Association

"Subject to any rights granted to preference shares, if any are issued, each share shall entitle its holder to a fraction of the corporate assets proportionate to the amount of capital it represents.

It shall also entitle its holder to a share of the profits, as provided in Articles 45 and 48 hereof.

During the Company's existence and at the time of its liquidation, each share shall entitle its holder to receive an identical net amount in any allocation or redemption; this means that, when necessary, all the shares shall be grouped together and treated identically for the purposes of any tax exemptions or taxes levied in respect of such allocation or redemption to be borne by the Company, while taking into consideration, if applicable, the amount of any redeemed or non-redeemed capital, the par value of the shares and the rights attached to shares of different classes."

Article 15 of the Memorandum and Articles of Association

"Shareholders shall only be committed for up to the amount of the capital represented by each share. Any call for payment over and above such amount is prohibited."

Article 16 of the Memorandum and Articles of Association

"All shares are indivisible with regard to the Company. Joint shareholders must be represented by one single person in all dealings with the Company."

Article 17 of the Memorandum and Articles of Association

"Ownership of a single share shall entail acceptance of the Company's Memorandum and Articles of Association and of all the resolutions adopted by the shareholders at General Meetings.

Whenever several shares need to be held in order to exercise a specific right, in particular for the purpose of the exchange or allocation of shares in the course of a capital reduction, capital increase through the capitalisation of

reserves, merger or any other transaction, single shares or an insufficient number of shares shall not give their holders any rights with regard to the Company. The shareholders must personally arrange to group together or to purchase or sell the requisite number of shares or voting rights.”

Article 18 of the Memorandum and Articles of Association

“A shareholder’s heirs or creditors shall not be entitled to request that the Company’s assets and property be placed under seal or to request the division or sale by auction thereof, or interfere in any way in the management of the Company, on any grounds whatsoever.

When exercising their rights they should refer to the corporate statements of assets and liabilities, and the resolutions adopted by shareholders at General Meetings.”

Article 37 of the Memorandum and Articles of Association

“At all General Meetings the quorum shall be calculated on the basis of all shares comprising the capital, other than those that have been stripped of voting rights pursuant to the laws or regulations.

Each shareholder shall have a number of votes corresponding to the number of shares he holds or represents on which no payments are outstanding, and the length or method of ownership of the shares shall not grant any shareholder double or multiple voting rights in any respect whatsoever.”

Article 45 of the Memorandum and Articles of Association

1. “The Company’s net revenue, recorded in the annual statement of assets and liabilities, less overheads and other expenditure incurred by the Company, including all depreciation and provisions, shall constitute net profit.

Firstly, at least five per cent of the profit, less, where applicable, any losses carried forward, shall be deducted to form the reserve fund prescribed by law. This deduction shall cease to be compulsory when the reserve fund reaches one tenth of the capital and resume if the reserve falls below this amount.

The distributable profit is comprised of the net profit of the financial year, less any losses carried forward together with any amounts to be posted to reserves pursuant to the law, plus any retained earnings.

The amount needed to pay shareholders, by way of an initial dividend, six per cent of the amounts paid-up on their shares that have not been redeemed and six per cent of the amounts, where applicable, of premiums on shares issued for cash recorded in an “additional paid-in capital” account shall be deducted from the distributable profit. The shareholders are not entitled to claim these amounts from the profit of

subsequent years if the profit of a given year does not permit such payment.

From the available surplus, the General Meeting may, at the proposal of the Board of Directors, appropriate a portion of said distributable profit that it will advise for the creation of contingency funds and general or special reserves, of any type whatsoever or even simply as retained earnings.

The balance constitutes a mass that is split between the shares, in proportion to the respective portion of the capital that they represent.

Moreover, the shareholders at a General Meeting may decide to distribute sums deducted from the reserves available to them: in such a case, the resolution adopted must expressly state the reserve funds from which the sums will be deducted.

Save in the event of a capital reduction, no dividend may be paid to shareholders if the Company’s net assets are lower than the amount of the Company’s capital plus the reserves that cannot be distributed pursuant to the law or the Memorandum and Articles of Association.

If the Extraordinary General Meeting decides to redeem shares, this transaction must be carried out in accordance with the procedures and provisions prescribed by law. Once the capital shares have been fully redeemed, they will be replaced by dividend shares and the holders of these shares will have all of the rights attached to non-redeemed shares of the same type as regards their entitlement to a share of the profit and the Company’s assets and their right to vote at General Meetings other than the right to the initial 6% dividend provided for above and repayment in the event of the Company’s liquidation.

2. Any shareholder who can prove, at the end of a financial year, that he has held registered shares for at least two years and still holds them on the date of payment of the dividend for the financial year will be entitled to an increased dividend on such registered shares corresponding to 10% of the dividend paid on other shares, including when the dividend is paid in the form of new shares. The increased dividend will be rounded down to the next euro cent if need be.

Similarly, any shareholder who can prove, at the end of a financial year, that he has held registered shares for at least two years and still holds them on the date of completion of a capital increase by the capitalisation of reserves, profit or premiums resulting in a distribution of bonus shares will be entitled to an increase in the bonus shares allocated to such shareholder corresponding to 10%, rounded down to the next lowest whole number of shares if need be.

The number of shares held by any given shareholder that are eligible for such measures may not exceed 0.5% of the capital.

The provisions of this paragraph 2 will apply for the first time to the payment of dividends for the financial year ended

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.1. Company information

31 December 2015, resolved by the shareholders at the General Meeting to be held in 2016.”

6.1.2.4. Amendment to shareholder rights (Article 39 of the Memorandum and Articles of Association)

Please refer to section 6.1.2.5 on page 258 of this Registration Document.

6.1.2.5. General Meetings (Articles 31 to 42 of the Memorandum and Articles of Association)

Article 31 of the Memorandum and Articles of Association

“A General Meeting shall be held once a year within the first half of the year, although this time period may be extended by court order.

General Meetings held in special session may also be called whenever the Board considers this appropriate.

A General Meeting may also be called, where necessary, by the persons allowed to do so by law.

General Meetings shall be convened in accordance with the terms and conditions laid down by law.

A notice of the meeting shall be published in the official gazette of statutory legal notices (Bulletin des Annonces Légales Obligatoires – BALO), at least 35 days before the date of the General Meeting. The notice shall contain all the information required by law.

Requests to add draft resolutions to the agenda may be submitted between the date of publication of the notice in the BALO and the 25th day before the date of the General Meeting, but cannot be submitted more than 20 days after the date of publication of the notice in the BALO.

A notice of the meeting shall be published in a gazette authorised to publish legal notices in the département in which the registered office is located and, if the Company shares are admitted to trading on a regulated market or if some of the shares are not registered shares, in the official gazette of statutory legal notices (Bulletin des annonces légales obligatoires - BALO), at least 15 days before the date of the General Meeting when convened the first time, or at least 10 days before the date of the General Meeting if it has been convened a second time.

Notices of meetings shall include all the information required by the law and regulations.

Beneficial owners of shares shall be invited to attend both Ordinary and Extraordinary General Meetings.”

Article 32 of the Memorandum and Articles of Association

“General Meetings shall comprise all shareholders, irrespective of the number of shares they hold, provided all amounts

due thereon have been fully paid up and also provided they have not been stripped of their voting rights.

General Meetings shall be held and transact business in accordance with the provisions of applicable laws and regulations. In particular, all shareholders are allowed, if decided by the Board of Directors and published in the notice prior to the General Meeting and/or in the notice of call to meeting, to vote at the said General Meeting using any means of electronic communication allowing the shareholder to be identified, in accordance with the provisions and procedures set out in applicable laws and regulations.

All shareholders are entitled to attend General Meetings, in person or through a proxy, provided that they produce proof of their identity and title to their securities, in accordance with the provisions of applicable laws and regulations.

Shareholders may vote using a ballot form in accordance with the provisions and procedures set out in applicable laws and regulations. In particular, all shareholders are entitled to submit ballot forms prior to General Meetings, either in paper form or, if decided by the Board of Directors and published in the notice prior to the General Meeting and/or in the notice of call to meeting, by a method of electronic communication.

Shareholders may vote through a proxy in accordance with the provisions and procedures set out in applicable laws and regulations. In particular, all shareholders are entitled to submit proxy forms prior to General Meetings in paper form or by a method of electronic communication. Whenever a shareholder submits a proxy form without designating the proxy holder, the Chairman of the General Meeting shall vote in favour of all resolutions presented or approved by the Board of Directors, and against all other resolutions. In order to vote differently, the shareholder must designate a proxy holder who must agree to vote in the manner stated on the proxy form;

In the event a shareholder attends a meeting in person, his proxy or ballot form shall be cancelled, provided the shareholder has expressly requested an admission pass at least two business days before the date of the meeting.

Ballot and proxy forms may only be submitted electronically if said forms contain an electronic signature, resulting from a reliable process identifying the shareholder and guaranteeing his/her relationship with the online form to which the signature is affixed. Votes cast prior to a General Meeting using this electronic procedure and the relevant acknowledgement of receipt will be treated as irrevocable, enforceable written documents. However, the appointment of a proxy may be revoked using the same procedure as that required for the appointment of a proxy.

If securities are transferred prior to midnight Paris time on the second working day preceding the General Meeting,

the Company shall cancel the proxy or vote cast prior to the General Meeting or amend them accordingly, as applicable.

Shareholders that are legal entities may be represented at any General Meeting by one of their partners, directors or employees, who may but need not be a shareholder in a personal capacity, provided they can produce proof of their office or position.

Joint shareholders shall be represented at General Meetings by one of them, or by a single representative. In the event of any disagreement, the representative shall be appointed by the court following an application by the first joint shareholder to act.

The voting rights attached to a share shall belong to the beneficial owner at both Ordinary General Meetings and Extraordinary General Meetings."

Article 33 of the Memorandum and Articles of Association

"General Meetings that have been duly and properly convened and formed shall represent all the shareholders."

Article 34 of the Memorandum and Articles of Association

"General Meetings shall be chaired by the Chairman of the Board of Directors or, if he is unable to do so, by the Deputy Chairman if there is one; failing that, the meeting shall be chaired by a Director designated by the Board, if the meeting has been called by the Board.

The two shareholders holding the largest number of shares, both personally and as representatives, who are present and accept such duties shall act as scrutineers.

The Officers of the meeting shall designate a Secretary, who may but need not be a member of the General Meeting.

An attendance sheet shall be drawn up, which shall contain the information required by law. The sheet shall be initialled by the shareholders present and all representatives and shall be certified accurate by the Officers of the General Meeting; it shall be kept at the registered office and must be produced whenever requested."

Article 35 of the Memorandum and Articles of Association

"The agenda of the General Meeting shall be determined by the person convening the meeting.

However, one or more shareholders representing at least the proportion of the capital provided by the laws and regulations may request the addition of draft resolutions to the agenda. So that they can exercise this right, shareholders must be provided with the necessary information in accordance with the procedures and within the time period laid down by law.

Only items appearing on the agenda may be discussed at General Meetings. However, shareholders may remove one or several Directors from office at any General Meeting and replace them."

Article 36 of the Memorandum and Articles of Association

"Ordinary General Meetings shall only validly transact business when called the first time if the shareholders present or represented hold at least one fifth of the shares with voting rights. When the meeting is called a second time, no quorum requirements shall apply.

Annual Ordinary General Meetings and Ordinary General Meetings held in special session shall adopt resolutions by a majority of the votes held by the shareholders present or represented.

Unless the law provides otherwise, Extraordinary General Meetings shall only validly transact business if the shareholders present or represented hold at least one quarter of the shares with voting rights when the meeting is called the first time, and at least one fifth of the shares with voting rights when the meeting is called a second time. Failing that, the meeting can be postponed to a later date, provided this is no more than two months after the date scheduled when called a second time.

Extraordinary General Meetings shall adopt resolutions by a majority of two thirds of the votes held by the shareholders present or represented, unless the law provides otherwise.

Special meetings shall only validly transact business if the shareholders present or represented hold at least one third of the shares with voting rights whose rights are to be modified at the meeting when the meeting is called the first time, and one fifth of such shares when the meeting is called a second time. Failing that, the meeting can be postponed to a later date, provided this is no more than two months after the date scheduled when called a second time.

Special meetings shall adopt resolutions subject to the same terms and conditions as Extraordinary General Meetings."

Article 37 of the Memorandum and Articles of Association

Please refer to section 6.1.2.3 on page 255 of this Registration Document.

Article 38 of the Memorandum and Articles of Association

"The report by the Board of Directors on the Company's business and the reports of the Statutory Auditors shall be presented to the shareholders at Ordinary General Meetings.

Ordinary General Meetings have remit to discuss, approve or modify the financial statements and declare dividends.

The resolution approving the balance sheets and financial statements can only be adopted after the presentation of a report by the Statutory Auditors, failing which the resolution shall be invalid.

Ordinary General Meetings vote on the special report prepared by the Statutory Auditors as required by law.

They appoint the Directors and Statutory Auditors.

They determine the directors' fees to be paid to the Board of Directors.

They authorise the Company to trade in Company shares on the financial markets in accordance with the terms and conditions and within the limits laid down by law.

They vote on any other proposals included in the agenda that are not within the remit of the Extraordinary General Meeting."

Article 39 of the Memorandum and Articles of Association

"The Extraordinary General Meeting has sole remit to amend the Memorandum and Articles of Association. It is not, however, entitled to increase the shareholders' commitments, subject to any transactions resulting from a duly and properly completed reverse stock split.

The Extraordinary General Meeting shall not be entitled to change the nationality of the Company, unless the country of which the Company is planning to adopt the nationality, and to which it wishes to transfer its registered office, has entered into a special agreement with France allowing such operations and maintaining the Company's legal personality.

Any resolution adopted at a General Meeting to modify the rights relating to a specific class of shares shall only be final after it has been approved at a Special Meeting of the shareholders of the said class."

Article 40 of the Memorandum and Articles of Association

"With effect from the date an Ordinary or Extraordinary General Meeting is called, and for at least fifteen days prior to the date of the meeting, all the shareholders shall be entitled to consult the documents and information listed by law, at the registered office. Shareholders shall only be entitled to consult the report by the Statutory Auditors during the aforesaid fifteen-day period.

Any holder of registered shares or any shareholder who has produced proof that his shares have been registered in an account in accordance with Article 32 of the Memorandum and Articles of Association may submit a request, between the date the General Meeting is called and the fifth day before the meeting, inclusive, to receive by post the documents and information listed by law.

This right to consult includes the right to make copies, with the exception of the statement of assets and liabilities."

Article 41 of the Memorandum and Articles of Association

"Proceedings at General Meetings shall be recorded in minutes kept in a special minute book as required by law, and shall be signed by the officers of each meeting.

Copies of or excerpts from the minutes required as evidence in court, or for any other reason, shall be certified by the Chairman of the Board of Directors, a Director holding the office of Chief Executive Officer or the Secretary of the General Meeting.

Following the Company's dissolution and during its liquidation, such copies or excerpts shall be certified by the liquidators or any one of them."

Article 42 of the Memorandum and Articles of Association

"Resolutions adopted in accordance with the applicable laws and the Memorandum and Articles of Association shall be binding on all shareholders, including those who were absent or voted against the resolution."

6.1.2.6. Shareholding thresholds

The provisions of Article L. 233-7 of the French Commercial Code, under which the crossing of thresholds corresponding to one twentieth, one tenth, three twentieths, one fifth, one quarter, three tenths, one third, one half, two thirds, eighteen twentieths or nineteen twentieths of the capital or voting rights, either upwards or downwards, must be disclosed, are supplemented by Article 13 of the Memorandum and Articles of Association:

"Without prejudice to Article L. 233-7 of the French Commercial Code, any person who directly or indirectly holds a fraction of the Company's capital that is equal to 1% or any multiple of this percentage below 5% is required to report this to the Company within five days of crossing a threshold either upwards or downwards."

The sanctions applicable in the event of non-disclosure are set out in Article L. 233-14 of the French Commercial Code.

6.1.2.7. Clauses that may affect control of the Company

None.

6.1.2.8. Changes to the capital (Articles 8 and 39 of the Memorandum and Articles of Association)

Article 8 of the Memorandum and Articles of Association

“Voting on a proposal by the Board of Directors, the shareholders may adopt a resolution at an Extraordinary General Meeting to increase or reduce the capital by any means allowed by the applicable laws.

In the event of a reduction of the capital, the shareholders may resolve that shareholders must sell or purchase a sufficient number of their existing shares to enable them to exchange the existing shares for new shares, with or without payment or receipt of the cash balance, even when the capital reduction is not decided due to the existence of losses.”

Article 39 of the Memorandum and Articles of Association

Please refer to section 6.1.2.5 on page 258 of this Registration Document.

6.2. Information about the capital

6.2.1. PROVISIONS OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION CONCERNING CHANGES IN CAPITAL AND VOTING RIGHTS

Please refer to sections 6.1.2.5 on page 256 *et seq.* and 6.1.2.8 on page 258 of this Registration Document.

6.2.2. ISSUED CAPITAL AND UNISSUED AUTHORISED CAPITAL

6.2.2.1. Issued capital

As at 31 December 2017, the Company's capital was €1,178,905.04 divided into 30,620,910 shares with a par value of €0.0385 each, all of the same class and enjoying the same rights, fully subscribed and fully paid-up. The capital did not change between 31 December 2017 and the filing of this Registration document.

6.2.2.2. Unissued authorised capital

Summary of the authorisations that are currently valid or that expired during the 2017 financial year granted to the Board of Directors by the General Meeting, to allow it to increase or reduce the capital, buy back the Company's own shares or allot bonus performance shares.

The table below shows, in particular pursuant to the provisions of Article L. 225-37-4 of the French Commercial Code, the currently valid authorisations as well as those that expired during the 2017 financial year, granted to the Board of Directors by the General Meeting, to allow it to increase or reduce the capital, to buy back the Company's own shares or to allot bonus performance shares, and the extent to which they were used by the Board of Directors during the 2017 financial year. It also summarises the main features of the delegations and authorisations put to the General Meeting of 30 May 2018 (see additional information in the Board of Directors' report for the General Meeting, which can be found in section 7.2 on page 290 *et seq.* of this Registration Document).

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.2. Information about the capital

Nature of authorisation	Date of General Meeting (resolution no.)	Period (in months)	Valid authorisation
			Maximum amount authorised
INCREASE OF CAPITAL			
Issue of redeemable share subscription and/or purchase warrants to certain employees and executive corporate officers of the Company and its subsidiaries, with the waiver of preferential subscription rights	n/a	n/a	
Issue with maintenance of preferential subscription rights	31/05/2017 (19)	26	
Increase in the amount of issues with maintenance of preferential subscription rights	31/05/2017 (20)	26	
Issue with waiver of preferential subscription rights in favour of members of a company savings plan or a group savings plan	31/05/2017 (21)	26	
Capital increase by the capitalisation of premiums, reserves, profit or other sums eligible for capitalisation	31/05/2017 (22)	26	
Issue with maintenance of preferential subscription rights	28/05/2015 (12)	26	
Issue with waiver of preferential subscription rights by means of a public offering	28/05/2015 (13)	26	
Issue with waiver of preferential subscription rights by means of an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code	28/05/2015 (14)	26	
Increase in the amount of the issues undertaken with maintenance or waiver of preferential subscription rights by means of a public offering or an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code in the event of surplus demand	28/05/2015 (15)	26	
Setting the price of issues undertaken with waiver of preferential subscription rights by means of a public offering or an offering pursuant to Article L. 411-2 (II) of the Monetary and Financial Code, within the limit of 10% of the capital	28/05/2015 (16)	26	
Issue to remunerate contributions in kind granted to the Company, within the limit of 10% of the capital	28/05/2015 (17)	26	
Issue to remunerate contributions of securities pursuant to a public exchange offer	28/05/2015 (18)	26	
Issue with waiver of preferential subscription rights in favour of members of a company savings plan or a group savings plan	28/05/2015 (19)	26	
Capital increase by the capitalisation of premiums, reserves, profit or other sums eligible for capitalisation	28/05/2015 (20)	26	
TREASURY SHARES			
Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme	31/05/2017 (17)	18	
Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme	24/05/2016 (13)	18	
Grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme	31/05/2017 (18)	18	
Grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme	24/05/2016 (14)	18	
OPTIONS TO SUBSCRIBE OR PURCHASE SHARES AND BONUS PERFORMANCE SHARE			
Authorisation to allot existing bonus performance shares to employees and corporate officers of the Company and related companies	24/05/2016 (15)	26	
Authorisation to allot existing bonus performance shares or to issue in favour of employees and corporate officers of the Company and its affiliates	27/05/2014 (23)	38	
1. Maximum amount set against the cap applying to the initial issue.	5. Maximum amount set against the cap applying to the initial issue.		
2. Maximum amount set against the cap of 30% of the capital (for capital securities) and €200 million in par value (for debt securities) provided for by the 19th resolution of the General Meeting of 31 May 2017.	6. Maximum amount set against the cap of €215,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 13th and 14th resolutions of the General Meeting of 28 May 2015, as well as the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 12th resolution of the General Meeting of 28 May 2015.		
3. Expired on 31 May 2017.	7. See additional information in section 6.3.6.2 on page 266 et seq. of this Registration Document.		
4. Maximum amount set against the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 12th resolution of the General Meeting of 28 May 2015.			

Authorisations (and authorisations that expired during the 2017 financial year)			Authorisations proposed to the General Meeting of 30/05/2018		
Authorised	Use during the financial year	Resolution no.	Period (in months)	Durée (en mois)	Maximum amount authorised
	n/a	n/a	15	18	3.5% of the capital
	30% of capital, €200 million in par value for debt	None	n/a	n/a	n/a
	15% of initial issue ¹	None	n/a	n/a	n/a
	2% of the capital ²	None	16	26	0.75% of the capital ²
	Total amount that can be capitalised as at the date of the Board of Directors' decision	None	n/a	n/a	n/a
	€357,000 in par value for capital securities, €200 million in par value for debt securities	None ³	n/a	n/a	n/a
	€215,000 in par value for capital securities, €200 million in par value for debt securities ⁴	None ³	n/a	n/a	n/a
	€215,000 in par value for capital securities, €200 million in par value for debt securities ⁵	None ³	n/a	n/a	n/a
	15% of initial issue ⁵	None ³	n/a	n/a	n/a
	10% of the capital as at the date of the Board of Directors' decision setting the issue price for a 24-month period ^{6,6}	None ³	n/a	n/a	n/a
	10% of the capital as at the date of the Board of Directors' decision to carry out the issue ⁴	None ³	n/a	n/a	n/a
	€215,000 in par value ⁴	None ³	n/a	n/a	n/a
	€50,000 in par value ⁴	None ³	n/a	n/a	n/a
	Total amount that can be capitalised as at the date of the Board of Directors' decision	None ³	n/a	n/a	n/a
	10% of the capital on the date of purchase (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €30 million Maximum purchase price per share: €24	Implementation of a liquidity contract operated by Rothschild Martin Maurel (formerly Rothschild & Cie Banque) (371,983 treasury shares as at 31/12/2017, of which, 10,000 were held under the liquidity contract) ⁷	12	18	10% of the capital on the date of purchase (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €30 million Maximum purchase price per share: €28
	10% of the capital on the date of purchase (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition) Maximum total amount of purchases, net of costs: €30 million Maximum purchase price per share: €20	Implementation of a liquidity contract operated by Rothschild Martin Maurel (formerly Rothschild & Cie Banque) (368,423 treasury shares as at 31/05/2017, of which, 2,000 were held under the liquidity contract) ^{3,7}	n/a	n/a	n/a
	10% of the share capital per 24-month period	None	13	18	10% of the share capital per 24-month period
	10% of the share capital per 24-month period	None ³	n/a	n/a	n/a
	596,000 shares	Allotment of 31,680 bonus performance shares ⁸	15	38	918,600 shares
	830,000 shares ⁹	None ^{8,10}	n/a	n/a	n/a

8. See additional information in section 6.4.3.1 on page 273 et seq. of this Registration Document.

9. Maximum amount set against the cap of €357,000 in par value (for capital securities) and €200 million in par value (for debt securities) provided for by the 14th resolution of the General Meeting of 27 May 2014, which was replaced by the 12th resolution of the General Meeting of 28 May 2015, and then by the 19th resolution of the General Meeting of 31 May 2017.

10. Expired on 27 July 2017.

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.2. Information about the capital

Potential capital

The table below shows the potential capital on 31 December 2017 and on the date of filing of this Registration Document. As only shares in the Company bought back from the market can be used for the current bonus performance share plans (see additional information in section 6.4.3.1 on page 273

et seq. of this Registration Document), and as the only remaining stock option plan expired in 2017 (see additional information in section 6.4.2.1 on page 272 of this Registration Document), there was no longer any potential capital as at 31 December 2017 or on the date of the filing of this Registration Document.

	31/12/2017		As at the date of filing of this Registration Document	
	Potential number of shares	Potential par value (in euros)	Potential number of shares	Potential par value (in euros)
Issued capital	30,620,910	1,178,905.04	30,620,910	1,178,905.04
Authorised unissued capital	-	-	-	-
of which, resulting from exercise of stock options	-	-	-	-
of which, resulting from bonus performance shares allotted	-	-	-	-
Total	30,620,910	1,178,905.04	30,620,910	1,178,905.04

No securities granting rights to the capital existed as at 31 December 2017 or on the date of filing of this Registration Document. The main terms and conditions of each of the bonus performance share plans existing as at 31 December 2017 are described in section 6.4.3.1 on page 273 *et seq.* of this Registration Document.

As at 31 December 2017, only one Group company was affected by an option-based mechanism that could have an impact on its capital: within the framework of the acquisition, on 31 March 2014, of 100% of the capital of Rio Pardo Termoelétrica (now Albioma Rio Pardo Termoelétrica) in Brazil, the Group granted its sugar-producing partner, Usina Rio Pardo, a call option for the purchase of 40% of the company's capital, for a period of five years commencing on 31 March 2014. For the first three years, the exercise price of the option was calculated on the basis of a reference price, factoring in changes in the shareholders' equity of Albioma Rio Pardo Termoelétrica, inflation and shareholder remuneration. After the third year, the exercise price of the option will be calculated based on a multiple of EBITDA and the net debt of Albioma Rio Pardo Termoelétrica on the date on which the option is exercised.

Non-capital securities

During the 2014 financial year, the Group completed a corporate debt refinancing transaction, through the private placement of an €80 million "Euro PP" type bond issue, to mature in December 2020 with an annual coupon of 3.85%.

Within this framework, at its meeting held on 27 May 2014, the Board of Directors authorised the par issue of 800 bonds with a par value of €100,000 and the listing for trading of the said bonds on Euronext Paris, effective from 6 July 2014.

The prospectus for this issue, approved by the Financial Markets Authority on 3 June 2014 under number 14-267, is available in English on Albioma's website (www.albioma.com) and the Financial Markets Authority's website (www.amf-france.org).

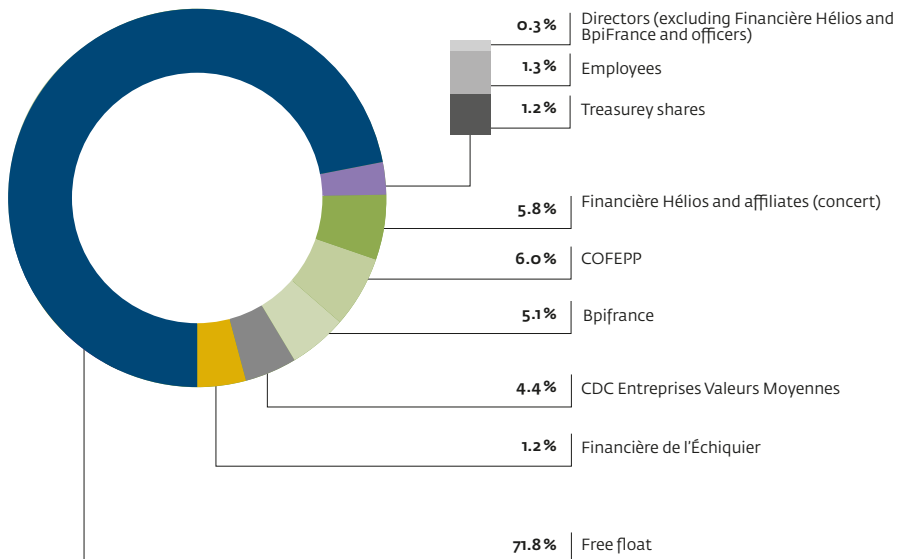
6.2.3. CHANGES IN CAPITAL DURING THE LAST FIVE YEARS

Date	Transaction	Par value of the share after the transaction (in euros)	Change in par value of the capital (in euros)	Amount of the capital after the transaction	Number of shares created or cancelled	Number of shares after the transaction
31/12/2012	-	0.0385	-	1,102,349.13	-	28,632,445
05/07/2013	Payment in shares of 50% of the dividend for the 2012 financial year	0.0385	20,614.98	1,122,964.11	535,454	29,167,899
02/07/2014	Payment in shares of 50% of the dividend for the 2013 financial year	0.0385	14,196.14	1,137,160.26	368,731	29,536,630
29/07/2014	Effective acquisition of shares under the bonus performance share plan adopted by the General Meeting of 14 March 2012 ¹	0.0385	7,621.81	1,144,782.06	197,969	29,734,599
01/12/2014	Effective acquisition of shares under the bonus performance share plan adopted by the General Meeting of 14 March 2012 ¹	0.0385	12.82	1,144,794.88	333	29,734,932
02/07/2015	Payment in shares of 50% of the dividend for the 2014 financial year	0.0385	1,879.76	1,146,674.64	48,825	29,783,757
04/07/2016	Payment in shares of 50% of the dividend for the 2015 financial year	0.0385	16,688.79	1,163,363.43	433,475	30,217,232
10/07/2017	Payment in shares of 50% of the dividend for the 2016 financial year	0.0385	15,541.60	1,178,905.04	403,678	30,620,910

1. The performance condition applicable for the first tranche of the bonus performance share plan adopted by the General Meeting of 14 March 2012 was satisfied during the 2014 financial year. Within this framework, 198,302 shares, created through a capital increase, were effectively acquired during that financial year. Shares effectively acquired under the same plan in subsequent financial years were delivered to the beneficiaries using shares that had been bought back by the Company under ongoing share buyback programmes. At its meeting of 3 March 2015, the Board of Directors recorded the cancellation of the allotments of bonus performance shares under the second and third tranches, because the performance conditions stipulated in the plan rules had not been satisfied.

6.3. Shareholders

6.3.1. SHAREHOLDER STRUCTURE AS AT 19 APRIL 2018



6.3.2. CONTROL OF THE COMPANY, CROSSING OF STATUTORY DISCLOSURE THRESHOLDS, SHAREHOLDERS HOLDING MORE THAN 5% OF THE CAPITAL OR THE VOTING RIGHTS

6.3.2.1. Control of the Company

Until 19 June 2015, the Company was controlled by the following acting in concert: Financière Hélios (which, until that date, held 11,023,435 shares in the Company representing 37.07% of the capital and 37.24% of the voting rights), Altamir (which, until that date, held 449,727 shares representing 1.51% of the capital and 1.52% of the voting rights) and a private equity fund (fonds professionnel de capital investissement) called Apax France VI, managed by Apax Partners (which, until that date, held 1,156,028 shares representing 3.89% of the capital and 3.90% of the voting rights). Until that date, Financière Hélios was directly and indirectly controlled by Altamir and by Apax France VI.

On 5 June 2015, Apax Partners, the management company for Apax France VI and investment advisor for Altamir, informed the market of its intent to distribute more than 95% of its direct and indirect holding in the Company to its investors, corresponding to approximately 30% of the capital, following which Altamir would directly and indirectly hold almost 12% of the capital.

Following these transactions, which were completed on 24 June 2015, the concert composed of Altamir (which held on that date, directly and indirectly through Financière Hélios, 3,536,524 shares representing 11.89% of the capital and 11.95% of the voting rights), a number of entities and individuals affiliated to the latter and the private equity fund (fonds professionnel de capital investissement) Apax France VI, held 4,221,566 shares representing 14.20% of the capital and 14.26% of the voting rights.

Accordingly, the Company ceased to be controlled on 19 June 2015, and this position had not changed on 31 December 2017 or on the date of filing of this Registration Document.

6.3.2.2. Crossing of statutory disclosure thresholds, shareholders holding more than 5% of the capital or the voting rights

Situation as at 31 December 2017

To the best of the Company's knowledge, the only shareholders holding more than 5% of the capital or voting rights as at 31 December 2017 were:

- the concert composed of Altamir, Financière Hélios which is controlled by it (and which directly held 3,215,819 shares representing 10.50% of the capital and 10.63% of the voting rights), and various entities and private individuals affiliated to Altamir, holding 4,144,172 shares representing 13.53% of the capital and 13.70% of the voting rights;

- Caisse des Dépôts et Consignations (indirectly, through Bpifrance EPIC, which in turn holds, indirectly through the ETI 2020 fund, which is managed by Bpifrance Investissement, 1,556,231 shares representing 5.08% of the capital and 5.14% of the voting rights, and CDC Entreprise Valeurs Moyennes), holding 2,784,623 shares representing 9.09% of the capital and 9.21% of the voting rights;

- Compagnie Financière Européenne de Prises de Participation (COFEPP), holding 1,843,034 shares representing 6.02% of the capital and 6.09% of the voting rights.

These holdings are the result of various crossings of the capital or voting rights thresholds referred to in Article L. 233-7 of the French Commercial Code, which were notified to the Company during the financial year.

- In a letter dated 30 March 2017, Bpifrance EPIC disclosed that on 27 March 2017 it had exceeded, through Bpifrance Investissement, acting on behalf of the ETI 2020 fund, which it manages, the 5% capital and voting rights disclosure thresholds and that it held, indirectly, 1,510,862 shares representing 5.00% of the capital and 5.06% of the voting rights.

- In a letter dated 13 June 2017, Financière de l'Échiquier, acting on behalf of the funds it manages, disclosed that on 8 June 2017 it had fallen below the 5% capital and voting rights disclosure thresholds and that it held, indirectly, 1,427,544 shares representing 4.72% of the capital and 4.72% of the voting rights.

In application of Article L. 228-2 of the French Commercial Code and Article 13 of its Memorandum and Articles of Association, in January 2017 then in January 2018, the Company introduced, through Euroclear France, two procedures for identifying its bearer shareholders (the so-called Identifiable Bearer Securities surveys). They have not revealed any shareholders or intermediaries registered on behalf of non-resident shareholders with a holding exceeding one of the thresholds referred to in Article L. 233-7 of the French Commercial Code, other than those mentioned above.

Situation as at 19 April 2018

On 16 March 2018, Financière Hélios and Altamir disclosed that on 15 March 2018 they had sold, through a private placement, 2,000,000 Albioma shares (representing 6.54% of the capital and 7.08% of the voting rights). The concert composed of Financière Hélios and Amboise also disclosed that on 15 March 2018 it had fallen below the 10% capital and voting rights disclosure thresholds and that it held, directly, 2,144,170 shares representing 7.00% of the capital and 7.08% of the voting rights. Following the disposal by Amboise of 350,920 shares on 6 April 2018, the said concert held, on 20 April 2018, 1,762,172 shares representing 5.75% of the capital and 5.82% of the voting rights.

6.3.3. CHANGES IN OWNERSHIP OF THE CAPITAL AND THE VOTING RIGHTS DURING THE LAST THREE FINANCIAL YEARS

	31/12/2017 ¹			31/12/2016			31/12/2015		
	Number of shares	% of capital	% of exercisable voting rights ²	Number of shares	% of capital	% of exercisable voting rights ²	Number of shares	% of capital	% of exercisable voting rights ²
Financière Hélios and affiliates (concert)	4,144,172	13.53%	13.70%	4,060,745	13.44%	13.60%	4,221,566	14.17%	14.30%
Financière Hélios	3,215,859	10.50%	10.63%	3,159,151	10.45%	10.58%	3,086,797	10.36%	10.46%
Apax France VI FPCI	-	-	-	-	-	-	243,976	0.82%	0.83%
Altamir	468,961	1.53%	1.55%	460,528	1.52%	1.54%	449,727	1.51%	1.52%
Other affiliates	459,352	1.50%	1.52%	441,066	1.46%	1.48%	441,066	1.48%	1.49%
Caisse des Dépôts et Consignations	2,784,623	9.09%	9.21%	1,206,685	3.99%	4.04%	1,206,685	4.05%	4.09%
Bpifrance Investissement	1,556,231	5.08%	5.14%	636,553	2.11%	2.13%	-	-	-
CDC Entreprises Valeurs Moyennes	1,228,392	4.01%	4.06%	1,206,685	3.99%	4.04%	1,206,685	4.05%	4.09%
Compagnie Financière Européenne de Prises de Participation	1,843,034	6.02%	6.09%	1,779,993	5.89%	5.96%	1,192,760	4.00%	4.04%
Financière de l'Échiquier ³	1,068,561	3.49%	3.53%	1,534,000	5.08%	5.14%	1,534,000	5.15%	5.20%
Directors (excluding Financière Hélios and Bpifrance Investissement) and managers ^{4,5}	100,563	0.33%	0.33%	109,484	0.36%	0.37%	89,273	0.30%	0.30%
FCPE Albioma ⁶	258,652	0.84%	0.86%	250,890	0.83%	0.84%	243,079	0.82%	0.82%
Employees (performance share plans) ⁷	143,100	0.47%	0.47%	176,396	0.58%	0.59%	146,304	0.49%	0.50%
Intra-group cross-shareholdings	-	-	-	-	-	-	-	-	-
Treasury shares ⁸	371,983	1.21%	-	368,823	1.22%	-	261,092	0.88%	-
Public	19,906,222	65.01%	65.81%	20,093,663	66.50%	67.32%	20,888,998	70.14%	70.76%
Total	30,620,910	100.00%	100.00%	30,217,232	100.00%	100.00%	29,783,757	100.00%	100.00%

1. To the best of the Company's knowledge, the ownership of the capital did not undergo any material change between 31 December 2017 and the date of filing of this Registration Document, other than the transactions referred to in section 6.3.2.2 on page 264 et seq. of this Registration Document.

2. See additional information in section 6.3.8 on page 271 of this Registration Document. In the absence of any multiple voting rights, the percentage of theoretical voting rights is the same as the percentage of the capital.

3. See additional information in section 6.3.2.2 on page 264 of this Registration Document.

4. Directors and managers other than Financière Hélios and Bpifrance Investissement. As at 31 December 2017: Jacques Pétry, Jean-Carlos Angulo, Michel Bleitrach, Marie-Claire Daveu, Valérie Landon, Frédéric Moyné and Ulrike Steinhorst. As at 31 December 2016: Jacques Pétry, Jean-Carlos Angulo, Michel Bleitrach, Marie-Claire Daveu, Valérie Landon, Frédéric Moyné and Michèle Remillieux. As at 31 December 2015: Jacques Pétry, Jean-Carlos Angulo, Michel Bleitrach, Marie-Claire Daveu, Michèle Remillieux and Daniel Valot.

5. Maurice Tchenio declared in 2014 that he holds a unit-linked life-insurance policy invested inter alia in Albioma shares, but is neither the legal owner nor the beneficiary of said shares. 130,000 shares were indirectly held under this policy as at the date of the disclosure.

6. An employee shareholder company investment fund (fonds commun de placement d'entreprise) operating as part of the Company's company savings plan. See additional information in section 1.9.2.1 on page 54 of this Registration Document.

7. See additional information in section 6.4.3 on page 273 et seq. of this Registration Document.

8. Shares held under a liquidity contract operated by Rothschild Martin Maurel (formerly Rothschild & Cie Banque) and following the implementation of share buyback programmes, to acquire shares to be used for existing or future bonus performance share plans. See additional information in section 6.3.6.2 on page 266 et seq. of this Registration Document.

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.3. Shareholders

6.3.4. EMPLOYEE SHAREHOLDERS

As at 31 December 2017, the Company's employees held, via Albioma FCPE, an employee shareholder company investment fund operating as part of the company savings plan, a total of 258,652 shares, representing 0.84% of the capital and 0.85% of the voting rights (see additional information in section 1.9.2.1 on page 54 of this Registration Document). Moreover, 143,100 shares, representing 0.47% of the capital and 0.47% of the voting rights, were also held by Company employees under the bonus performance share plans adopted by the General Meetings of 14 March 2012 and 24 May 2016 (see additional information in section 6.4.3.1 on page 273 *et seq.* of this Registration Document).

6.3.5. SHAREHOLDER AGREEMENTS

6.3.5.1. Agreements liable to cause a change in control

None, to the best of the Company's knowledge.

6.3.5.2. Shareholders' agreements (Articles L. 233-11 of the French Commercial Code and 223-18 of the General Regulation of the Financial Markets Authority)

None, to the best of the Company's knowledge.

6.3.5.3. "Dutreil law" lock-in commitments

None, to the best of the Company's knowledge.

6.3.6. INTRA-GROUP CROSS-SHAREHOLDINGS, TREASURY SHARES AND SHARE BUYBACK PROGRAMMES

6.3.6.1. Intra-group cross-shareholdings

None.

6.3.6.2. Treasury shares, liquidity contracts and share buyback programmes

Treasury shares

As at 31 December 2017, the Company held 371,983 treasury shares (representing 1.21% of the capital, stripped of voting rights), 10,000 of which were held under a liquidity contract operated by Rothschild Martin Maurel (formerly Rothschild & Cie Banque) and 361,983 of which were held following the implementation of a share buyback programme, to be used for existing or future bonus performance share plans.

Share buyback programmes

Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

During the 2017 financial year, the Board of Directors held two successive authorisations to buy back the Company's

own shares within the framework of a share buyback programme, granted by the General Meetings of 24 May 2016 and 31 May 2017. The authorisation granted on 31 May 2017 invalidated the unused part of the authorisation granted on 24 May 2016.

The terms of these authorisations were as follows:

	General Meeting of 24/05/2016	General Meeting of 31/05/2017
Objectives (in decreasing order of priority)	<ul style="list-style-type: none"> ■ To foster liquidity and to stimulate the market for the Company's shares through an investment services provider acting completely independently under a liquidity contract and in accordance with a code of conduct recognised by the French Financial Markets Authority (Autorité des marchés Financiers). ■ To implement all Company stock option plans in accordance with Article L. 225-177 et seq. of the French Commercial Code, all awards of bonus shares under a company or Group savings plan in accordance with Article L. 3332-1 et seq. of the French Employment Code, all awards of bonus shares under Article L. 225-197-1 et seq. of the French Commercial Code, and all awards of bonus shares under any scheme to share in the Company's profits, and to carry out any hedging transactions in connection therewith, in accordance with the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority. ■ To deliver shares when rights attached to securities giving immediate or subsequent access to Company shares by any means are exercised, and to carry out any hedging transactions in connection with the Company's obligations related to such securities, under the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority. ■ To cancel all or some of the shares bought back within the framework of a capital reduction and under the terms and conditions authorised by the shareholders at a General Meeting. ■ To keep the shares with a view to their subsequent delivery as payment or in exchange within the framework of acquisitions, in accordance with accepted market practices and the applicable regulations. ■ To implement any other market practices that are accepted or recognised by the law or the French Financial Markets Authority (Autorité des Marchés Financiers) and, more generally, to achieve any other objective allowed by the applicable regulations. 	
Maximum amount of capital that can be bought back	10% of the capital (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition). The Company may not hold more than 10% of its own capital at any time.	
Maximum purchase price	€20 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and award of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction.	€24 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and award of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction.
Maximum amount, net of costs, allocated to the programme	€30 million	€30 million
Buying and selling procedures	By any means, in particular on the market or off the market, including over-the-counter, or through block trades or a public offering, trading in options or derivatives, the purchase of options or the purchase of securities. There is no limit on the part of the programme that may be traded in blocks and it may account for the entire programme.	By any means, in particular on the market or off the market, including over-the-counter, or through block trades or a public offering. There is no limit on the proportion of securities subject to block trading, and block trades may account for the entire share buyback programme. However, the use of options, derivatives and composite securities is prohibited.
Automatic suspension of the authorisation in the case of a public offering	Yes	Yes
Term	18 months from the date of the General Meeting	18 months from the date of the General Meeting

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.3. Shareholders

During the 2017 financial year, shares were bought back under these authorisations in order to implement a liquidity contract operated by Rothschild Martin Maurel (formerly Rothschild & Cie Banque) to guarantee the liquidity of the Albioma share on Euronext Paris.

No derivative products or option plans were used for share buybacks within the framework of the liquidity contract operated in 2017. There was no open position (buy or sell) as at 31 December 2017, or on the date of the filing of this Registration Document.

The Company has not used the authorisations to reduce its capital by cancelling shares acquired under a buyback programme granted by the General Meetings of 24 May 2016

and 31 May 2017 (see additional information in section 6.2.2.2 on page 259 *et seq.* of this Registration Document).

Liquidity contracts

During the 2017 financial year, a liquidity contract was implemented by Rothschild Martin Maurel (formerly Rothschild & Cie Banque) to stimulate the market for Albioma securities on the Euronext Paris. This contract complies with the AMAFI (Association des Marchés Financiers) code of conduct approved by the Financial Markets Authority.

During the financial year, the assets allocated to the liquidity contract were as follows:

	30/06/2017 ¹	31/12/2017 ²
Investment service provider	Rothschild Martin Maurel	Rothschild Martin Maurel
Number of shares held on the liquidity account	2,000	10,000
Cash held on the liquidity account (in euros)	5,163,437	5,050,190

1. Date on which positions were calculated for the half-yearly liquidity contract results as at 30 June 2017.

2. Date on which positions were calculated for the half-yearly liquidity contract results as at 31 December 2017.

Assets allocated to the liquidity contract were adjusted as at 1 February 2018. As a result, the amount of assets initially allocated to the contract (€5 million) was reduced to €3 million.

Other buybacks and transfers during the 2017 financial year

During the 2017 financial year, 6,720 shares were transferred to Group employees satisfying the performance and continued employment conditions of the “2016 thermal plants” and “2016 photovoltaic plants” bonus performance share plans adopted by the General Meeting of 24 May 2016. In addition, 120 shares were transferred to a Group employee under the “2016 thermal plants” bonus performance share

plan in application of the plan’s rules on the disability of beneficiaries.

At the start of the 2018 financial year, 14,760 shares were also transferred to Group employees satisfying the performance and continued employment conditions of the “2017 thermal plants” and “2017 photovoltaic plants” bonus performance share plans adopted by the General Meeting of 24 May 2016.

Summary of the Company's trading in its own shares during the 2017 financial year

	2017	% of capital
Total number of shares purchased over the 2017 financial year¹	739,622	
of which, held under the liquidity contract operated by Rothschild Martin Maurel (formerly Rothschild & Cie Banque)	739,622	
of which, held for other authorised purposes	-	
Total number of shares sold in the 2017 financial year¹	729,622	
of which, held under the liquidity contract operated by Rothschild Martin Maurel (formerly Rothschild & Cie Banque)	729,622	
of which, held for other authorised purposes	-	
Average purchase price (in euros)¹	18.53	
Average selling price (in euros)¹	18.61	
Total number of shares transferred over the 2017 financial year	6,840	
Number of shares cancelled over the past 24 months	-	
Number of shares held in the portfolio as at 31/12/2017	371,983	1.20%
of which, held under the liquidity contract operated by Rothschild Martin Maurel (formerly Rothschild & Cie Banque)	10,000	-
of which, to be used for current or future bonus performance share plans	361,983	1.20%
Net book value of the portfolio as at 31/12/2017 (in euros)	5,152,608	
Market value of the portfolio as at 31/12/2017 (in euros)	7,826,522	

1. Transactions between 1 and 31 December 2017.

2. Net book value of the portfolio with value date 31 December 2017, calculated using the First In, First Out method (FIFO).

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.3. Shareholders

Proposal to the General Meeting of 30 May 2018 to renew the grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

General Meeting of 30/05/2018	
Objectives (in decreasing order of priority)	<ul style="list-style-type: none">■ To foster liquidity and to stimulate the market for the Company's shares through an investment services provider acting completely independently under a liquidity contract and in accordance with a code of conduct recognised by the French Financial Markets Authority (Autorité des Marchés Financiers).■ To implement all Company stock option plans in accordance with Article L. 225-177 et seq. of the French Commercial Code, all awards of bonus shares under a company or Group savings plan in accordance with Article L. 3332-1 et seq. of the French Employment Code, all awards of bonus shares under Article L. 225-197-1 et seq. of the French Commercial Code, and all awards of bonus shares under any scheme to share in the Company's profits, and to carry out any hedging transactions in connection therewith, in accordance with the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority.■ To deliver shares when rights attached to securities giving immediate or subsequent access to Company shares by any means are exercised, and to carry out any hedging transactions in connection with the Company's obligations related to such securities, under the terms and conditions laid down by the market authorities and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority.■ To cancel all or some of the shares bought back within the framework of a capital reduction and under the terms and conditions authorised by the shareholders at a General Meeting.■ To keep shares with a view to their subsequent delivery as payment or in exchange within the framework of external growth operations.■ To implement any market practices that are accepted or recognised by the law or the French Financial Markets Authority (Autorité des Marchés Financiers) and, more generally, to achieve any other objective allowed by the applicable regulations.
Maximum amount of capital that can be bought back	10% of the capital (5% of the capital in the case of shares that may be bought with the intention of subsequently delivering them in payment or exchange as part of an acquisition). The Company may not hold more than 10% of its own capital at any time.
Maximum purchase price	€28 per share, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and award of bonus shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction.
Maximum amount, net of costs, allocated to the programme	€30 million
Buying and selling procedures	By any means, in particular on the market or off the market, including over-the-counter, or through block trades or a public offering. There is no limit on the proportion of securities subject to block trading, and block trades may account for the entire share buyback programme. However, the use of options, derivatives and composite securities is prohibited.
Automatic suspension of the authorisation in the case of a public offering	Yes
Term	18 months from the date of the General Meeting

Proposal to the General Meeting of 30 May 2018 to renew the authorisation granted to the Board of Directors to reduce the capital by cancelling shares acquired under a share buyback programme

The General Meeting of 30 May 2018 is also invited to renew the authorisation granted to the Board of Directors by the General Meeting of 31 May 2017 to reduce the capital by cancelling shares acquired under a share buyback programme. The new authorisation shall invalidate the unused part of the authorisation granted to the Board of Directors by the General Meeting of 31 May 2017 (see additional information in section 7.2.2.1 on page 304 of this Registration Document).

6.3.7. PLEDGES OF THE COMPANY'S SHARES

To the best of the Company's knowledge, based on entries in the shareholder register, 63,332 shares representing 0.21% of the capital and 0.21% of the voting rights had been pledged as at 31 December 2017.

6.3.8. VOTING RIGHTS

As at 31 December 2017 and on the date of filing of this Registration Document, each share entitled its holder to one voting right exercisable at General Meetings. On these dates there were no securities in existence that conferred multiple or special voting rights.

The Company's treasury shares have been temporarily stripped of voting rights. The Company publishes the number of exercisable voting rights and theoretical voting rights attached to the shares that comprise the capital every month (unless there are no material changes).

Theoretical voting rights are calculated on the basis of all the shares to which voting rights are attached, including treasury shares, temporarily stripped of voting rights. The number of theoretical voting rights is used to calculate the crossings of thresholds provided for by Article L. 233-7 of the French Commercial Code and by Article 13 of the Company's Memorandum and Articles of Association.

Exercisable voting rights are calculated on the basis of all the shares to which voting rights that can actually be exercised at General Meetings are attached and do not therefore include the voting rights attached to the treasury shares held.

The General Meeting of 28 May 2015 adopted by a large majority the amendment of Article 37 of the Memorandum and Articles of Association confirming the principle of "one share, one vote", as the Board of Directors had decided to make use of the exception allowed in Article L. 225-123 of the French Commercial Code, as amended pursuant to Act 2014-384 of 29 March 2014, aimed at 'recapturing the real economy'.

6.4. Stock option plans and bonus performance share plans

6.4.1. THE GROUP'S LONG-TERM PROFIT SHARE POLICY

The Company sets great store by offering Group employees and management a long-term profit share plan. The arrangements used have taken the form of stock option plans, and latterly bonus performance share plans.

As at 31 December 2017, only the bonus performance share plans adopted by the General Meeting of 24 May 2016 were in operation, concerning a maximum of 596,000 available shares, i.e., 1.95% of the capital as at 31 December 2017, reserved for managers (including the Company's executive corporate officers) and for administrative staff of the Company and certain subsidiaries, managers and administrative staff of the Company's Brazilian subsidiaries, employees of Company subsidiaries operating the Thermal Biomass business in France ("2016 thermal plants" and "2017 thermal plants" plans) and employees of the Company subsidiaries operating the Solar business ("2016 photovoltaic plants" and "2017 photovoltaic plants" plans), respectively.

The two bonus performance share plans adopted by the General Meeting of 27 May 2014, concerning a maximum of 830,000 available shares, corresponding to 2.71% of the capital as at 31 December 2017, reserved for members of the Group's Executive Committee only and for employees who are not members of the Executive Committee, respectively, were cancelled in full as at 31 December 2017, as the performance conditions stipulated in the plan rules had not been satisfied.

The stock option plan adopted by the General Meeting of 18 May 2010 concerning a maximum of 200,000 available stock options (on the basis of one share for each option exercised, i.e. 0.65% of the capital as at 31 December 2017), was cancelled in full on 31 December 2017 since the option exercise period had expired on 28 August 2017 without any options having been exercised.

In line with the Group's long-term profit share policy for employees and corporate officers, which was first implemented in 2012, the Board of Directors has decided to ask the General Meeting to be held on 30 May 2018 to approve a further authorisation to allot bonus performance shares to employees and corporate officers of the Company and its subsidiaries. The authorisation would be granted for a period of 38 months and would concern 3% of the capital. If the General Meeting approves the Board of Directors' proposal, three annual bonus performance share plans would be set up, each representing approximately 1% of the capital, on the basis of three-year performance periods (2018-2020, 2019-2021 and 2020-2022). See additional information in section 7.2.2.2, on page 304 *et seq.* of this Registration Document.

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.4. Share subscription and purchase option plans and bonus performance share plans

6.4.2. STOCK OPTION PLANS

The information that follows, together with the information in section 2.4.2.6 on page 129 of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-184 of the French Commercial Code.

6.4.2.1. Current stock option plans

		As % of capital as at 31/12/2017
Date of the General Meeting	18/05/2010	
Date of the Board of Directors' meeting	27/08/2010	
Total number of initial beneficiaries	82	
Total number of options allotted	190,000	0.62%
Start of option exercise period	28/08/14	
End of option exercise period	28/08/17	
Subscription price (in euros) ¹	21.306	
Terms and conditions of exercise	See note 2	
Total number of shares available for subscription	190,000	0.62%
of which, by the top 10 employees who are not corporate officers	68,000	0.22%
of which, by corporate officers	38,500	0.13%
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	5,000	0.02%
■ Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	30,000	0.10%
■ Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%
Number of shares subscribed as at 31/12/2017	-	-
of which, by the top 10 employees who are not corporate officers	-	-
of which, by corporate officers	-	-
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
■ Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	-	-
■ Xavier Lencou-Barème (Director until 30/05/2013)	-	-
Total number of stock options cancelled or lapsed as at 31/12/2017²	190,000	0.62%
of which, for the top 10 employees who are not corporate officers	68,000	0.22%
of which, for corporate officers	38,500	0.13%
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	5,000	0.02%
■ Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011) ⁴	30,000	0.10%
■ Xavier Lencou-Barème (Director until 30/05/2013)	3,500	0.01%
Number of stock options remaining as at 31/10/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
■ Nordine Hachemi (Chairman and Chief Executive Officer until 21/10/2011)	-	-
■ Xavier Lencou-Barème (Director until 30/05/2013)	-	-

1. Arithmetic average of Albioma (Séchilienne-Sidec at the time) shares' closing prices during the 20 trading days preceding the award date.

2. The exercise of options by all beneficiaries was subject to a performance condition relating to the change in the installed capacity of the Group's photovoltaic fleet: the installed capacity of the photovoltaic fleet of the Company and its subsidiaries, as at 31 December 2011, must have increased by at least 30% per annum compared to the fleet capacity as at 31 December 2009. This condition was met as at 31 December 2011.

3. The plan was cancelled in full when the option exercise period expired on 28 August 2017 without any options having been exercised.

4. When, at its meeting of 12 October 2011, the Board of Directors removed Nordine Hachemi from office as Chairman and Chief Executive Officer due to strategic differences, it recorded the cancellation of the 30,000 stock options he had been allotted.

6.4.2.2. Stock subscription options granted to employees other than corporate officers, or exercised by them during the 2017 financial year

None.

6.4.3. BONUS PERFORMANCE SHARE PLANS

The information that follows, together with the information in section 2.4.2.7 on page 130 of this Registration Document, constitutes the special report of the Board of Directors referred to in Article L. 225-4 of the French Commercial Code.

6.4.3.1. Current bonus performance share plans

The key features of the bonus performance share plans adopted by the General Meeting of 27 May 2014 and 24 May 2016 are set out below.

Bonus performance share plans adopted by the General Meeting of 27 May 2014

Bonus performance share plan in favour of the Executive Committee members

		As % of capital as at 31/12/2017
Date of the General Meeting	27/05/2014	
Date of the Board of Directors' meeting	See note 1	
Total number of initial beneficiaries	14	
Date of effective acquisition of the performance shares	See note 2	
End date of the lock-in period for performance shares	See note 3	
Total number of bonus performance shares allotted¹	440,000	1.44%
of which, to the top 10 employees who are not corporate officers	226,000	0.74%
of which, to corporate officers	212,000	0.69%
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	160,000	0.52%
■ Frédéric Moynes (Chief Executive Officer since 01/06/2016)	52,000	0.17%
Number of performance shares effectively acquired as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moynes (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2017²	440,000	1.44%
of which, for the top 10 employees who are not corporate officers	226,000	0.74%
of which, for corporate officers	212,000	0.69%
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	160,000	0.52%
■ Frédéric Moynes (Chief Executive Officer since 01/06/2016)	52,000	0.17%
Number of performance shares remaining as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moynes (Chief Executive Officer since 01/06/2016)	-	-

1. The allotment of shares was decided as part of a plan open to members of the Group Executive Committee only (including the two corporate officers) at the meetings of the Board of Directors held on 27 May 2014 (430,000 performance shares) and 27 July 2015 (10,000 additional performance shares allotted to an employee already benefiting from the plan, following changes to his position within the Group).

2. The effective acquisition of the performance shares was subject to the following performance conditions being met:

- The performance shares corresponding to the first tranche of one-third would only have been effectively acquired following a change of at least 20% in the six-month moving average of the Albioma share closing price compared with the six-month moving average of the Albioma share closing price on 27 May 2014, recorded at any time during the acquisition period specified in the plan rules and no later than 29 May 2017. However, the bonus performance shares could not be effectively acquired during the two-year period immediately following the date of allotment.

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.4. Share subscription and purchase option plans and bonus performance share plans

- *The performance shares corresponding to the second tranche of two-thirds would only have been effectively acquired following a change of more than 20% in the six-month moving average of the Albioma share closing price compared with the six-month moving average of the Albioma share closing price on 27 May 2014, recorded at any time during the acquisition period specified in the plan rules and no later than 29 May 2017. If the aforementioned variation remained below 60% at all times until expiry of the acquisition period, the number of shares allotted under this tranche to be effectively acquired would be determined at the end of the acquisition period by linear interpolation, on the basis of the greatest variation in the six-month moving average achieved during the acquisition period within a range of 20% to 60%. If the above-mentioned variation reached or exceeded 60% at any given time during the acquisition period, all of the shares of the relevant tranche would be effectively acquired on the date set in the plan's rules. However, the bonus performance shares could not be effectively acquired during the two-year period immediately following the date of allotment.*
- *If a takeover bid had been issued for all of the Company's shares and voting rights at any time during the acquisition period defined in the plan's rules, the performance shares corresponding to the first tranche would have been effectively acquired if the final price per share of the takeover had been 120% or more of the six-month average closing price of the Albioma share on 27 May 2014. Performance shares corresponding to the second tranche would have been effectively acquired if the final price per share of the takeover had been 160% or more of the said average. However, the bonus performance shares could not be effectively acquired during the two-year period immediately following the date of allotment.*

The effective acquisition of performance bonus shares allotted to the corporate officers was not subject to the obligation to acquire a specific number of Company shares on the market.

- 3. Two years from the date of the effective acquisition of the performance shares, the corporate officers being subject to an additional obligation to retain in their own name 25% of the performance shares effectively acquired until they stand down.*
- 4. Shares were allotted in two tranches, corresponding to one-third and two-thirds of the total number of performance shares allotted. Different performance conditions had to be met to trigger the effective acquisition of each tranche.*
- 5. At its meeting of 31 May 2017, the Board of Directors recorded the cancellation of the remaining allotments of bonus performance shares under the plan, because the performance conditions stipulated in the plan rules had not been satisfied.*

Bonus performance share plan in favour of Group employees who are not members of the Executive Committee

	As % of capital as at 31/12/2017	
Date of the General Meeting	27/05/2014	
Date of the Board of Directors' meeting	See note 1	
Total number of initial beneficiaries	See note 2	
Date of effective acquisition of the performance shares	See note 3	
End date of the lock-in period for performance shares	See note 4	
Total number of bonus performance shares allotted⁵	305,100	1.00%
of which, to the top 10 employees who are not corporate officers	103,000	0.34%
of which, to corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2017⁶	305,100	1.00%
of which, for the top 10 employees who are not corporate officers	103,000	0.34%
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-

1. The allotments were approved as part of a plan open to all Group employees who are not members of the Executive Committee at the Board of Directors' meetings of 27 May 2014 (256,000 shares), 22 July 2014 (2,000 shares), 28 October 2014 (1,000 shares), 3 March 2015 (19,300 shares), 28 April 2015 (14,300 shares) and 27 July 2015 (12,500 shares).

2. As the shares were allotted gradually, the number of initial beneficiaries is irrelevant. As at 31 December 2017, 119 Group employees had been allotted bonus shares (aggregate total of the beneficiaries named between 27 May 2014 and 31 December 2015, without factoring in the fact that certain beneficiaries left, and that accordingly, the Board of Directors recorded, where applicable, that their rights had been cancelled and allotted them to new beneficiaries).

3. The effective acquisition of the shares was subject to the following performance conditions:

- Shares of the first tranche would not have been effectively acquired unless an average availability rate of more than 91.5% was recorded for the facilities for 2014-2016. If this performance condition was satisfied, the shares of the first tranche would have been effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

- Shares of the second tranche would not have been effectively acquired unless the Group's 2016 consolidated EBITDA exceeded €153.5 million for the 2016 financial year, on a strict basis, and the number of shares effectively acquired under this second tranche being calculated by linear interpolation based on the level of the Group's 2016 consolidated EBITDA within a €153.5 to €169.5 million range. If this performance condition was satisfied, all or part of the shares of the second tranche would have been effectively acquired on the date of the Board of Directors' meeting closing the 2016 financial statements.

4. Two years after the date on which the shares are effectively acquired.

5. The allotments were divided up into two tranches, each tranche covering one half of the shares allotted. Different performance conditions had to be met to trigger the effective acquisition of each tranche.

6. At its meeting of 28 February 2017, the Board of Directors recorded the cancellation of the remaining allotments of bonus performance shares under the plan, because the performance conditions stipulated in the plan rules had not been satisfied.

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.4. Share subscription and purchase option plans and bonus performance share plans

Bonus performance share plans adopted by the General Meeting of 24 May 2016

"2016 managers and administrative staff" bonus performance share plan

		As % of capital as at 31/12/2017
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	24/05/2016	
Total number of initial beneficiaries	100	
Date of effective acquisition of the performance shares ¹	24/05/2019	
End date of the lock-in period for performance shares ²	n/a	
Total number of bonus performance shares allotted³	494,808	1.62%
of which, to the top 10 employees who are not corporate officers	176,232	0.58%
of which, to corporate officers	119,196	0.39%
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	59,598	0.19%
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	59,598	0.19%
Number of performance shares effectively acquired as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Total number of cancelled or lapsed performance shares as at 31/12/2017	53,991	0.18%
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2017	440,817	1.44%
of which, for the top 10 employees who are not corporate officers	176,232	0.58%
of which, for corporate officers	119,196	0.39%
■ Jacques Pétry (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	59,598	0.19%
■ Frédéric Moyné (Chief Executive Officer since 01/06/2016)	59,598	0.19%

1. The effective acquisition of the shares is subject to the following performance conditions being met:

- Shares of the first tranche will not be effectively acquired unless the 2018 consolidated EBITDA has increased compared to the 2015 consolidated EBITDA by between +25% and +45%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
 - Shares of the second tranche will not be effectively acquired unless the 2018 net consolidated income per share has increased compared to the 2015 net consolidated income per share by between +15% and +30%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
 - Shares of the third tranche will not be effectively acquired unless the Albioma share price, net dividends reinvested (based on the average share price over 120 days) between 24 May 2016 and 24 May 2019 outperforms the CAC Small Net Return (CACSN) index over the same period by between +0% and +5%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
2. Shares that have been effectively acquired are not subject to any lock-in commitment, the corporate officers being however subject to the additional obligation that they retain in their own name 25% of the shares effectively acquired until they stand down from office.
3. The allotments are divided up into three tranches, and each tranche covers one third of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

“2016 photovoltaic plants” bonus performance share plan

		As % of capital as at 31/12/2017
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	24/05/2016	
Total number of initial beneficiaries	23	
Date of effective acquisition of the performance shares ¹	24/05/2017	
End date of the lock-in period for performance shares ²	24/05/2018	
Total number of bonus performance shares allotted	2,760	0.01%
of which, to the top 10 employees who are not corporate officers	1,200	0.00%
of which, to corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2017	2,280	0.01%
of which, for the top 10 employees who are not corporate officers	1,200	0.00%
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Total number of cancelled or lapsed performance shares as at 31/12/2017	480	0.00%
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-

1. Effective acquisition of the shares was subject to the condition that the availability of the Group's photovoltaic installations, which are located in two separate geographic areas (the Indian Ocean and the French West Indies with French Guiana), reached 97.5% at the end of the 2016 financial year; when one of the geographic areas reached or exceeded its performance target, this triggered the effective acquisition of all the performance shares allotted to those employees assigned to that geographic area only. These performance targets had been reached in both geographic areas by 31 December 2016. One year after the date on which the shares are effectively acquired.

2. One year after the date on which the shares are effectively acquired.

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.4. Share subscription and purchase option plans and bonus performance share plans

“Brazil 2016” bonus performance share plan

		As % of capital as at 31/12/2017
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	26/07/2016	
Total number of initial beneficiaries	8	
Date of effective acquisition of the performance shares ¹	26/07/2019	
End date of the lock-in period for performance shares ²	n/a	
Total number of bonus performance shares allotted³	23,574	0.08%
of which, to the top 10 employees who are not corporate officers	23,574	0.08%
of which, to corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Total number of cancelled or lapsed performance shares as at 31/12/2017	4,850	0.02%
of which, for the top 10 employees who are not corporate officers	4,850	0.02%
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2017	18,724	0.06%
of which, for the top 10 employees who are not corporate officers	18,724	0.06%
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-

1. The effective acquisition of the shares is subject to the following performance conditions being met:

- Shares of the first tranche will not be effectively acquired unless the 2018 consolidated EBITDA has increased compared to the 2015 consolidated EBITDA by between +25% and +45%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the second tranche will not be effectively acquired unless the 2018 net consolidated income per share has increased compared to the 2015 net consolidated income per share by between +15% and +30%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.
- Shares of the third tranche will not be effectively acquired unless the Albioma share price, net dividends reinvested (based on the average share price over 120 days) between 24 May 2016 and 24 May 2019 outperforms the CAC Small Net Return (CACSN) index over the same period by between +0% and +5%. The number of shares effectively acquired on the basis of the effective performance within this range will be calculated by linear interpolation between the lower and upper limits in this performance range.

2. Shares that have been effectively acquired are not subject to any lock-in commitment.

3. The allotments are divided up into three tranches, and each tranche covers one third of the shares allotted. Different performance conditions must be met to trigger the effective acquisition of each tranche.

“2016 thermal plants” bonus performance share plan

		As % of capital as at 31/12/2017
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	See note 1	
Total number of initial beneficiaries	241	
Date of effective acquisition of the performance shares ²	31/09/2017	
End date of the lock-in period for performance shares ³	31/09/2018	
Total number of bonus performance shares allotted	28,920	0.09%
of which, to the top 10 employees who are not corporate officers	1,200	0.00%
of which, to corporate officers	-	-
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2017⁴	4,560	0.01%
of which, for the top 10 employees who are not corporate officers	1,200	0.00%
of which, for corporate officers	-	-
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016 and Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2017⁵	24,360	0.08%
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétary (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-

1. The allotment of shares was decided by the Chairman of the Board of Directors on 13 September 2016, acting within the scope of powers delegated to him by the Board of Directors on 24 May 2016.
2. Effective acquisition of the shares was subject to the condition that the availability of each of the Group's thermal installations in France reached 91.5% at the end of the 2016 financial year; when a plant reached or exceeded its performance target, this triggered the effective acquisition of all the performance shares allotted to those employees assigned to that plant only. These performance targets had only been reached by the Albioma Caraïbes plant by 31 December 2016.
3. One year after the date on which the shares are effectively acquired.
4. Of which, 120 shares which have been effectively acquired pursuant to application of the plan's rules on disability of beneficiaries.
5. On 17 January 2017, the Chairman of the Board of Directors, acting within the scope of powers delegated to him by the Board of Directors, recorded the cancellation of the remaining allotments of bonus performance shares under the plan for the employees of the Albioma Le Gol, Albioma Bois-Rouge, Albioma Le Moule and Albioma Galion plants, because the performance conditions stipulated in the plan's rules had not been satisfied.

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.4. Share subscription and purchase option plans and bonus performance share plans

“2017 photovoltaic plants” bonus performance share plan

		As % of capital as at 31/12/2017
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	17/01/2017	
Total number of initial beneficiaries	25	
Date of effective acquisition of the performance shares ¹	17/01/2018	
End date of the lock-in period for performance shares ²	17/01/2019	
Total number of bonus performance shares allotted	3,000	0.01%
of which, to the top 10 employees who are not corporate officers	1,200	0.00%
of which, to corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2017	360	0.00%
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2017	2,640	0.01%
of which, for the top 10 employees who are not corporate officers	1,200	0.00%
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-

1. Effective acquisition of the shares was subject to the condition that the availability of the Group's photovoltaic installations, which are located in two separate geographic areas (the Indian Ocean and the French West Indies with French Guiana), reached 98.6 % at the end of the 2017 financial year; when one of the geographic areas reached or exceeded its performance target, this triggered the effective acquisition of all the performance shares allotted to those employees assigned to that geographic area only. These performance targets had been reached in both geographic areas by 31 December 2017, and the effective acquisition of the corresponding 2,640 performance shares still available took place on 17 January 2018, given that the corresponding employees were still employed at that date.

2. One year after the date on which the shares are effectively acquired.

“2017 thermal plants” bonus performance share plan

		As % of capital as at 31/12/2017
Date of the General Meeting	24/05/2016	
Date of the Board of Directors' meeting	17/01/2017	
Total number of initial beneficiaries	242	
Date of effective acquisition of the performance shares ¹	17/01/2018	
End date of the lock-in period for performance shares ²	17/01/2019	
Total number of bonus performance shares allotted	29,040	0.09%
of which, to the top 10 employees who are not corporate officers	1,200	0.00%
of which, to corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares effectively acquired as at 31/12/2017	-	-
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Total number of performance shares cancelled or lapsed as at 31/12/2017³	120	0.00%
of which, for the top 10 employees who are not corporate officers	-	-
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-
Number of performance shares remaining as at 31/12/2017	28,920	0.09%
of which, for the top 10 employees who are not corporate officers	1,200	0.00%
of which, for corporate officers	-	-
■ Jacques Pétroy (Chairman and Chief Executive Officer from 21/10/2011 to 31/05/2016, Chairman of the Board of Directors since 01/06/2016)	-	-
■ Frédéric Moyne (Chief Executive Officer since 01/06/2016)	-	-

1. Effective acquisition of the shares was subject to the condition that the availability of each of the Group's thermal installations in France reached 91.5% at the end of the 2016 financial year; when a plant reached or exceeded its performance target, this triggered the effective acquisition of all the performance shares allotted to those employees assigned to that plant only. These performance targets had been reached by the Albioma Caraïbes, Albioma Le Moule and Albioma Galion plants by 31 December 2017; the effective acquisition of the corresponding 12,120 performance shares still available took place on 17 January 2018, given that the corresponding employees were still in employment at that date.

2. One year after the date on which the shares are effectively acquired.

3. On 18 January 2018, the Chairman of the Board of Directors, acting within the scope of powers delegated to him by the Board of Directors, recorded the cancellation of the remaining allotments of bonus performance shares under the plan for the employees of the Albioma Le Gol and Albioma Bois-Rouge plants, because the performance conditions stipulated in the plan's rules had not been satisfied.

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.4. Share subscription and purchase option plans and bonus performance share plans

6.4.3.2. Bonus performance shares awarded during the 2017 financial year to the ten employees, not corporate officers, with the highest number of shares

The total number of performance shares allotted during the 2017 financial year to the ten employees who are not corporate officers and who received the highest number of shares, was 2,400. 1,200 of these performance shares were allotted under the “2017 photovoltaic plants” bonus performance share plan, and 1,200 performance shares were allotted under the “2017 thermal plants” bonus performance share plan.

6.4.3.3. Performance shares effectively acquired

Bonus performance share plans adopted by the General Meeting of 27 May 2014

Bonus performance share plan in favour of the Executive Committee members

At its meeting of 31 May 2017, the Board of Directors recorded the cancellation of the remaining allotments of bonus performance shares still available under the plan adopted by the General Meeting of 27 May 2014 for members of the Executive Committee, because the performance conditions stipulated in the plan rules had not been satisfied.

Bonus performance share plan in favour of employees who are not members of the Executive Committee

At its meeting of 28 February 2017, the Board of Directors recorded the cancellation of the remaining allotments of bonus performance shares still available under the plan adopted by the General Meeting of 27 May 2014 for employees who are not members of the Executive Committee, because the performance conditions stipulated in the plan rules had not been satisfied.

Bonus performance share plans adopted by the General Meeting of 24 May 2016

“2016 managers and administrative staff” plan

As at 31 December 2016, none of the performance conditions determining the effective acquisition of bonus shares allotted under the “2016 managers and administrative staff” plan had been satisfied.

“2016 photovoltaic plants” plan

2,280 performance shares were effectively acquired on 24 May 2017, as the performance conditions stipulated in the plan’s rules had been satisfied and the employees were still in employment on that date.

“2016 Brazil” plan

As at 31 December 2016, none of the performance conditions determining the effective acquisition of bonus shares allotted under the “2016 Brazil” plan had been satisfied.

“2016 thermal plants” plan

4,440 performance shares were effectively acquired on 13 September 2017, as the performance conditions stipulated in the plan’s rules had been satisfied by the Albioma Caraïbes plant and the employees were still in employment on that date. In addition, 120 performance shares were effectively acquired during the year in application of the plan’s rules on the disability of beneficiaries.

On 17 January 2017, the Chairman of the Board of Directors, acting within the scope of powers delegated to him by the Board of Directors, recorded the cancellation of the remaining allotments of bonus performance shares under the plan for the employees of the Albioma Le Gol, Albioma Bois-Rouge, Albioma Le Moule and Albioma Galion plants, because the performance conditions stipulated in the plan’s rules had not been satisfied.

“2017 photovoltaic plants” plan

2,640 performance shares were effectively acquired on 17 January 2018, as the performance conditions stipulated in the plan’s rules had been satisfied and the employees were still in employment on that date.

“2017 thermal plants” plan

12,120 performance shares were effectively acquired on 17 January 2018, as the performance conditions stipulated in the plan’s rules had been satisfied by the Albioma Le Moule, Albioma Caraïbes and Albioma Galion plants and the employees were still in employment on that date.

On 18 January 2018, the Chairman of the Board of Directors, acting within the scope of powers delegated to him by the Board of Directors, recorded the cancellation of the remaining allotments of bonus performance shares under the plan for the employees of the Albioma Le Gol and Albioma Bois-Rouge plants, because the performance conditions stipulated in the plan’s rules had not been satisfied.

6.5. Factors likely to have an impact in the event of a public offering

The following information is provided pursuant to Article L. 225-100-3 of the French Commercial Code.

6.5.1. THE COMPANY'S CAPITAL STRUCTURE

Given the distribution by the private equity fund Apax France VI of almost all its Albioma shares to its investors, the Company ceased to be controlled on 19 June 2015. This situation had not changed as at 31 December 2017 nor as at the date of filing of this Registration Document. This means that the structure of the Company's capital is no longer likely to have an impact in the event of a public offering.

The structure of the Company's capital is described in section 6.3.1 on page 263 of this Registration Document. Information about control of the Company is provided in section 6.3.2.1 on page 264 *et seq.* of this Registration Document.

6.5.2. RESTRICTIONS IMPOSED BY THE ARTICLES OF ASSOCIATION ON THE EXERCISE OF VOTING RIGHTS AND SHARE TRANSFERS, CONTRACTUAL CLAUSES NOTIFIED TO THE COMPANY PURSUANT TO ARTICLE L. 233-11 OF THE FRENCH COMMERCIAL CODE

6.5.2.1. Restrictions imposed by the Articles Of Association on the exercise of voting rights and share transfers

Shares that have been effectively acquired under the bonus performance share plan adopted by the General Meeting of 14 March 2012 are subject to a two-year lock-in commitment commencing on the date on which they are effectively acquired and the executive corporate officers are subject to an additional obligation requiring them to retain 25% of the effectively acquired shares as registered shares until they stand down from office. As at 31 December 2017, 59,259 shares, representing 0.19% of the capital, were subject to the plan's two-year lock-in commitment (including 21,667 shares, representing 0.07% of the capital, that were subject to the additional lock-in commitment applying to executive corporate officers). As at the date of filing of this Registration Document, only 21,667 shares, representing 0.07% of the capital, that are subject to the additional lock-in commitment applying to executive corporate officers, are still locked in.

Shares effectively acquired under the "2016 photovoltaic plants", "2016 thermal plants", "2017 photovoltaic plants" and "2017 thermal plants" bonus performance share plans, adopted by the General Meeting of 24 May 2016, are subject to a one-year lock-in commitment commencing on the date on which they are effectively acquired. As at 31 December 2017, 6,720 shares, representing 0.02% of the capital, were subject

to the one-year lock-in commitment stipulated in the "2016 photovoltaic plants" and "2016 thermal plants" plans. As at the date of filing of this Registration Document, an addition 14,760 shares, representing 0.05% of the capital, were subject to the one-year lock-in commitment stipulated in the "2017 photovoltaic plants" and "2017 thermal plants" plans.

6.5.2.2. Contractual clauses of which the Company has been notified pursuant to Article L. 233-11 of the French Commercial Code

None.

6.5.3. DIRECT OR INDIRECT PARTICIPATING INTERESTS IN THE COMPANY'S CAPITAL OF WHICH THE COMPANY IS AWARE PURSUANT TO ARTICLES L. 233-7 AND L. 233-12 OF THE FRENCH COMMERCIAL CODE

The direct and indirect participating interests in the Company's capital of which the Company has been notified in application of Article L. 233-7 of the French Commercial Code are described in section 6.3.2.2 on page 264 *et seq.* of this Registration Document.

No direct or indirect participating interests have been notified to the Company in application of Article L. 233-12 of the French Commercial Code (see explanations given in section 6.3.6.1 on page 266 of this Registration Document).

6.5.4. HOLDERS OF SECURITIES GRANTING SPECIAL RIGHTS OF CONTROL

None.

6.5.5. CONTROL MECHANISMS PROVIDED FOR IN ANY EMPLOYEE SHAREHOLDING PLAN IF THE EMPLOYEES DO NOT EXERCISE CONTROLLING RIGHTS

None (see additional information in section 1.9.2.1 on page 54 of this Registration Document).

6.5.6. AGREEMENTS BETWEEN SHAREHOLDERS, OF WHICH THE COMPANY IS AWARE, THAT MAY RESTRICT SHARE TRANSFERS OR THE EXERCISE OF VOTING RIGHTS.

None (see additional information in section 6.3.5 on page 266 of this Registration Document).

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.5. Factors likely to have an impact in the event of a public offering

6.5.7. RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND AMENDMENT OF THE COMPANY'S MEMORANDUM AND ARTICLES OF ASSOCIATION

The rules governing the appointment and replacement of the members of the Board of Directors and the amendment of the Company's Memorandum and Articles of Association are set forth in the applicable legal and regulatory provisions and in the Memorandum and Articles of Association (whose key provisions, including those applicable to the appointment and replacement of the members of the Board of Directors and the amendment of the Company's Memorandum and Articles of Association, appear in full in section 6.1.2 on page 250 *et seq.* of this Registration Document) and the Board's Internal Regulations (reproduced in full in section 2.3.3.3 on page 109 *et seq.* of this Registration Document).

6.5.8. POWERS OF THE BOARD OF DIRECTORS, IN PARTICULAR TO ISSUE AND BUY BACK SHARES

The powers of the Board of Directors are set forth in the applicable legal and regulatory provisions and in the Memorandum and Articles of Association (whose key provisions, including those applicable to the powers of the Board of Directors, appear in full in section 6.1.2 on page 250 *et seq.* of this Registration Document) and the Board's Internal Regulations (reproduced in full in section 2.3.3.3 on page 109 *et seq.* of this Registration Document).

The powers of the Board of Directors are also described in section 2.3.3.1 on page 98 *et seq.* of this Registration Document.

The powers granted to the Board of Directors to increase or reduce the capital and to trade in the Company's shares as part of share buyback programmes are described in section 6.2.2.2 on page 259 *et seq.* of this Registration Document.

6.5.9. AGREEMENTS ENTERED INTO BY THE COMPANY THAT WOULD BE AMENDED OR TERMINATED IN THE EVENT OF A CHANGE OF CONTROL OF THE COMPANY

The following agreements contain clauses allowing the Company's contracting partner to terminate the agreement in the event of a change of control of the Company, subject to certain conditions.

The "Euro PP" type bond issue totalling €80 million, to be redeemed in December 2020, which was placed privately by the Company during the 2014 financial year, contains provisions relating to a change of control of the Company.

In particular, under these provisions, bond holders may require the early repayment of their bonds. The prospectus for this issue, approved by the Financial Markets Authority on 3 June 2014 under number 14-267, is available in English on Albioma's website (www.albioma.com) and the Financial Markets Authority's website (www.amf-france.org). Moreover, in the event of a change of control of the Company, the €40 million renewable credit facility repayable in 2019, taken out by the Company during the 2014 financial year, could be terminated (for the unused part) and the Company could be required to repay it early (for the sums used).

As regards the commitments entered into by the Group's subsidiaries, only the following would be affected by a change of control of the Company:

- the loan agreements entered into (or transferred) locally for the acquisition of Rio Pardo Termoeletrica (now Albioma Rio Pardo Termoeletrica) in Brazil;
- a lease agreement for land used by one of the Company's subsidiaries to run photovoltaic facilities on Reunion Island.

6.5.10. AGREEMENTS PROVIDING FOR SEVERANCE PAYMENTS TO BE MADE TO THE MEMBERS OF THE BOARD OF DIRECTORS OR TO EMPLOYEES IF THEY RESIGN OR ARE DISMISSED WITHOUT JUST CAUSE OR IF THEIR JOBS ARE ELIMINATED AS A RESULT OF A PUBLIC OFFERING

As at the date of filing of this Registration Document, there is no agreement in place that provides for severance payments to be made to the members of the Board of Directors or to employees if they resign or are dismissed without just and serious cause or if their jobs are eliminated as a result of a public offering, with the exception of the severance pay (potentially effective from 1 June 2017) and the covenant not to compete (potentially effective from 1 June 2016) applying to the Chief Executive Officer, pursuant to a decision of the Board of Directors at its meeting of 1 March 2016, at which it decided to separate the offices of Chairman of the Board of Directors and Chief Executive Officer with effect from 1 June 2016. These commitments, the key provisions of which are set out in section 2.4.2.8 on page 131 *et seq.* of this Registration Document, were approved by the shareholders at the General Meeting of 24 May 2016.

6.6. Albioma shares

6.6.1. DATASHEET

ISIN code	FR0000060402	Par value	€0.0385
Loyalty bonus code ¹	FR0012332864	Market of listing	NYSE – Euronext Paris, Compartment B
2019 loyalty bonus code ²	FR0013217296	Deferred settlement service	Eligible
2020 loyalty bonus code ³	FR0013295300	French Equity Savings Plan (PEA)	Eligible
Stock code	ABIO	French Equity Savings Plan-SME (PEA-PME)	Eligible

1. Shares eligible for the increased dividend. See additional information in section 6.6.3.3 on page 287 of this Registration Document.

2. Shares eligible for the increased dividend payable in 2019 for the 2018 financial year. Shares using this code will automatically be assigned the following permanent loyalty bonus code from 2019 onwards: FR0012332864.

3. Shares eligible for the increased dividend payable in 2020 for the 2019 financial year. Shares using this code will automatically be assigned the following permanent loyalty bonus code from 2020 onwards: FR0012332864.

6.6.2. STOCK MARKET PRICE

6.6.2.1. Market overview of Albioma stock

2016	Price (in euros)			Average daily trading (number of shares)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	14.76	12.48	13.45	24,130	328,805
February	13.02	11.88	12.36	26,389	328,933
March	14.31	12.20	13.51	35,809	474,479
April	14.25	13.11	13.57	19,924	271,529
May	14.45	13.65	14.12	23,133	329,670
June	14.84	13.70	14.22	37,981	536,865
July	15.43	13.85	14.57	26,150	386,584
August	15.60	14.80	15.24	21,397	326,294
September	15.78	15.24	15.52	17,943	278,593
October	15.63	15.05	15.29	17,435	266,378
November	15.01	14.40	14.72	26,007	372,857
December	16.54	14.58	14.93	35,904	543,115

2017	Price (in euros)			Average daily trading (number of shares)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	16.38	15.38	15.89	25,608	408,468
February	16.51	15.93	16.34	27,766	454,176
March	17.00	16.44	16.63	35,830	594,713
April	17.75	16.57	16.95	32,713	556,411
May	19.11	17.70	18.41	54,108	991,585
June	20.25	18.70	19.45	54,114	1,045,892
July	20.62	19.85	20.30	38,383	779,059
August	19.92	18.91	19.47	19,247	375,787
September	19.23	18.45	18.90	26,827	507,420
October	20.46	19.20	19.77	32,414	640,912
November	20.66	19.60	20.22	42,541	851,526
December	21.40	19.39	20.00	36,202	727,187

2018 (as at 19 April 2018)	Price (in euros)			Average daily trading (number of shares)	Average daily trading (in euros)
	Highest	Lowest	Average		
January	21.45	20.65	21.02	32,099	674,931
February	20.85	19.72	20.28	35,511	718,975
March	21.10	19.24	19.91	158,758	3,043,946
April	19.90	19.28	19.58	62,097	1,215,193

6 • LEGAL INFORMATION, CAPITAL & SHARE OWNERSHIP

6.6. Albioma shares

6.6.2.2. Change in the Albioma share price between 1 January 2017 and 19 April 2018 and change in comparison to the CAC 40 and CAC Small indices



6.6.3. DIVIDEND

6.6.3.1. Dividend policy

In 2012, the Group announced a dividend policy whereby it would distribute the equivalent of 50% of its net income, Group share, excluding non-recurring items. Under this policy, Albioma also offers its shareholders the possibility of receiving payment of 50% of the dividend in new shares.

The proposal made to the General Meeting of 31 May 2018 for a dividend of €0.60 per share, i.e., 5% more than the previous year, with an option for payment of the dividend in new shares, remains consistent with this dividend policy, with a corresponding payout rate of 57% of the net income, Group share, excluding non-recurring items.

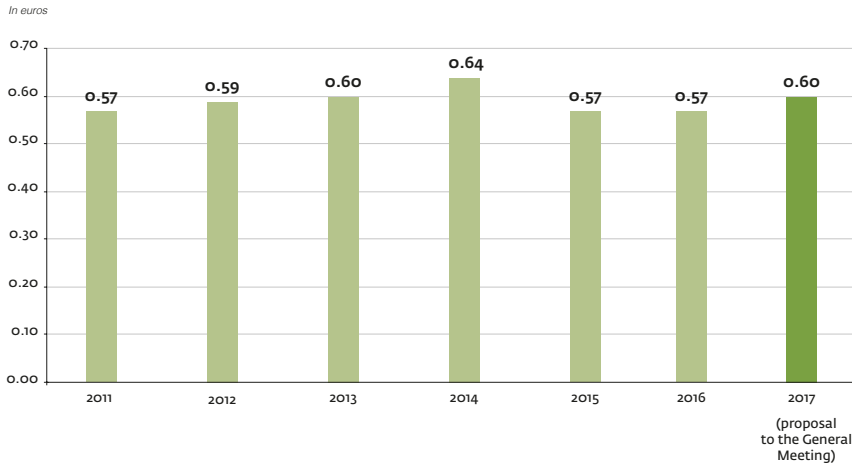
Moreover, Article 45 of the Memorandum and Articles of Association guarantees the shareholders a minimum dividend, known as the initial dividend, as soon as the profit made in a given financial year and the Company's balance sheet structure allow it, pursuant to the applicable provisions of the law, the regulations and the Memorandum and

Articles of Association (the full text of this article appears in section 6.1.2.3 on page 255 of this Registration Document). This dividend is calculated as follows:

- deduction from the distributable profit (net profit for the year, less losses carried forward, and sums to be transferred to reserves in application of the law, plus retained earnings) of an amount equal to 6% of the sums whose shares are paid up and not redeemed;
- deduction from the distributable profit of an amount equal to 6% of any sums deriving from premiums for shares issued in cash and held on an additional paid-in capital account.

If the profit for one financial year is not sufficient to pay this initial dividend, the shareholders shall not be able to claim it from the profit in subsequent years.

6.6.3.2. Change in the dividend (2011 to 2017 financial years)



6.6.3.3. Development of shareholder loyalty: increased dividend

Albioma sets great store by fostering the loyalty of its shareholders, whom it wished to involve in long-term value creation.

The General Meeting of 30 May 2013 thus approved the shareholder loyalty programme proposed to it by the Board of Directors and, as a result, amended Article 45 of the Memorandum and Articles of Association (the full text of this article appears in section 6.1.2.3 on page 255 of this Registration Document).

The loyalty bonus is granted to shareholders who have held registered shares for a continuous period of at least two years, meaning two calendar years. The loyalty bonus is granted in the form of a 10% increase in the dividend paid, rounded down to the nearest euro cent. This bonus shall also apply if a dividend is paid in shares: in such cases, shareholders that registered within the prescribed time shall receive a larger dividend, which they may choose to reinvest in shares under the option of receiving 50% of their dividend in shares.

The loyalty bonus is available both to holders of “direct” and “administered” registered shares. However, shareholders who decide to retain bearer shares shall not be eligible for this bonus. To qualify for a given calendar year, shareholders must

apply to be registered as direct registered or administered registered shareholders by 15 December of the previous year.

Shareholders who are able to demonstrate uninterrupted direct or administered registration between 1 January 2016 and 31 December 2017 will therefore be eligible for an increased dividend for the 2017 financial year, provided that they are still registered as shareholders on the date the positions are calculated (also known as the record date; this date is usually one or two days after the date of the General Meeting that approved the dividend). Based on the proposed appropriation of net income submitted to the General Meeting of 30 May 2018 for approval, the increased dividend will stand at €0.66 per share.

The number of each shareholder’s shares that are eligible for the loyalty bonus may not exceed 0.5% of the capital.

Since the beginning of 2014, specific ISIN codes have been used to identify shares eligible for the increased dividend, for each financial year. These special identification codes do not affect the ISIN code for the Albioma share (FR0000060402), which is the only identification code visible on Euronext Paris that can be used when trading on this market (see the details provided in section 6.6.1 on page 285 of this Registration Document).

6.7. Financial communication, shareholder and investor relations

Albioma strives to constantly improve the quality of its financial communication and to encourage dialogue with its shareholders and with French and foreign investors. At the end of 2017, the quality of the Group's investor relations was recognised at the tenth Investor Relations Awards organised by IRCliff (French association of financial communication professionals). Albioma took third place in the "Best investor relations - mid caps" category.

6.7.1. NUMEROUS MEETINGS WITH FINANCE INDUSTRY PLAYERS

The website www.albioma.com should be the first port of call for information and to find out more about the Group and its news. As required by the applicable legislative and regulatory provisions, all regulated information disclosed by Albioma will be posted on this website.

At these meetings the Company sets out its results as well as its medium-term strategy for the benefit of French and foreign analysts and investors. Half-yearly results are usually presented in the form of a conference call, a recording of which is posted on the Company's website. All the documents presented on these occasions are posted online the very same day on the Company's website.

Other events, in person or by telephone, may be organised depending on the Group's news. In such cases Albioma always strives to ensure equal treatment of shareholders by posting the relevant documents online immediately.

Moreover, Albioma meets regularly with players in the finance industry and frequently meets French and foreign institutional investors at road shows or individual meetings held in France or abroad.

For the specific purpose of preparing General Meetings, a series of discussions are held with French and foreign providers of voting recommendation services and our main shareholders, to ensure that the proposed resolutions meet the strictest industry requirements in terms of governance and respect of all shareholders' rights.

6.7.2. ACTIONARIA TRADE FAIR: ALBIOMA MEETS ITS INDIVIDUAL SHAREHOLDERS

On 23 and 24 November 2017, Albioma was present for the sixth time at the Salon Actionaria trade fair, at the Palais des Congrès in Paris. Once again, this two-day event was a great occasion for the Company to meet with several hundred of its shareholders and other persons interested in the Company, who were able to chat with the Group's teams, to discover or gain a better understanding of the Group's lines of business and ambitions.

6.7.3. 2018 FINANCIAL CALENDAR

07/03/2018 (pre-trading)	Annual results for 2017
25/04/2018 (pre-trading)	First quarter 2018 revenue
30/05/2018	Annual General Meeting of shareholders (auditorium of the Capital 8 conference centre, 32 Rue de Monceau, 75008 Paris, France, at 3 p.m. CET)
25/07/2018 (after trading)	First half 2018 results
25/10/2018 (pre-trading)	Third quarter 2018 revenue

6.7.4. ALBIOMA CONTACTS

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7

ORDINARY & EXTRAORDINARY GENERAL MEETING OF 30 MAY 2018

7.1. Agenda	290	7.3. Reports by the Statutory Auditors on the resolutions	313
7.1.1. Ordinary meeting	290	7.3.1. Report by the Statutory Auditors on the capital reduction (thirteenth resolution)	313
7.1.2. Extraordinary meeting	290	7.3.2. Report by the Statutory Auditors on the authorisation to allot existing shares as bonus shares (fourteenth resolution)	313
7.2. Draft resolutions and report of the Board of Directors for the General Meeting	290	7.3.3. Report by the Statutory Auditors on the issue of redeemable share subscription and/or purchase warrants ('BSAAR warrants'), with the waiver of preferential subscription rights (fifteenth resolution)	314
7.2.1. Resolutions put to the Ordinary General Meeting	290	7.3.4. Report by the Statutory Auditors on the issue of ordinary shares and/or securities giving access to capital, with the waiver of preferential subscription rights, reserved for members of a company savings plan (sixteenth resolution)	315
7.2.2. Resolutions put to the Extraordinary General Meeting	303		

The General Meeting will be held on 30 May 2018 at 3 p.m. (CET), in the auditorium of the Capital 8 Conference Centre, 32 Rue de Monceau, 75008 Paris, France.

7.1. Agenda

7.1.1. ORDINARY MEETING

- Approval of the Company financial statements for the financial year ended 31 December 2017
- Approval of the consolidated financial statements for the financial year ended 31 December 2017
- Appropriation of income and setting of the dividend for the financial year ended 31 December 2017
- Option for payment of the dividend for the financial year ended 31 December 2017 in new shares
- Approval of the remuneration due or awarded to Jacques Pétry, Chairman of the Board of Directors, for the financial year ended 31 December 2017.
- Approval of the remuneration due or awarded to Frédéric Moynes, Chief Executive Officer, for the financial year ended 31 December 2017
- Approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the non-executive corporate officers from 1 January 2018
- Approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the executive corporate officers from 1 January 2018
- Approval of the agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the French Commercial Code
- Ratification of the provisional appointment by co-option of Ulrike Steinhorst as Director for the remainder of the term of office of Michèle Remillieux, who has resigned
- Record of the expiry of the term of office as a Director of Michel Bleitrach, who does not wish to stand for office again, and appointment of Pierre Bouchut as a Director
- Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

7.1.2. EXTRAORDINARY MEETING

- Grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased within the framework of a share buyback programme
- Grant of authorisation to the Board of Directors to allot existing bonus performance shares to the employees and executive corporate officers of the Company, and to certain employees and executive corporate officers of related companies
- Delegation of authority to the Board of Directors to decide to issue redeemable share subscription and/or purchase warrants ('BSAAR warrants') to certain employees and executive corporate officers of the Company and its subsidiaries, with the waiver of preferential subscription rights
- Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving access to capital to members of company or group savings plans, with the waiver of preferential subscription rights
- Powers to carry out formalities

7.2. Draft resolutions and report of the Board of Directors for the General Meeting

7.2.1. RESOLUTIONS PUT TO THE ORDINARY GENERAL MEETING

7.2.1.1. Resolutions 1, 2 and 3: approval of annual and consolidated financial statements, appropriation of income and setting of the dividend for the financial year ended 31 December 2017

Explanation

The purpose of the first and second resolutions is the approval of the annual and consolidated financial statements for the 2017 financial year. The Company's Statutory Auditors have produced the reports set out in section 5.4 on page 244 *et seq.* and section 4.7 on page 210 *et seq.* of the 2017 Registration Document in relation to these financial statements.

The annual financial statements for the 2017 financial year record a net profit of €31.0 million, which represents a 146% increase compared with the 2016 financial year (€12.6 million). They are set out in full in chapter 5 on page 216 *et seq.* of the 2017 Registration Document.

The consolidated financial statements for the 2017 financial year record a net income, Group share, of €37.4 million, which represents a 13% rise compared with the 2016 financial year (€33.0 million). They are set out in full in chapter 4 on page 158 *et seq.* of the 2017 Registration Document.

The third resolution relates to the appropriation of income for the 2017 financial year and the setting of the dividend. The Board of Directors proposes a dividend of €0.60 per share to the General Meeting, which is 5% more than the dividend paid for 2016 and represents a distribution rate of 57% of net income, Group share, for the 2017 financial year (excluding non-recurring items), which is substantially more than would be distributed if the Group's distribution policy were applied to the letter (distribution of 50% of net income, Group share, excluding non-recurring items).

Shares eligible for the 10% increase of the 2017 dividend will receive a dividend of €0.66 per share, within the limit of 0.5% of the capital per shareholder.

If the General Meeting approves the proposed amount, the shares will go ex-dividend on 07 June 2018 and the dividend will be paid on 10 July 2018.

The General Meeting is also asked, in the form of the fourth resolution, to grant shareholders an option to receive payment of 50% of the dividend in the form of new shares.

The dividend is eligible for the 40% tax allowance pursuant to Article 158(3)(2) of the Tax Code, when opted for and in accordance with the terms, conditions and limits laid down by applicable laws and regulations.

The Board of Directors invites shareholders to approve these resolutions.

First resolution – Approval of the annual financial statements for the financial year ended 31 December 2017

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the following:

- the management report of the Board of Directors for the financial year ended 31 December 2017 (included in the Registration Document for the financial year ended 31 December 2017) and the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the annual financial statements for the financial year ended 31 December 2017,

approves the annual financial statements for the financial year ended 31 December 2017 as drawn up and presented to it, together with the transactions reflected in these financial statements and summarised in these reports, showing a net profit of €31,019,000,

and, pursuant to Article 223 quater of the Tax Code, notes the absence of any of the expenses and charges referred to in Article 39(4) of the Tax Code, which are non-deductible from taxable income for the financial year ended 31 December 2017.

Second resolution – Approval of the consolidated financial statements for the financial year ended 31 December 2017

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the following:

- the management report of the Board of Directors for the financial year ended 31 December 2017 (included in the Registration Document for the financial year ended 31 December 2017) and the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the consolidated financial statements for the financial year ended 31 December 2017,

approves the consolidated financial statements for the financial year ended 31 December 2017 as drawn up and presented to it, together with the transactions reflected in these financial statements and summarised in these reports, showing a net income, Group share, of €37,439,000.

Third resolution – Appropriation of income and setting of the dividend for the financial year ended 31 December 2017

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the management report of the Board of Directors for the financial year ended 31 December 2017 (included in the Registration Document for the financial year ended 31 December 2017) and the report of the Board of Directors for the General Meeting,

resolves, as recommended by the Board of Directors, to appropriate the profit for the financial year ended 31 December 2017, amounting to €31,019,231.48 as set out below:

<i>In euros</i>	
SOURCE OF AMOUNTS TO BE APPROPRIATED	
Net income for the year	31,019,231.48
Retained earnings brought forward	78,207,082.80
Total	109,226,314.28
APPROPRIATION	
To the legal reserve	1,554.16
To payment of a dividend of €0.60 per share	18,149,356.20
To retained earnings	91,075,403.92
Total	109,226,314.28

notes that:

- these amounts are calculated on the basis of the number of shares comprising the capital and the number of treasury shares held as at 31 December 2017, and may be adjusted

to take into account the number of shares comprising the capital and the number of treasury shares held on the ex-dividend date,

- the distributable profit corresponding to the dividend not paid on treasury shares will be reposted as retained earnings,
- These amounts are calculated without the extra 10% dividend payable on eligible shares for the financial year ended 31 December 2017, and may be adjusted to take into account the actual number of shares eligible for this extra dividend on the ex-dividend date,

sets, accordingly, the dividend payable on each share with dividend rights at €0.60,

sets the ex-dividend date at 07 June 2018 and resolves that the dividend will be paid on 10 July 2018,

notes that this dividend is eligible for the 40% tax allowance pursuant to Article 158(3)(2) of the Tax Code, when opted for and in accordance with the terms and conditions laid down by applicable laws and regulations,

and notes that the following dividends have been distributed in the last three financial years:

Financial year	Dividend per share (in euros)	Total dividend (in euros)	Reduction pursuant to Article 158 (3) (2 ^a) of the General Tax Code
2014	0.64	18,942,199	40%
2015	0.57	16,865,426	40%
2016	0.57	17,152,074	40%

7.2.1.2. Resolution 4: option for payment of the dividend for the financial year ended 31 December 2017 in new shares

Explanation

The fourth resolution relates to the implementation of an option for payment of 50% of the dividend to be distributed in the 2017 financial year, in new shares.

This proposal is consistent with the distribution policy implemented by the Group since 2012.

If the General Meeting approves this proposal, shareholders may opt for payment of 50% of the €0.60 dividend distributed pursuant to the third resolution, i.e. €0.30 per share, in cash or new shares.

Shares eligible for the extra 10% dividend for the 2017 financial year will receive a dividend of €0.5 per share, within the limit of 0.66% of the capital per shareholder, and the eligible shareholders may opt to receive payment of 50% of the increased dividend to be distributed pursuant to the third resolution, i.e. €0.33 per share, in cash or in new shares.

The option may only be exercised for the entire fraction of the dividend to which the option refers, i.e. 50% of the dividend. It must be exercised between 07 June 2018 and 28 June 2018 inclusive. The procedure for exercising the option is different

for holders of direct registered shares and for holders of administered registered shares and bearer shares.

- For holders of direct registered shares, the option must be exercised by submitting a request to the Company's registered share registrar (BNP Paribas Securities Services).
- For holders of administered registered shares or bearer shares, the option must be exercised by submitting a request directly to the financial intermediary in charge of the shareholder's securities account.

At the end of the option period, any shareholders who have not opted to receive 50% of their dividend in new shares will receive payment of the entire dividend in cash, i.e. €0.60 per share (or, for shares eligible for the extra 10% dividend for the 2017 financial year, €0.66 per share).

This option allows shareholders who so wish to reinvest one half of their dividend in new shares, at a pre-determined price. The issue price of the new shares that will be issued in payment of the dividend will correspond to 90% of the average price quoted on Euronext Paris in the 20 trading days prior to the distribution decision date, less the net dividend amount, and the amount resulting from this formula will be rounded up to the next cent. This price will be set by the Board of Directors, prior to the General Meeting. If, on the basis of this price, the dividend to which a shareholder is entitled does not correspond to a whole number of shares, the shareholder may obtain the lower number of shares plus a cash balance.

Shares issued in payment of the dividend will be delivered on 10 July 2018, at the same time as payment of the part of the share dividend payable in cash. Dividend and other rights will accrue from 1 January 2018.

The Board of Directors invites the shareholders to approve this resolution.

Fourth resolution - Option for payment of the dividend for the financial year ended 31 December 2017 in new shares

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

and noting that the share capital is fully paid-up,

resolves, in accordance with Article 46 of the Company's Memorandum and Articles of Association, to grant each shareholder the option to receive 50% of the distributable dividend of €0.60 per share, i.e. €0.30 per share (or, for shares eligible for the 10% dividend increase for the financial year ended on 31 December 2017 in accordance with Article 45(2) of the Company's Memorandum and Articles of Association, 50% of the distributable dividend of €0.66 per share, i.e., €0.33 per share), in cash or in new shares, with the remaining 50% payable in cash,

resolves that:

- the option may only be exercised for the entire fraction of the dividend, i.e. 50%, to which it refers,
- this option must be exercised by the shareholder between 07 June 2018 and 28 June 2018 inclusive, by submitting a request to the relevant financial intermediary for administered registered shares and bearer shares and to the Company's Registrar (BNP Paribas Securities Services) for direct registered shares. On expiry of this deadline, shareholders who have not opted to receive payment of 50% of their dividend in shares will receive full payment in cash,
- the issue price of the new shares to be issued in payment of the dividend will correspond to 90% of the average price quoted on the Euronext Paris market in the 20 trading days prior to the distribution decision date, less the net dividend amount, and the amount resulting from this formula will be rounded up to the next cent,
- the settlement-delivery of the shares to be issued in payment of the dividend will take place on the same day as payment of the part of the share dividend payable in cash, i.e. on 10 July 2018, and dividend and other rights will accrue from 1 January 2018,
- if the dividend to which a shareholder is entitled does not correspond to a whole number of shares, the shareholder may obtain the lower number of shares plus a cash balance paid by the Company,

and grants full powers to the Board of Directors, with the power to sub-delegate pursuant to applicable laws and regulations, to pay the dividend in shares, and in particular to carry out all formalities and file all statements, record the number of shares issued and the subsequent capital increase, request their admission for trading on the regulated Euronext Paris market, amend the Memorandum and Articles of Association accordingly, and, more generally, to do whatever is necessary and appropriate.

7.2.1.3. Resolutions 5 and 6: approval of the remuneration due or awarded to Jacques Pétry, Chairman of the Board of Directors, and Frédéric Moyné, Chief Executive Officer, for the financial year ended 31 December 2017

Explanation

The fifth and sixth resolutions are presented to the General Meeting in accordance with Article L. 225-100 of the French Commercial Code, arising from law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernised business practices, which requires companies to ask their shareholders to approve, at a General Meeting, the fixed, variable and exceptional components of the remuneration and benefits paid or awarded to the corporate officers for the previous financial year.

The shareholders' vote will be a binding vote. If the shareholders vote against the resolutions put to them

at the General Meeting, the officers will nevertheless receive the fixed components of their remuneration, but will not receive the variable and exceptional components.

The resolution put to the vote relates to the remuneration due or awarded for the 2017 financial year:

- to Jacques Pétry as Chairman of the Board of Directors;
- to Frédéric Moyné as Chief Executive Officer.

The vote will cover the following remuneration components:

- the remuneration due for the 2017 financial year, meaning the remuneration earned that is certain, both in terms of entitlement and the amount, whether or not paid;
- the remuneration awarded for the 2017 financial year, that is, remuneration in the form of securities and/or cash, the award of which is agreed although the amount and/or the number of securities are unknown at the time of implementation or award and which, accordingly, can only be estimated, where applicable.

The remuneration due or awarded to Jacques Pétry as Chairman of the Board of Directors and to Frédéric Moyne as Chief Executive Officer for the financial year ended 31 December 2017 is described in detail in section 2.4.2 on page 121 *et seq.* of the 2017 Registration Document.

Pursuant to the Application Guide of the AFEP-MEDEF's Code of Corporate Governance for Listed Corporations published by the Haut Comité de Gouvernement d'Entreprise, (High Corporate Governance Committee), the remuneration on which shareholders must vote is summarised below for each of the corporate officers.

Remuneration due or awarded to Jacques Pétry, Chairman of the Board of Directors, for the financial year ended 31 December 2017

Remuneration due or awarded for the 2017 financial year

Remuneration	Amounts or estimates put to the vote (in € thousands)	Explanation
Fixed remuneration	229.0	Information on the fixed component of the remuneration allotted to the Chairman of the Board of Directors for the 2017 financial year and changes in this remuneration can be found in section 2.4.2.3 on page 124 <i>et seq.</i> of the 2017 Registration Document.
Variable annual remuneration	n/a	No variable multi-year remuneration
Variable deferred remuneration	n/a	No variable deferred remuneration
Variable multi-year remuneration	n/a	No variable multi-year remuneration
Exceptional remuneration	n/a	No exceptional remuneration
Options to subscribe or purchase shares, performance-related shares or any other long-term remuneration	n/a	No bonus performance shares, stock options or any other form of long-term remuneration were awarded during the period in question.
Directors' fees	n/a	No directors' fees are paid
Value of benefits in kind	8.8	Information on the benefits in kind granted to the Chairman of the Board of Directors for the 2017 financial year can be found in section 2.4.2.3 on page 121 <i>et seq.</i> of the 2017 Registration Document.

Remuneration due or awarded for the 2017 financial year to be voted on or already voted on by the General Meeting under the procedure for regulated agreements and commitments

Remuneration	Amounts or estimates put to the vote (in € thousands)	Explanation
Severance pay	n/a	No severance pay
Compensation payable under a covenant not to compete	n/a	No compensation payable under a covenant not to compete
Supplementary retirement plan	n/a	There is no supplementary pension plan with the characteristics of commitments governed by Article L. 225-42-1, paragraph 6, of the French Commercial Code.

Remuneration due or awarded to Frédéric Moyne, Chief Executive Officer, for the financial year ended 31 December 2017

Remuneration due or awarded for the 2017 financial year

Remuneration	Amounts or estimates put to the vote (in € thousands)	Explanation
Fixed remuneration	285.0	Information on the fixed component of the Chief Executive Officer's remuneration for the 2017 financial year and changes in this remuneration can be found in section 2.4.2.4 on page 126 et seq. of the 2017 Registration Document.
Variable annual remuneration	240.0	Information on the variable component of the Chief Executive Officer's remuneration for the 2017 financial year, the quantitative and qualitative criteria used to fix this amount and the cap on the qualitative component, can be found in section 2.4.2.4 on page 126 et seq. of the 2017 Registration Document.
Variable deferred remuneration	n/a	No variable deferred remuneration
Variable multi-year remuneration	n/a	No variable multi-year remuneration
Exceptional remuneration	n/a	No exceptional remuneration
Options to subscribe or purchase shares, performance-related shares or any other long-term remuneration	n/a	No bonus performance shares, stock options or any other form of long-term remuneration were awarded during the period in question.
Directors' fees	n/a	No directors' fees are paid
Value of benefits in kind	26.2	Information on the benefits in kind granted to the Chief Executive Officer for the 2017 financial year can be found in section 2.4.2.4 on page 126 et seq. of the 2017 Registration Document.

Remuneration due or awarded for the 2017 financial year to be voted on or already voted on by the General Meeting under the procedure for regulated agreements and commitments

Remuneration	Amounts or estimates put to the vote (in € thousands)	Explanation
Severance pay	-	Information on the severance payment potentially payable to Frédéric Moyne if he is removed from the office of Chief Executive Officer or his appointment is not renewed can be found in section 2.4.2.8 on page 131 et seq. of the 2017 Registration Document. At the General Meeting of 24 May 2016 the shareholders most recently approved, on the basis of the special report of the Statutory Auditors, the terms and conditions of this severance payment decided by the Board of Directors at its meeting of 1 March 2016 (6th resolution).
Compensation payable under a covenant not to compete	-	Information on compensation under a covenant not to compete potentially payable to Frédéric Moyne if he ceases to hold office as Chief Executive Officer can be found in section 2.4.2.8 on page 131 et seq. of the 2017 Registration Document. At the General Meeting of 24 May 2016, the shareholders most recently approved, on the basis of the special report of the Statutory Auditors, the terms and conditions of this compensation under a covenant not to compete decided by the Board of Directors at its meeting of 1 March 2016 (7th resolution).
Supplementary retirement plan	n/a	There is no supplementary pension plan with the characteristics of commitments governed by Article L. 225-42-1, paragraph 6, of the French Commercial Code.

The Board of Directors invites shareholders to approve these resolutions.

Fifth resolution — Approval of the remuneration due or awarded to Jacques Pétry as Chairman of the Board of Directors

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

approves the remuneration due or awarded for the financial year ended 31 December 2017 to Jacques Pétry, Chairman of the Board of Directors, as presented in section 2.4 of the Registration Document for the financial year ended 31 December 2017 and as reiterated in the report by the Board of Directors to the General Meeting set out in section 7.2 of the said Registration Document.

Sixth resolution — Approval of the remuneration due or awarded to Frédéric Moyne as Chief Executive Officer

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

approves the remuneration due or awarded for the financial year ended 31 December 2017 to Frédéric Moyne, Chief Executive Officer, as presented in section 2.4 of the Registration Document for the financial year ended 31 December 2017 and as reiterated in the report by the Board of Directors to the General Meeting set out in section 7.2 of the said Registration Document.

7.2.1.4. Resolutions 7 and 8: approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the executive and non-executive corporate officers from 1 January 2018

Explanation

The seventh and eighth resolutions are presented to the General Meeting in accordance with Article L. 225-37-2 of the French Commercial Code, arising from law no. 2016-1691 of 9 December 2016 on transparency, anti-corruption and modernised business practices, which requires companies to ask their shareholders to approve, at a General Meeting, the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the executive corporate officers (meaning, in a société anonyme with a Board of Directors, the Chief Executive Officer or the Chairman & CEO and the Chief Operating Officers or equivalent) and the non-executive corporate officers (meaning, in a société anonyme with a Board of Directors, the Chairman of the

Board of Directors). The following information, together with the corresponding information in the 2017 Registration Document, form the report required pursuant to Article L.225-37-2 of the French Commercial Code.

The shareholders are asked to approve the principles and criteria applying to the relevant corporate officers for the period until the General Meeting held in 2019 to vote on the financial statements for the 2018 financial year. On the date of filing of the 2017 Registration Document, they apply to:

- the Chairman of the Board of Directors, namely Jacques Pétry, as a non-executive corporate officer;
- the Chief Executive Officer, namely Frédéric Moyne, as an executive corporate officer.

These principles and criteria were determined by the Board of Directors, on the basis of recommendations by the Nomination and Remuneration Committee. A detailed presentation of these principles and criteria and their implementation in order to determine, allocate and award the components of the remuneration payable to the corporate officers for the 2018 financial year is provided in sections 2.4.3.2 on page 134 and 2.4.3.3 on page 135 *et seq.* of the 2017 Registration Document. They are summarised below.

Any changes to the remuneration components covered by the resolutions presented must be approved by the General Meeting. Moreover, if the General Meeting does not adopt the resolutions put to the vote, the principles and criteria previously approved will continue to apply. If no principles and criteria have been approved, the remuneration will be determined on the basis of the remuneration payable for the previous financial year or, if no remuneration was payable for the previous financial year, in line with the Company's usual practices.

7 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 30 MAY 2018
7.2. Draft resolutions and report of the Board of Directors for the General Meeting

Remuneration	Principles and criteria applied to determine, allocate and award remuneration submitted for approval	Implementation for the 2018 financial year
Fixed annual remuneration	<p>The corporate officers' annual remuneration is comprised of a fixed remuneration and, for the executive corporate officers only, a variable component based on the achievement of demanding quantitative and qualitative financial and non-financial objectives, determined at the start of the year in line with the strategy approved by the Board of Directors. Non-executive corporate officers do not receive any variable remuneration. The fixed remuneration payable to corporate officers and the methods used to determine the variable remuneration payable to corporate officers (in particular the financial and non-financial quantitative and qualitative objectives they will be required to achieve) are determined by the Board of Directors on the basis of recommendations by the Nomination and Remuneration Committee, developed on the basis of an analysis of a panel of comparable companies and the performance of the senior executives. The fixed remuneration received by corporate officers is reviewed every two or three years.</p>	<p>Chairman of the Board of Directors All-inclusive gross annual fixed remuneration of €229,000 (for the period from 1 January to 31 May 2018) and then of €100,000 (for the period from 1 June to 31 December 2018), payable in 12 instalments. See additional information in section 2.4.3.2 on page 134 of the 2017 Registration Document. Chief Executive Officer All-inclusive gross annual fixed remuneration of €285,000, payable in 12 instalments, which is the same as in the previous year. See additional information in section 2.4.3.3 on page 135 of the 2017 Registration Document.</p>
Variable annual remuneration	See the additional information below.	<p>Chairman of the Board of Directors None. Chief Executive Officer Variable remuneration capped at 106.6% of the fixed remuneration, i.e., €303,810, compared with 100% of the fixed remuneration for the 2017 financial year, the target variable remuneration remaining set at 100% of the fixed remuneration, i.e., €285,000. See additional information in section 2.4.3.3 on page 135 of the 2017 Registration Document. Payment of this variable remuneration will be subject to the shareholders voting, at the General Meeting held in 2019 to vote on the financial statements for the 2018 financial year, in favour of the remuneration allocated to the Chief Executive Officer for the 2018 financial year (see additional information in section 2.4.4 on page 136 of this Registration Document).</p>
Directors' fees	Only independent Directors receive directors' fees. This means that the Chief Executive Officer and, on the date of filing of this 2017 Registration Document, the Chairman of the Board of Directors, do not receive directors' fees.	<p>Chairman of the Board of Directors None. Chief Executive Officer None.</p>
Exceptional remuneration	The Company's remuneration policy does not provide for the payment of exceptional remuneration to corporate officers.	<p>Chairman of the Board of Directors None. Chief Executive Officer None.</p>
Variable multi-year remuneration	The Company's remuneration policy does not provide for the payment of variable multi-year remuneration to corporate officers.	<p>Chairman of the Board of Directors None. Chief Executive Officer None.</p>
Bonus performance share plans and options to subscribe or purchase shares	<p>The Company's remuneration policy does not provide for any future long-term incentive programmes of any type whatsoever for the non-executive corporate officers.</p> <p>The long-term incentive programme for executive corporate officers takes the form of the allotment of bonus performance shares or options to subscribe or purchase shares, depending inter alia on the tax and employment rules that apply at the time they are allotted. The aim of this long-term incentive programme is to ensure that the interests of the executive corporate officers remain in line with those of the shareholders. Effective acquisition of the performance shares allotted, or exercise of options to subscribe or purchase shares, as the case may be, is subject to exacting performance conditions, combining internal criteria and external criteria which, as far as is possible, are measured while taking into consideration the performance of the Company and its Group compared to its market environment. The existing plans cover performance over at least three years.</p> <p>Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors determines the bonus performance shares and options to subscribe or purchase shares to be allotted to the executive corporate officers, ensuring, in particular, that these allotments, valued in accordance with IFRS 2 standards, do not represent a disproportionate portion of the officers' total remuneration and that the portion of the allotments reserved for executive corporate officers within plan is in accordance with market practices.</p> <p>If a corporate officer stands down or is removed from office before the end of the vesting period for the performance shares or the options, the allotment will be cancelled, other than in those cases when the special rules relating to death or disability apply.</p>	<p>Chairman of the Board of Directors None. Chief Executive Officer Anticipatory award of 30,620 rights under the 2018 bonus performance share plan likely to be implemented by the Board of Directors if the General Meeting adopts the fourteenth resolution, given that the award to the Chief Executive Officer is capped at 10% of the authorisation requested in that resolution. See additional information in section 2.4.3.3 on page 136 of the 2017 Registration Document.</p>

7 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 30 MAY 2018

7.2. Draft resolutions and report of the Board of Directors for the General Meeting

Remuneration	Principles and criteria applied to determine, allocate and award remuneration submitted for approval	Implementation for the 2018 financial year
Welcome packages	The Company's remuneration policy does not provide for the payment of a welcome package to corporate officers.	Chairman of the Board of Directors Not applicable. Chief Executive Officer Not applicable.
Remuneration and commitments on departure	Executive corporate officers may benefit from certain commitments when they cease to hold office, such as severance pay and/or compensation paid under a covenant not to compete. The terms, conditions and amounts comply with the recommendations set out in the AFEP-MEDEF Corporate Governance Code.	Chairman of the Board of Directors None. Chief Executive Officer Severance pay in the event of removal from office or non-renewal of his appointment approved at the General Meeting of 24 May 2016 on the basis of the special report by the Statutory Auditors (see additional information in section 2.4.2.8 on page 131 et seq. of the 2017 Registration Document). Compensation under a covenant not to compete in the event he ceases to hold office approved at the General Meeting of 24 May 2016 on the basis of the special report by the Statutory Auditors (see additional information in section 2.4.2.8 on page 131 et seq. of the 2017 Registration Document).
Remuneration under agreements concluded with the Company or its Group	The Company's remuneration policy does not provide for the payment of remuneration to corporate officers under any agreement concluded with the Company or its Group. If a corporate officer held a contract of employment prior to his or her appointment, the contract is terminated or, if justified by special circumstances, suspended.	Chairman of the Board of Directors None. Chief Executive Officer None.
Benefits in kind, welfare and retirement benefits	The benefits in kind received by corporate officers are limited to use of a company car and the payment by the Company of the contributions in respect of the insurance cover for company managers and executives (Garantie Sociale des Chefs et Dirigeants d'Entreprise - GSC). This includes the reintegration of contributions to insurance welfare plans available within the Group with which they are registered (covering healthcare, incapacity, disability and death). If their personal circumstances permit this, corporate officers are registered with the insurance welfare plan (covering healthcare, incapacity, disability and death) and the mandatory defined contribution supplementary pension plan, like all the Company's employees.	Chairman of the Board of Directors See additional information in section 2.4.3.2 on page 134 of the 2017 Registration Document. Chief Executive Officer See additional information in section 2.4.3.3 on page 136 of the 2017 Registration Document.
Other remuneration	The Company's remuneration policy does not provide for the payment of any other type of remuneration to corporate officers. More specifically, they do not receive any remuneration in any form whatsoever from the Company's subsidiaries or any companies that control it.	Chairman of the Board of Directors None. Chief Executive Officer None.

The Board of Directors invites shareholders to approve these resolutions.

Seventh resolution — Approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the non-executive corporate officers from 1 January 2017.

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having taken note of the report of the Board of Directors for the General Meeting and, accordingly, the report referred to in Article L. 225-37-2 of the French Commercial Code,

approves the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of remuneration and benefits payable to the non-executive corporate officers from 1 January 2018 for the performance of their duties (i.e., on the date of filing of the Registration Document for the financial year ended 31 December 2017, to the Chairman of the Board of

Directors), as such principles and criteria are presented in the above-mentioned reports.

Eighth resolution — Approval of the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of the remuneration and benefits payable to the executive corporate officers from 1 January 2018.

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, having taken note of the report of the Board of Directors for the General meeting and, accordingly, the report referred to in Article L. 225-37-2 of the French Commercial Code,

approves the principles and criteria applied to determine, allocate and award the fixed, variable and exceptional components of remuneration and benefits payable to the executive corporate officers from 1 January 2018 for the performance of their duties (i.e., on the date of filing of the Registration Document for the financial year ended 31 December 2017, to the Chief Executive Officer), as such

principles and criteria are presented in the above-mentioned reports.

7.2.1.5. Resolution 9: approval of the agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the French Commercial Code

Explanation

The purpose of the ninth resolution is to note the fact that the Board of Directors did not authorise any regulated agreement or commitment governed by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code during the 2017 financial year.

The Statutory Auditors have issued a special report recording the absence of any agreement or commitment governed by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and requiring the approval of the General Meeting, set out in section 2.7.1 on page 138 *et seq.* of the 2017 Registration Document.

The Board of Directors invites the shareholders to approve this resolution.

Ninth resolution — Approval of agreements and commitments governed by the provisions of Articles L. 225-38 and L. 225-42-1 of the French Commercial Code

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the following:

- the report of the Board of Directors for the General Meeting,
- the special report of the Statutory Auditors on the agreements and commitments governed by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code,

notes the fact that no agreements or commitments governed by Articles L. 225-38 and L. 225-42-1 of the French Commercial Code and not yet approved by the General Meeting were authorised by the Board of Directors during the financial year ending on 31 December 2017.

7.2.1.6. Resolution 10: ratification of the provisional appointment by co-optation of Ulrike Steinhorst as Director

Explanation

The purpose of the tenth resolution is to ratify the provisional appointment by co-optation of Ulrike Steinhorst as Director. This follows the Board of Directors' meeting of

19 September 2017 at which the Board decided, as recommended by the Nomination and Remuneration Committee, to provisionally appoint Ulrike Steinhorst as Director for the remainder of the term of office of Michèle Remillieux, who had resigned, expiring at the close of the General Meeting called in 2021 to approve the financial statements for the 2020 financial year. At the same time, Ulrike Steinhorst took over from Michèle Remillieux as Chair of the Nomination and Remuneration Committee.

Ulrike Steinhorst began her career in France as technical advisor to the French Minister of European Affairs. She joined the EDF group in 1990, holding various functional and operational responsibilities. She was Head of International Energy Production Subsidiaries from 1996 to 1999. In 1999 she joined the Degussa group, number three in the chemicals sector in Germany. She held the position of Human Resources Director for one of the group's three divisions (food additives, 4,000 people, sites in the USA, Latin America, Asia and Europe). In 2001, she was asked to oversee development of the group's senior executives during a period of intense M&A activity. In 2003, she became responsible for its subsidiaries in France while also heading the group's representation office in Brussels. She joined EADS in 2007, serving as Chief of Staff to the Executive Chairman of EADS until he stepped down in 2012. She then moved to the Group's Corporate Technical Office as Head of Strategy, Planning and Finance, until she was appointed Senior Advisor to the Corporate Technical Officer and member of the Executive Committee of the Airbus group at the end of 2015. She held this position for two years. She is currently an independent Director of two listed companies in addition to Albioma: Valeo and Mersen. She chairs Valeo's Strategy Committee and Mersen's Governance and Remuneration Committee. She joined Albioma's Board as an independent Director in 2017. Ulrike Steinhorst is a qualified German lawyer, and is also a graduate of the international section of Ecole Nationale d'Administration, holds a DEA degree in public law (Paris II Pantheon University) and an MBA from CPA/HEC.

The Board of Directors has reviewed Ulrike Steinhorst's position in terms of her independence, and considers that she qualifies as an independent Director. She does not have any direct or indirect business relationship with the Company or its Group.

The Board of Directors invites the shareholders to approve this resolution.

7 • ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 30 MAY 2018

7.2. Draft resolutions and report of the Board of Directors for the General Meeting

Additional informations

Ulrike Steinhorst

- Born on 2 December 1951, she has German nationality
- Business address: Albioma, Tour Opus 12, 77 esplanade du Général de Gaulle, 92914 La Défense Cedex
- She holds 400 Albioma shares on the date of filing of the 2017 Registration Document.

Offices and positions held as at the 2017 Registration Document filing date

WITHIN THE ALBIOMA GROUP

Albioma SA ¹	Director
Albioma SA ¹	Chair of the Nomination and Remuneration Committee

OUTSIDE THE ALBIOMA GROUP

Mersen SA ¹	Director
Mersen SA ¹	Chair of the Governance and Remuneration Committee
Valeo SA ¹	Director
Valeo SA ¹	Chair of the Strategy Committee
École des Mines – Paritech	Member of the Board of Directors
Chamber of Commerce and Industry (Germany)	Member of the Board of Directors
Fabrique de l'Industrie	Member of the Policy Committee

Offices and positions held during the last five years, expired as at the 2017 Registration Document filing date

Expiry

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Fonds d'Innovation dans l'Industrie (F2I, UIIMM)	Member of the Board of Directors	2017
Institut Imagine	Member of the Board of Directors	2016

1. Listed company.

Tenth resolution — Ratification of the provisional appointment by co-option of Ulrike Steinhorst as Director for the remainder of the term of office of Michèle Remillieux, who has resigned.

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

resolves to ratify the provisional appointment, by co-option, of Ulrike Steinhorst as a Director for the remainder of Michèle Remillieux's term of office following her resignation, i.e., until the end of the General Meeting to be held in 2021 to approve the financial statements for the year ended 31 December 2020.

7.2.1.7. Resolution 11: appointment of Pierre Bouchut as a Director

Explanation

The purpose of the eleventh resolution is to appoint Pierre Bouchut as a Director to replace Michel Bleitrach, whose term of office expires at the close of the General Meeting and who does not wish to stand for office again.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors proposes that the General Meeting appoint him as a Director for a four-year term of office, expiring at the close of the General Meeting called in 2022 to approve the financial statements for the 2021 financial year. If the shareholders approve the appointment, Pierre Bouchut will also replace Michel Bleitrach as Chairman of the Audit, Accounts and Risks Committee.

Pierre Bouchut is a graduate of HEC business school, holds a Master's degree in applied economics from Paris Dauphine University and is a reserve officer with the French Navy. He has many years' experience in finance, retail, industry and other sectors. He began his career with Citibank and McKinsey. He has also served as Chief Finance Officer and then Chief Executive Officer of the Casino group, Chief Finance Officer and member of the Management Board of Schneider Electric, Chief Finance Officer of the Carrefour group and the Delhaize Group, and Operational Head of European activities and member of the Management Board of Ahold Delhaize. He currently acts as an advisor to Ahold Delhaize, and sits on the Boards of Hammerson in the UK and Firmenich in Switzerland, also chairing their Audit Committees.

The Board of Directors has reviewed Pierre Bouchut's situation and considers that he qualifies as an independent Director. Pierre Bouchut does not have any direct or indirect business relationship with the Company or its Group.

The Board of Directors invites the shareholders to approve this resolution.

Additional informations

Pierre Bouchut

- Born on 22 August 1955, he has French nationality
- Business address: 25 rue de Longchamp, 92200 Neuilly-sur-Seine
- He does not hold any Albioma shares on the date of filing of the 2017 Registration Document.

Offices and positions held as at the 2017 Registration Document filing date

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

Hammerson PLC (UK) ¹	Director and Chairman of the Audit Committee
Firmenich SA (Switzerland) ¹	Director and Chairman of the Audit Committee
Qualium Investissement SAS	Member of the Advisory Board
Groupement Forestier de Meymac-Villemaury	Manager

Offices and positions held during the last five years, expired as at the 2017 Registration Document filing date

WITHIN THE ALBIOMA GROUP

None

OUTSIDE THE ALBIOMA GROUP

		Expiry
Ahold Delhaize NV (Netherlands) ¹	Member of the Management Board	2017
La Rinascente Spa (Italia)	Director	2017
Lombard Odier Asset Management SA (Suisse)	Member of the Advisory Board	2017

1. Listed company.

Eleventh resolution — Record of the expiry of the term of office as a Director of Michel Bleitrach, who does not wish to stand for office again, and appointment of Pierre Bouchut as a Director

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

records that the term of office of Michel Bleitrach, who does not wish to stand for office again, will expire at the close of this General Meeting,

and resolves to appoint Pierre Bouchut as a Director for a four-year term of office expiring at the close of the General Meeting called in 2022 to approve the financial statements for the financial year ending 31 December 2021.

7.2.1.8. Resolution 12: grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

Explanation

The purpose of the twelfth resolution is to renew the grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme.

During the 2017 financial year, the Board of Directors held two successive authorisations to buy back the Company's own shares within the framework of a share buyback programme, granted by the General Meetings of 24 May 2016 and 31 May 2017. The authorisation granted on 31 May 2017 invalidated the unused part of the authorisation granted on 24 May 2016.

During the 2017 financial year, shares were bought back pursuant to these authorisations in order to allow Rothschild Martin Maurel (formerly Rothschild & Cie Banque) to implement a liquidity contract designed to improve liquidity of the Albioma share on the Euronext Paris market (see further information in section 6.3.6.2 on page 266 *et seq.* of the 2017 Registration Document).

Detailed information on the Board of Directors' use of these authorisations can be found in sections 6.2.2.2 on page 259 *et seq.* and 6.3.6.2 on page 266 *et seq.* of the 2017 Registration Document.

The Board of Directors proposes that the shareholders renew the existing authorisation, granted on 31 May 2017, for a period of 18 months and cancel the unused part of the authorisation. If the General Meeting approves this proposal, the objectives that could be met within the framework of the authorisation granted will be as follows, in decreasing order of priority:

- the implementation of a liquidity contract,
- the implementation of the Company's bonus share plans, stock option plans and any allotments, allocations or sales of shares, in particular under any scheme to share in the Company's profits;
- the delivery of shares when rights attached to securities giving access to the Company's shares are exercised;
- the cancellation of the shares bought back within the framework of a capital reduction under the terms and conditions set out in the thirteenth resolution of the General Meeting;
- the keeping of shares with a view to their subsequent delivery as payment or in exchange within the framework of external growth operations;

- the implementation of any other market practices accepted or recognised by the law or the AMF and, more generally, the fulfilment of any other objective allowed by applicable regulations.

The maximum number of shares that may be purchased under this authorisation may not exceed 10% of the capital on the date of purchase. Share purchases may not, under any circumstances, result in the Company directly or indirectly holding more than 10% of its capital. As an exception to the above, the maximum number of shares that may be purchased in order to keep them and subsequently deliver them as payment or in exchange within the framework of a merger, demerger or contribution may not exceed 5% of the capital on the date of purchase.

The aggregate purchases, net of costs, may not exceed €30 million. The maximum purchase price per share may not exceed €28, subject to the adjustments required under applicable laws and regulations.

The purchases may be carried out by any means, on the market or off the market, including through block trades, although trading in options and derivatives is prohibited.

In the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.

A description of this share buyback programme can be found in section 6.3.6.2 on page 270 of the 2017 Registration Document.

The Board of Directors invites the shareholders to approve this resolution.

Twelfth resolution — Grant of authorisation to the Board of Directors to allow the Company to buy back its own shares within the framework of a share buyback programme

The General Meeting, voting in accordance with the quorum and majority requirements for Ordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting,

resolves to authorise the Board of Directors, in accordance with Article L. 225-209 *et seq.* of the French Commercial Code, Articles 241-1 to 241-6 of the AMF's General Regulation and EC Regulation no. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse, to purchase or arrange for the purchase of the Company's shares, resolves that the objectives of such share purchases will be as follows, in decreasing order of priority:

- to ensure liquidity and foster the market for the Company's shares through the intermediary of an investment services

provider acting completely independently under a liquidity contract and in accordance with a code of conduct acknowledged by the AMF, to implement all of the Company's stock option plans in accordance with Article.

- to implement all allotments of bonus shares under a company or group savings plan in accordance with Article L.3332-1 *et seq.* of the Labour Code, or in accordance with Article L.225-197-1 *et seq.* of the French Commercial Code, all stock option plans for the purchase of Company shares in accordance with Article L. 225-177 *et seq.* of the French Commercial Code, and all allotments, allocations or sales of shares, in particular under any scheme to share in the Company's profits, and to carry out any hedging transactions in connection therewith, in accordance with the terms and conditions laid down by applicable laws and regulations and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority,
- to deliver shares when rights attached to securities giving immediate or subsequent access, by any means, to the Company's shares are exercised, and to carry out any hedging transactions in connection with the Company's obligations related to such securities, under the terms and conditions laid down by applicable laws and regulations and at the times chosen by the Board of Directors or the person to whom the Board of Directors has delegated authority,
- to cancel all or some of the shares bought back under this authorisation within the framework of a capital reduction, under the terms and conditions set out in the thirteenth resolution of this General Meeting or any subsequent authorisation replacing it,
- to keep the shares with a view to their subsequent delivery as payment or in exchange within the framework of acquisitions, in accordance with the applicable laws and regulations,
- to implement any other market practices accepted or recognised by the law or the AMF and, more generally, to achieve any other objective allowed by applicable regulations,

resolves that this authorisation may be implemented subject to the following terms and conditions:

- the maximum number of shares that can be purchased may not exceed 10% of the number of shares comprising the capital on the date of purchase, and purchases made by the Company pursuant to this authorisation may not, under any circumstances, result in it directly or indirectly holding more than 10% of the shares comprising the share capital,
 - the number of shares that can be purchased by the Company in order to keep them and subsequently deliver them as payment or in exchange within the framework of a merger, demerger or contribution may not exceed 5% of the shares comprising the capital on the date of purchase,
 - the aggregate purchases, net of costs, may not exceed €30 million.
 - the maximum purchase price per share must not exceed €28, and in the event of capital transactions such as the capitalisation of reserves followed by the issue and allotment of shares and/or a stock split or reverse stock split operation, this maximum purchase price will be adjusted accordingly by applying a factor corresponding to the ratio between the number of shares comprising the capital before the relevant transaction and the number of shares after the transaction,
- resolves that the purchase, sale or transfer of the shares may be carried out, in compliance with applicable regulations, by any means, in particular on the market or off the market, in particular over-the-counter, including through block trades or a public offering. There is no limit on the proportion of securities subject to block trading, and block trades may account for the entire share buyback programme. However, trading in options or derivatives is prohibited,
- notes that the shares purchased and kept by the Company shall be stripped of their voting rights, and that no dividend will be paid thereon,
- resolves to grant this authorisation for a period of 18 months, with effect from the date of this General Meeting,
- resolves that this authorisation cancels and supersedes the unused part of the authorisation granted in the seventeenth resolution adopted at the General Meeting held on 31 May 2017,
- resolves that in the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.
- and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this share buyback programme and, more specifically, to place any orders on the market, sign any agreements, including agreements relating to registers of share purchases and sales, draw up any documents, including in particular information documents, carry out all formalities and file all statements, including the allocation or reallocation of shares purchased on the basis of the various objectives, and, more generally, do whatever is necessary and appropriate.

7.2.2. RESOLUTIONS PUT TO THE EXTRAORDINARY GENERAL MEETING

7.2.2.1. Resolution 13: grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme

Explanation

The purpose of the thirteenth resolution is to renew the authorisation granted to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme.

The Statutory Auditors have issued a report on this resolution, set out in section 7.3.1 on page 313 of the 2017 Registration Document.

The Board of Directors has not used the existing authorisation, granted to it by the General Meeting at its meeting of 31 May 2017.

The Board of Directors proposes that the General Meeting renew this authorisation for a period of 18 months and cancel the unused part of the existing authorisation.

If the General Meeting approves this proposal, the authorisation granted will allow the Company to fulfil one of the objectives authorised within the framework of a share buyback programme.

As part of this authorisation, the share capital may be reduced, in one or several transactions, within the limit of 10% of the capital per 24-month period, by cancelling the shares acquired within the framework of a share buyback programme.

The Board of Directors invites the shareholders to approve this resolution.

Thirteenth resolution — Grant of authorisation to the Board of Directors to reduce the Company's capital by cancelling shares purchased by the Company within the framework of a share buyback programme

The General Meeting, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings,

and having taken note of the following:

- the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the thirteenth resolution,

resolves to authorise the Board of Directors, in accordance with Article L.225-209 *et seq.* of the Commercial Code, to reduce the capital in one or several transactions, in the

proportions and at the times decided by it, by cancelling all or part of the shares acquired within the framework of any authorised share buyback programme, within a limit of 10% of the capital per 24-month period,

resolves to grant this authorisation for a period of 18 months, with effect from the date of this General Meeting,

resolves that this authorisation cancels and supersedes the unused part of the authorisation granted in the eighteenth resolution adopted at the General Meeting held on 31 May 2017,

and grants full powers to the Board of Directors, with the power to sub-delegate pursuant to applicable laws and regulations, in order to reduce the capital by cancelling shares, and in particular to set the final amount of the capital reduction, define the terms and conditions and record completion, charge the difference between the carrying amount of the cancelled shares and their par value to any available reserves or premium accounts, amend the Memorandum and Articles of Association accordingly, carry out all formalities and file all statements and, more generally, do whatever is necessary and appropriate.

7.2.2.2. Resolution 14: grant of authorisation to the Board of Directors to allot existing bonus performance shares to the employees and executive corporate officers of the Company, and to certain employees and executive corporate officers of related companies

Explanation

The purpose of the fourteenth resolution is to authorise the Board of Directors to allot existing bonus performance shares to the employees and executive corporate officers (i.e., on the date of filing of the 2017 Registration Document, the Chief Executive Officer) of the Company and to certain employees and executive corporate officers of its subsidiaries.

The Statutory Auditors have issued a report on this resolution, set out in section 7.3.2 on page 313 *et seq.* of the 2017 Registration Document.

This resolution is consistent with the policy to offer long-term incentives to Group employees and corporate officers, which was first introduced in 2012, and has led to the introduction of bonus performance share plans in 2012, 2014 and 2016. Only the plans introduced in 2016 and open to managers and administrative staff of the Company and its Brazilian subsidiary Albioma Participações do Brasil were in operation as at the date of filing of the 2017 Registration Document.

Accordingly, a new bonus performance share plan needs to be set up in 2018 to foster loyalty and motivate the Group's key employees, and to align Group interests with those of its shareholders.

The Board of Directors asks the General Meeting to authorise it, for a 38-month period, to allot a maximum of 919,000 bonus performance shares, representing approximately 3% of the capital as at 31 December 2017.

If the General Meeting grants the Board of Directors authorisation, the bonus performance shares would be available to a limited number of employees and corporate officers of the Company and of some of its subsidiaries under three successive plans, to be introduced over three years from 2018, each of which would award one-third of the maximum number of performance shares that may be awarded pursuant to the authorisation. The total number of performance shares that could be awarded to the executive corporate officers (i.e., on the date of filing of the 2017 Registration Document, the Chief Executive Officer) of the Company will be capped at 10% of the authorisation requested, namely at 91,900 performance shares.

For each plan, the effective acquisition of the shares will be subject to the achievement of performance conditions at the end of a three-year acquisition period. Shares effectively acquired must be held for at least one year, notwithstanding

the obligation made to executive corporate officers (i.e., on the date of filing of the 2017 Registration Document, the Chief Executive Officer) of the Company to keep at least 25% of effectively acquired performance shares in registered form until they cease to hold office.

It is intended that effective acquisition of the shares under each of the plans introduced would depend upon the satisfaction of internal and external performance conditions based on growth in EBITDA, growth in consolidated net income per share, performance with respect to total shareholder return, and the increase in the proportion of the Group's total electricity production corresponding to renewable energies. These criteria will be measured over periods of three financial years from the start of each plan.

For information, the performance conditions approved by the Board of Directors for the plan to be set up in 2018 are shown in the next table. Those for the plans to be set up in 2019 and 2020 will be determined by the Board of Directors at the appropriate time.

Performance indicator	Weighting	Performance-related condition	Performance range	Calculation of number of shares that may be effectively acquired
EBITDA	25%	Increase in 2020 consolidated EBITDA compared to 2017	Lower limit: +30% Higher limit: +50%	Linear interpolation between these two points
Consolidated net income per share	25%	Increase in 2020 net consolidated income per share compared to 2017	Lower limit: +35% Higher limit: +57%	Linear interpolation between these two points
Total shareholder return	25%	A rise in the market price, net dividends reinvested (average over 120 days) that outperforms the rise in the CAC Small NR (CACSN) index between 01/01/2018 and 31/12/2020	Lower limit: 0% Higher limit: 5%	Linear interpolation between these two points
Renewable energy as a percentage of total power output	25%	Increase in the proportion of total power output corresponding to renewable energies between 2017 and 2020	Lower limit: +17% Higher limit: +32%	Linear interpolation between these two points

Under each plan envisaged, the performance conditions would be combined with a requirement that the employees remain in employment during the acquisition period. The Board of Directors would nevertheless be entitled to set longer acquisition periods for employees eligible for either plan who are not French tax residents, without a lock-in period if appropriate. Lastly, performance shares could be effectively acquired before the end of the acquisition period if beneficiaries are classed as disabled, in the second or third category defined in Article L. 341-4 of the Social Security Code, in which case the performance shares would be immediately transferable.

If the General Meeting grants this authorisation, the Board of Directors will determine the identity of the persons to whom the performance shares will be allotted. Its decision will be based on proposals by Executive Management previously referred to the Nomination and Remuneration Committee for an opinion, in accordance with the rules set out above, which were adopted by the Board of Directors on the basis of recommendations by the Nomination and Remuneration Committee.

Performance shares effectively acquired and awarded under any of these plans in the event of the achievement of performance conditions will be shares previously held by the Company, and will not be issued as the result of a capital increase.

The Board of Directors will report on its use of this authorisation at the next Ordinary General Meeting, in accordance with the applicable laws and regulations.

The Board of Directors invites the shareholders to approve this resolution.

Fourteenth resolution — Grant of authorisation to the Board of Directors to allot existing bonus performance shares to the employees and executive corporate officers of the Company, and to certain employees and executive corporate officers of related companies

The General Meeting, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings,

and having taken note of the following:

- the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the fourteenth resolution,

in accordance with Article L. 225-197-1 *et seq.* of the Commercial Code,

authorises the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to allot existing shares in the Company, in one or more allotments, to salaried employees and executive

corporate officers of the Company and/or companies or groupings that are directly or indirectly related to the Company in accordance with Article L. 225-197-1 *et seq.* of the French Commercial Code,

resolves that the number of bonus shares that may be allotted pursuant to this authorisation may not exceed 919,000 shares (i.e. approximately 3% of the capital as at 31 December 2017), subject to regulatory adjustments required to protect beneficiaries' rights,

resolves that the number of bonus shares that may be allotted to the Company's executive corporate officers pursuant to this authorisation may not exceed 91,900 shares (i.e. 10% of the aggregate cap applicable to this authorisation), subject to regulatory adjustments required to protect beneficiary rights,

resolves that the Board of Directors will determine the identity of the beneficiaries, the number of shares to be allotted to each of them, and the allotment conditions,

resolves that the allotted shares will only be effectively acquired subject to the satisfaction of internal and/or external performance conditions, at the end of a minimum acquisition period of three years combined with a minimum lock-in period of one year, on the understanding that the Board of Directors will be entitled to impose a longer acquisition period prior to effective acquisition of the shares, without a lock-in period if appropriate,

resolves that shares may be effectively acquired before the end of the acquisition period if beneficiaries are classed as disabled, in the second or third category defined in Article L. 341-4 of the Social Security Code, in which case the shares will be immediately transferable.

notes that the Company's executive corporate officers will be required to keep at least 25% of effectively acquired shares in registered form until they cease to hold office,

authorises the Board of Directors, where applicable, to adjust the number of bonus shares allotted during the acquisition period in the event of financial transactions modifying the number of Company securities that do not also modify the amount of shareholders' equity (in particular in the event of a stock split or a reverse stock split),

resolves to grant this authorisation for a period of 38 months, with effect from the date of this General Meeting,

notes that the Board of Directors shall be required to report on its use of this authorisation at the next Ordinary General Meeting, in accordance with the applicable laws and regulations,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this authorisation, and in particular to:

- determine the identity of beneficiaries and the number of shares allotted to each beneficiary,
- set, in accordance with the provisions and limits of applicable laws and regulations, the dates on which the bonus shares will be allotted,
- establish the other conditions and terms of share allotments, in particular the acquisition and lock-in periods for the allotted shares, in accordance with the principles set out in the Board of Directors' report to the General Meeting,
- decide the terms and conditions under which the number of bonus shares allotted will be adjusted, in accordance with applicable laws and regulations, and
- take such steps as are appropriate and enter into any agreements to implement this authorisation, in particular to ensure the successful completion of the planned share allotments, carry out all formalities and file all statements relevant for the allotment of the shares as well as the exercise of the rights attached thereto and request any and all permissions that prove necessary.

7.2.2.3. Resolution 15: delegation of authority to the Board of Directors to decide to issue redeemable share subscription and/or purchase warrants ('BSAAR warrants') to employees and executive corporate officers of the Company and its subsidiaries, with the waiver of preferential subscription rights

Explanation

The purpose of the fifteenth resolution is to delegate authority to the Board of Directors to decide to issue, with the waiver of preferential subscription rights, redeemable share subscription and/or purchase warrants ('BSAAR warrants') to employees and executive corporate officers (i.e., on the date of filing of the 2017 Registration Document, the Chief Executive Officer) of the Company and its subsidiaries, both in France and abroad.

The Statutory Auditors have issued a report on this resolution, set out in section 7.3.3 on page 314 *et seq.* of the 2017 Registration Document.

This resolution is proposed in response to the wish expressed by all the Group's senior managers (i.e., approximately 40 people, including the Company's Chief Executive Officer and the other Executive Committee members) to invest in the medium term, without any contribution from the Company, a considerable proportion of their personal savings in Albioma shares in order to support the roll-out of Company strategy via a financial product with a potential for substantial gain if the share performs well on the market, but with a high risk of losing the full amount invested. The requested authorisation would thus offer optimal alignment of the interests of the

Group's senior managers with those of its shareholders, over the medium term.

The Board of Directors proposes that the General Meeting grant this delegation for a period of 18 months.

If the shareholders adopt this resolution, the Board of Directors will have the authority to decide, with the power to sub-delegate, to issue redeemable share subscription and/or purchase warrants ('BSAAR warrants') to employees and executive corporate officers of the Company and its French and foreign subsidiaries.

Each BSAAR warrant will entitle its holder, for a set period of time, to subscribe for (or, if the Company so decides, to purchase) one Albioma share at a predetermined price. The maximum nominal amount of any capital increases that may be carried out as a result of this delegation may not exceed 3.5% of the capital on the date on which the issue is decided. This will be increased, where applicable, by the additional nominal amount of the shares that may be issued to protect the rights of holders of securities giving access to capital.

The shareholders' preferential subscription rights to the BSAAR warrants to be issued pursuant to this delegation of authority will be waived, in favour of employees and executive corporate officers (i.e., on the date of filing of the 2017 Registration Document, the Chief Executive Officer) of the Company and of its French and foreign subsidiaries. The Board of Directors will draw up a list of persons within this category who will be authorised to subscribe for the BSAAR warrants, indicating the maximum number of warrants available to each person. Within this framework, the executive corporate officers of the Company shall refrain from voting on the fifteenth resolution.

If this delegation is used, the issue price of the BSAAR warrants will be determined by the Board of Directors on the basis of the instrument's market value, and the calculation will be confirmed by a report by an independent expert appointed by the Board of Directors. The subscription price will be based on a number of parameters affecting the value of the warrants on their issue date, including in particular the warrant exercise price, the lock-in period and the exercise period, the threshold at which the redemption option may be triggered, the redemption period, the interest rate, the dividend policy, the price and the volatility of the Company share.

The Board of Directors will also determine the BSAAR warrant exercise price, on the understanding that each warrant will entitle its holder to subscribe for (or, if the Company so decides, to purchase) one Albioma share at a predetermined price, which will correspond to 120% of the average closing price of the Company's shares over the 20 trading days prior to the date of the issue decision.

The BSAAR warrants that may be issued pursuant to this delegation of authority will remain locked in and may not be exercised for at least three years. At the end of the three-year lock-in period, the warrants may be exercised or sold during an exercise period of at least three years, on the understanding that the issued warrants will be listed on Euronext or Euronext Growth. The Board of Directors will accordingly be entitled to require that the warrants are exercised within a set time period, in which case any warrants that are not exercised within that time period will be redeemed at a symbolic price only. The Board of Directors will determine the threshold at which the redemption option may be triggered, the redemption period and the price at which warrants will be redeemed.

Under this delegation, shareholders will be automatically deemed to have waived, in favour of the holders of the BSAAR warrants issued, their preferential subscription rights in respect of shares in the Company to which said holders will be entitled by exercising said warrants.

In the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.

The Board of Directors will report on its use of this delegation of authority at the next Ordinary General Meeting, in accordance with the applicable laws and regulations.

The Board of Directors invites the shareholders to approve this resolution.

Fifteenth resolution — Delegation of authority to the Board of Directors to decide to issue redeemable share subscription and/or purchase warrants ('BSAAR warrants') to employees and executive corporate officers of the Company and its subsidiaries, with the waiver of preferential subscription rights

The General Meeting, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings,

and having taken note of the following:

- the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the fifteenth resolution,

in accordance with the provisions of Article L. 228-91 *et seq.*, Article L. 225-129 *et seq.* and Article L. 225-138 of the French Commercial Code,

delegates to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, its authority to decide one or more issues, in the proportions and at the times it deems fit, of redeemable share subscription and/or purchase warrants ('BSAAR warrants'), to be subscribed for in cash or by the set-off of liquid and payable receivables,

resolves that the maximum nominal amount of the capital increases resulting from this delegation may not exceed 3.5% of the capital on the date on which the issue is decided, on the understanding that this amount will be increased, where applicable, by the additional nominal amount of ordinary shares that may be issued to protect the rights of holders of securities giving access to capital, in accordance with applicable laws and regulations and any applicable contractual provisions providing for other cases of adjustment,

resolves to waive the preferential subscription rights granted to shareholders in respect of the BSAAR warrants to be issued pursuant to this delegation, in favour of the employees and executive corporate officers (i.e., on the date of filing of the 2017 Registration Document, the Chief Executive Officer) of the Company and its French and foreign subsidiaries, and to grant full authority to the Board of Directors to issue the list of the persons authorised to subscribe the BSAAR warrants and determine the maximum number of BSAAR warrants that those persons may be authorised to subscribe,

resolves that the Board of Directors:

- will determine the total number of BSAAR warrants to be issued, the issue procedures, the terms and conditions of the issue agreement and, more generally, all their characteristics including in particular the subscription price, which will be determined on the basis of the instrument's market value, the calculation of which will be confirmed by a report by an independent expert. The subscription price will be based on a number of parameters affecting the value of the warrants on their issue date, including in particular the warrant exercise price, the lock-in period and the exercise period, the threshold at which the redemption option may be triggered, the redemption period, the interest rate, the dividend policy, the price and the volatility of the Company share;
- will determine the BSAAR warrant exercise price, on the understanding that each warrant will entitle its holder to subscribe for (or, if the Company so decides, to purchase) one Albioma share at a predetermined price, which will correspond to 120% of the average closing price of the Company's shares over the 20 trading days prior to the date of the issue decision,

records that under this delegation, shareholders will be automatically deemed to have waived, in favour of the holders of the BSAAR warrants issued, their preferential subscription rights in respect of shares in the Company to which said holders may be entitled by exercising said warrants,

resolves to grant this delegation for a period of 18 months, with effect from the date of this General Meeting,

resolves that, in the event that the Board of Directors uses this delegation, it will be required to report back to the next

Ordinary General Meeting on its use of this delegation in accordance with applicable laws and regulations,

resolves that in the event of a public offering for the Company's shares, this delegation will be suspended automatically during the offer period,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this delegation, and in particular to:

- determine the minimum and maximum number of warrants available to each beneficiary,
- set the lock-in period for the warrants,
- determine the final number of warrants to be issued at the end of the subscription period,
- set the time periods during which the warrants will entitle their holders to purchase or subscribe for Company shares, and the percentages that can be purchased or subscribed for,
- determine the number of shares to be issued, their issue price and the date from which dividend and other rights will accrue,
- set all terms and conditions of the redemption faculty, in particular the threshold triggering the said faculty, the redemption period and the redemption price,
- record, once or more than once, with the power to sub-delegate, completion of any capital increase that may result from the exercise of the warrants and amend the Memorandum and Articles of Association accordingly,
- unilaterally decide to allocate the cost of the capital increase against the amount of the relevant premiums and deduct the sums required to fund the statutory reserve from this amount, and
- make any adjustments necessary to take account of the impact of transactions involving the Company's capital, including in particular changes to the nominal value of shares, capitalisation of reserves, the award of bonus shares, or any other transaction involving the shareholders' equity or the capital, and determine the terms and procedures that may be introduced to protect the rights of warrant holders,
- amend the warrant issue agreement if it considers this necessary (subject to the consent of the warrant holders when necessary),
- and take such steps as are appropriate and enter into any agreements for the purpose of implementing this delegation, in particular to ensure the successful completion of the planned issues, record completion and make the corresponding amendments to the Memorandum and Articles of Association, carry out all formalities relevant for the issue, listing and financial administration of the securities issued under this delegation as well as the exercise of the rights attached thereto and request any and all permissions that prove necessary.

7.2.2.4. Resolution 16: delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving access to capital to members of company or group savings plans, with the waiver of preferential subscription rights

Explanation

The purpose of the sixteenth resolution is to renew the delegation of authority granted to the Board of Directors to decide to issue ordinary shares and/or securities giving immediate or subsequent access to capital to members of company or group savings plans, with the waiver of preferential subscription rights, pursuant to Article L. 225-129-6 paragraphs 1 and 2 of the French Commercial Code.

The Statutory Auditors have issued a report on this resolution, set out in section 7.3.4 on page 315 *et seq.* of the 2017 Registration Document.

The Board of Directors has not used the existing delegation, granted to it by the General Meeting at its meeting of 31 May 2017.

The Board of Directors proposes that the General Meeting renew this delegation for a period of 26 months and cancel the existing delegation.

If the General Meeting approves this proposal, the Board of Directors will have the authority to decide, with the power to sub-delegate, to issue shares and/or securities giving immediate or subsequent access to capital to members of one or more company or group savings plans.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed 0.75% of the capital on the date on which the issue is decided. This amount will be applied against the aggregate cap of 30% referred to in the nineteenth resolution adopted by the General Meeting of 31 May 2017 and, if applicable, against the aggregate maximum set in any other resolution having the same subject matter that may be adopted subsequently by the General Meeting. It will be increased, where applicable, by the additional nominal amount of the shares that may be issued to protect the rights of holders of securities giving access to capital.

The preferential subscription rights granted to shareholders in respect of the securities to be issued under this delegation will be waived in favour of members of the relevant savings plans.

If this delegation is used, the issue price of new shares or securities giving access to capital will be determined in accordance with the provisions of Article L. 3332-18 *et seq.* of the Labour Code and may not be less than 80% of the average opening price of the Company's shares on Euronext Paris in the 20 trading days prior to the date of the Board of Directors' decision setting the date on which the subscription period opens (or 70% of the same average price when the lock-in period provided in the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the Labour Code is ten years or more).

Within this framework, the Board of Directors will be authorised to reduce or cancel the above-mentioned discount, within the limits of applicable laws and regulations, in particular in order to take into account, where applicable, the legal, accounting, fiscal and employment framework of the countries in which the beneficiaries reside.

The Board of Directors may also decide to allot existing or future shares or other securities giving access to capital to members of the above-mentioned savings plans, free of charge, by way of:

- the employer's contribution that may be paid under the rules governing company or group savings plans,
- and/or, where applicable, the discount that may be applied to the subscription price in accordance with the provisions set out above.

If the members of the relevant savings plans do not subscribe for the entire capital increase within the allotted time, the capital will only be increased by the amount of the shares subscribed for and the remaining shares may be offered again to said beneficiaries within the framework of a capital increase carried out at a later date.

In the event of the issue of securities giving access to the capital, under this delegation shareholders are automatically deemed to have waived their preferential subscription rights in favour of the holders of the securities issued, in respect of shares in the Company to which said holders may be entitled under the rights attaching to said securities.

In the event of a public offering for the Company's shares, this authorisation will be suspended automatically during the offer period.

The Board of Directors will report on its use of this delegation of authority at the next Ordinary General Meeting, in accordance with the applicable laws and regulations.

The Board of Directors invites the shareholders to approve this resolution.

Sixteenth resolution — Delegation of authority to the Board of Directors to decide to issue ordinary shares and/or securities giving access to capital to members of company or group savings plans, with the waiver of preferential subscription rights

The General Meeting, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings,

and having taken note of the following:

- the report of the Board of Directors for the General Meeting,
- the report of the Statutory Auditors on the sixteenth resolution,

in accordance with the provisions of Articles L. 225-129-2, L. 225-129-6 paragraphs 1 and 2, L. 225-138-1 and L. 228-91-1 *et seq.* of the Commercial Code and Article L. 3332-1 *et seq.* of the Labour Code,

delegates to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, its authority to decide to issue shares and/or securities giving access to capital, immediately or in the future, to members of company or group savings plans established jointly by the Company and French or foreign related companies in accordance with the provisions of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the Labour Code,

resolves to waive the preferential subscription rights granted to shareholders in respect of the securities to be issued under this delegation in favour of the beneficiaries defined above, resolves that the issue price of new shares or securities giving access to capital will be determined in accordance with the provisions of Article L. 3332-18 *et seq.* of the Labour Code and may not be less than 80% of the average opening price of the Company's shares on Euronext Paris in the 20 trading days prior to the date of the Board of Directors' decision setting the date on which the subscription period opens (or 70% of the same average price when the lock-in period provided in the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the Labour Code is ten years or more).

and expressly authorises the Board of Directors to reduce or cancel the above-mentioned discount, within the limits of applicable laws and regulations, in particular in order to take into account, where applicable, the legal, accounting, fiscal and employment framework of the countries in which the beneficiaries reside.

resolves that the maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed 0.75% of the Company's capital on the date on which the issue is decided, it being specified that:

- the nominal amount of the capital increases that may result from the implementation of this delegation of authority will

be applied against the aggregate cap of 30% referred to in the nineteenth resolution adopted by the General Meeting of 31 May 2017 and, if applicable, against the aggregate maximum set in any other resolution having the same subject matter that may be adopted subsequently by the General Meeting,

- this amount will be increased, where applicable, by the additional nominal amount of ordinary shares that may be issued to protect, in accordance with applicable laws and regulations and any applicable contractual provisions providing for other cases of adjustment, the rights of holders of securities giving access to capital,

resolves, pursuant to the provisions of Article L. 3332-21 of the French Labour Code, that the Board of Directors may decide to allot existing or future shares or other securities giving access to the Company's capital to the beneficiaries defined above, free of charge, by way of the employer's contribution that may be paid under the rules governing company or group savings plans, and/or, if applicable, the discount,

and also resolves that if the beneficiaries described above do not subscribe for the entire capital increase within the allotted time, the capital will only be increased by the amount of the shares subscribed for and the remaining shares may be offered again to said beneficiaries within the framework of an increase to be carried out at a later date,

notes that, in the event of the issue of securities giving access to the capital, under this delegation shareholders are automatically deemed to have waived their preferential subscription rights in respect of ordinary shares in the Company to which said holders may be entitled under the rights attaching to said securities, in favour of the holders of the securities issued,

resolves to grant this delegation for a period of 26 months, with effect from the date of this General Meeting,

resolves that this delegation invalidates the unused part of any previous delegation having the same purpose,

resolves that, in the event that the Board of Directors uses this delegation, it will be required to report back to the next Ordinary General Meeting on its use of this delegation in accordance with applicable laws and regulations,

resolves that in the event of a public offering for the Company's shares, this delegation will be suspended automatically during the offer period,

and grants full powers to the Board of Directors, with the power to sub-delegate to any person authorised pursuant to applicable laws and regulations, to implement this delegation, and in particular to:

- decide that subscriptions may be made directly or through employee mutual funds or other vehicles or entities allowed under applicable laws and regulations,

- establish the criteria applicable to companies, in order to allow their employees to benefit from the capital increases carried out under this delegation and draw up a list of said companies,
- determine the dates, terms and conditions and procedures for the issues carried out under this delegation, in particular the subscription price, fix the dates on which the subscription period opens and closes, the dates on which dividend and other rights accrue, the arrangements for paying up shares in the Company and grant extra time for payment thereof,
- unilaterally decide to allocate the cost of the capital increase against the amount of the relevant premiums and deduct the sums required to fund the statutory reserve from this amount, and
- take such steps as are appropriate and enter into any agreements for the purpose of implementing this delegation, in particular to ensure the successful completion of the planned issues, record completion in the amount of the shares subscribed for and make the corresponding amendments to the Memorandum and Articles of Association, carry out all formalities and file all statements relevant for the issue, listing and financial administration of the securities issued under this delegation as well as the exercise of the rights attached thereto and request any and all permissions that may prove necessary.

7.2.2.5. Resolution 17: powers to carry out formalities

Explanation

The purpose of the seventeenth resolution is to grant holders of the original, copies or extracts of the minutes of the General Meeting the necessary powers to carry out standard public notice and filing formalities.

The Board of Directors invites the shareholders to approve this resolution.

Seventeenth resolution – Powers to carry out formalities

The General Meeting, voting in accordance with the quorum and majority requirements for Extraordinary General Meetings, and having taken note of the report of the Board of Directors for the General Meeting, grants full powers to holders of the original, copies or extracts of the minutes of this General Meetings to carry out all public notice, filing and other formalities required under applicable laws and regulations.

7.3. Reports by the Statutory Auditors on the resolutions

7.3.1. REPORT BY THE STATUTORY AUDITORS ON THE CAPITAL REDUCTION (THIRTEENTH RESOLUTION)

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

In our capacity as Statutory Auditors of your Company, and in performance of our duties pursuant to Article L. 225-209 of the French Commercial Code (*Code de commerce*) in the event of a reduction in the share capital through the cancellation of shares previously repurchased, we hereby report on our assessment of the causes, terms and conditions of the proposed reduction in capital.

Your Board of Directors proposes that you grant it full powers for an 18-month period with effect from the date of this Meeting to cancel shares corresponding to a maximum of 10% of the capital per 24-month period that have been purchased as a result of the implementation of an authorisation to purchase Company shares within the framework of the aforementioned article.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. These procedures consist of verifying that the causes, terms and conditions of the proposed capital reduction are fair and are not likely to adversely affect equality between the shareholders.

We do not have any observations with regard to the causes, terms and conditions of the proposed capital reduction.

Neuilly-sur-Seine and Courbevoie, on 26 April 2018.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan
Partner

Mazars

Daniel Escudeiro
Partner

7.3.2. REPORT BY THE STATUTORY AUDITORS ON THE AUTHORISATION TO ALLOT EXISTING SHARES AS BONUS SHARES (FOURTEENTH RESOLUTION)

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

In our capacity as Statutory Auditors of your Company and in performance of our duties pursuant to Article L. 225-197-1 of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed authorisation to allot existing shares as bonus shares to salaried employees and executive corporate officers of your Company and to salaried employees and corporate officers of companies or groupings directly or indirectly related to the Company within the meaning of Articles L. 225-197-1 et seq. of the French Commercial Code, on which you are asked to vote.

The number of bonus shares to be allotted under this authorisation may not exceed 919,000.

The number of bonus shares that may be allotted under this authorisation to executive corporate officers of the Company may not exceed 91,900.

On the basis of its report, your Board of Directors proposes that you authorise it for a 38-month period to allot existing shares as bonus shares.

The Board of Directors is responsible for drawing up a report on this planned operation. It is our duty to inform you of any observations we may have on the information we have received about the planned operation.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. These procedures essentially consist of verifying that the planned terms and conditions, as described in the Board of Directors' report, comply with the applicable laws.

We do not have any observations with regard to the information contained in the Board of Directors' report on the planned authorisation of the allotment of bonus shares.

Neuilly-sur-Seine and Courbevoie, on 26 April 2018.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan

Partner

Mazars

Daniel Escudeiro

Partner

7.3.3. REPORT BY THE STATUTORY AUDITORS ON THE ISSUE OF REDEEMABLE SHARE SUBSCRIPTION AND/OR PURCHASE WARRANTS ('BSAAR WARRANTS'), WITH THE WAIVER OF PREFERENTIAL SUBSCRIPTION RIGHTS (FIFTEENTH RESOLUTION)

PricewaterhouseCoopers Audit

63 rue de Villiers

92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault

92400 Courbevoie

To the Albioma General Meeting,

In our capacity as Statutory Auditors of your Company and in performance of our duties pursuant to Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby present our report on the proposed delegation of authority to the Board of Directors to decide to issue redeemable share subscription and/or purchase warrants ('BSAAR warrants'), with waiver of preferential subscription rights, to employees and executive corporate officers of the Company and of its French and foreign subsidiaries, on which you are asked to vote.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed 3.5% of the capital on the date on which the issue is decided.

On the basis of its report, your Board of Directors proposes that you authorise it for a 18-month period to decide on an issue and to waive your preferential right to subscribe to the securities to be issued. It will determine the final terms and conditions of any such issue.

The Board of Directors is responsible for drawing up a report in accordance with Articles R. 225-113 *et seq.* of the French Commercial Code. We are required to express an opinion on the accuracy of the figures based on the financial statements, on the proposed waiver of preferential subscription rights and on certain information relating to the issue that is presented in this report.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment.

We have the following comments to make on the Board of Directors' report:

The report does not contain justification of the procedures used to determine the issue price of the capital securities to be issued. Consequently, we were unable to issue an opinion on the procedures used to calculate said issue price.

As the final terms and conditions of the issue have not been determined, we are not able to comment on them or, as a result, on the proposal to waive the preferential subscription rights.

As required by Article R. 225-116 of the French Commercial Code, we will prepare an additional report if need be, when the delegation is used by your Board of Directors.

Neuilly-sur-Seine and Courbevoie, on 26 April 2018.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan
Partner

Mazars

Daniel Escudeiro
Partner

7.3.4. REPORT BY THE STATUTORY AUDITORS ON THE ISSUE OF ORDINARY SHARES AND/OR SECURITIES GIVING ACCESS TO CAPITAL, WITH THE WAIVER OF PREFERENTIAL SUBSCRIPTION RIGHTS, RESERVED FOR MEMBERS OF A COMPANY SAVINGS PLAN (SIXTEENTH RESOLUTION)

PricewaterhouseCoopers Audit

63 rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars

Tour Exaltis – 61 rue Henri Regnault
92400 Courbevoie

To the Albioma General Meeting,

In our capacity as Statutory Auditors of your Company, and in performance of our duties pursuant to Articles L. 228-92 and L. 225-135 *et seq.* of the French Commercial Code (*Code de commerce*), we hereby report to you on the proposal to delegate authority to the Board of Directors to decide on an issue of ordinary shares in the Company, and/or securities giving access to shares to be issued with the waiver of preferential subscription rights, reserved for members of a company savings plan or group savings plan to which your Company belongs, on which you are asked to vote.

The maximum nominal amount of the capital increases that may be carried out under this delegation may not exceed 0.75% of the share capital on the date on which their issue is decided, on the understanding that the maximum nominal amount of the capital increases that may be carried out under this delegation will be applied against the aggregate cap of 30% of the share capital set by the nineteenth resolution approved by the General Meeting of 31 May 2017.

You will be asked to approve this issue, as required by Articles L. 225-129-6 of the French Commercial Code and L. 3332-18 *et seq.* of the Labour Code.

On the basis of its report, your Board of Directors proposes that you authorise it for a 26-month period to decide on an issue and to waive your preferential right to subscribe to the securities to be issued. It will determine the final terms and conditions of any such issue.

The Board of Directors is responsible for drawing up a report in accordance with Article R. 225-113 *et seq.* of the French Commercial Code. We are required to express an opinion on the accuracy of the figures based on the financial statements, on the proposed waiver of preferential subscription rights and on certain information relating to the issue that is presented in this report.

We followed the procedures that we considered necessary to comply with professional guidance given by the national auditing body (Compagnie Nationale des Commissaires aux Comptes) relating to this type of assignment. These procedures consisted in verifying the content of the report by the Board of Directors on this operation and the methods used to calculate the issue price of the shares to be issued.

Subject to our review at a later date of the terms and conditions of the issue that may be decided, we do not have any comments with regard to the methods used to calculate the issue price of the shares to be issued, as presented in the report by the Board of Directors.

As the final terms and conditions of the issue have not been determined, we are not able to comment on them or, as a result, on the proposal to waive the preferential subscription rights.

As required by Article R. 225-116 of the French Commercial Code, we will prepare an additional report if need be, when the delegation is used by your Board of Directors.

Neuilly-sur-Seine and Courbevoie, on 26 April 2018.

The Statutory Auditors,

PricewaterhouseCoopers Audit

Jérôme Mouazan

Partner

Mazars

Daniel Escudeiro

Partner

8 APPENDICES

8.1. Persons responsible for auditing the financial statements	318	8.6. Cross-reference tables	320
8.1.1. The Company's Statutory Auditors	318	8.6.1. Cross-reference table for the Registration Document	320
8.1.2. Fees paid by the Company to the Statutory Auditors and members of their networks	318	8.6.2. Cross-reference table for the Annual Financial Report and the information referred to in Article 222-3 of the AMF's General Regulation	322
8.2. Financial information included for reference purposes	319	8.6.3. Cross-reference table for information on the remuneration of corporate officers and AMF position-recommendation no. 2009-16 of 10 December 2009	322
8.3. Person responsible for the Registration Document and the Annual Financial Report	319	8.6.4. Cross-reference table for the management report	323
8.4. Declaration by the person responsible for the Registration Document and the Annual Financial Report	319	8.6.5. Cross-reference table for the report of the Board of Directors on corporate governance referred to in Article L. 225-37 of the French Commercial Code	324
8.5. Person responsible for the financial information	319		

8 • APPENDICES

8.1. Persons responsible for auditing the financial statements

8.1. Persons responsible for auditing the financial statements

8.1.1. THE COMPANY'S STATUTORY AUDITORS

	Date of first appointment	Start date of current term of office	Current term of office	Expiry of current term of office ¹
PRINCIPAL STATUTORY AUDITORS				
PricewaterhouseCoopers Audit				
Statutory Auditor Member of the Versailles Regional Company of Statutory Auditors Represented by Jérôme Mouazan 63 rue de Villiers 92208 Neuilly-sur-Seine Cedex	18/05/2010	24/05/2016	6 fin. yrs	2022 GM
Mazars				
Statutory Auditor Member of the Versailles Regional Company of Statutory Auditors Represented by Daniel Escudeiro Tour Exaltis 61 rue Henri Regnault 92400 Courbevoie	27/05/2004	24/05/2016	6 fin. yrs	2022 GM
ALTERNATE STATUTORY AUDITORS				
Jean-Baptiste Deschryver				
c/o PricewaterhouseCoopers Audit	18/05/2010	24/05/2016	6 fin. yrs	2022 GM
Simon Beillevaire				
c/o Mazars	18/05/2010	24/05/2016	6 fin. yrs	2022 GM

1. Yr of GM: term of office will expire at the end of the General Meeting to be held in this year to approve the financial statements for the previous financial year.

8.1.2. FEES PAID BY THE COMPANY TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

In thousands of euros	Mazars				PricewaterhouseCoopers Audit			
	Amount (excl. VAT)		%		Amount (excl. VAT)		%	
	2017	2016	2017	2016	2017	2016	2017	2016
STATUTORY AUDITING								
Albioma	119.6	116.8	51%	61%	188.7	184.3	66%	59%
Fully-consolidated subsidiaries	74.1	67.5	32%	35%	95.7	94.2	33%	30%
Sub-total, statutory auditing	193.7	184.3	83%	96%	284.4	278.4	99%	88%
SERVICES OTHER THAN STATUTORY AUDITING¹								
Albioma	35.9	-	15%	-	-	35.0	-	11%
Fully-consolidated subsidiaries	3.1	6.8	1%	4%	1.5	1.5	1%	0%
Sub-total, services other than statutory auditing	39.0	6.8	17%	4%	1.5	36.5	1%	12%
Total	232.7	191.0	100%	100%	285.9	314.9	100%	100%

1. In 2017 and 2016, services other than the statutory auditing of financial statements were limited to the issue of the report on employment, environmental and social information in the Registration Document (including the management report) and the issue of various statements and certificates.

8.2. Financial information included for reference purposes

Pursuant to Article 28 of EC Regulation no. 809/2004 of the European Commission of 29 April 2004, the following information is included in this Registration Document by reference thereto:

- the consolidated financial statements for the financial year ended 31 December 2016 and the corresponding report by the Statutory Auditors, as shown on pages 144 to 197 of the 2016 Registration Document, filed with the Autorité des Marchés Financiers (AMF) on 28 April 2017 under number D.17-0466, and the information taken from the management report for the year ended 31 December 2016, as shown on pages 130 to 141 of the 2016 Registration Document, together with the Company financial statements for the year ended 31 December 2016 and the corresponding report by the Statutory Auditors, as shown on pages 200 to 227 of the 2016 Registration Document.
- the consolidated financial statements for the financial year ended 31 December 2015 and the corresponding report by the Statutory Auditor, as shown on pages 150 to 202 of the 2015 Registration Document, filed with the Autorité des Marchés Financiers (AMF) on 28 April 2016 under number D.16-0432, and the information taken from the management report for the year ended 31 December 2015, as shown on pages 136 to 147 of the 2015 Registration Document, together with the Company financial statements for the year ended 31 December 2015 and the corresponding report by the Statutory Auditors, as shown on pages 204 to 233 of the 2015 Registration Document.

8.3. Person responsible for the Registration Document and the Annual Financial Report

Frédéric Moyne

Chief Executive Officer

8.4. Declaration by the person responsible for the Registration Document and the Annual Financial Report

After having taken all reasonable measures to this effect, I declare that, to the best of my knowledge, the information contained in this Registration Document is consistent with the facts and is not subject to any omissions likely to alter its impact.

I declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and

results of the Company and all undertakings included in the consolidation scope, and that the management report covering the topics listed in the cross-reference table in section 8.6.4 of this Registration Document presents an accurate view of changes in the business, results and financial position of the Company and all undertakings included in the consolidation scope, together with a description of the main risks and uncertainties they face.

I have obtained from the statutory auditors a completion letter, in which they state that they have verified the information relating to the financial position and the financial statements shown in this Registration Document and have read the entire Registration Document.

The Statutory Auditors have reported on the consolidated financial statements for the financial year ended 31 December 2017 in a report in section 4.7 on pages 210 to 213 of this Registration Document, which contains no specific observations or qualifications.

The Statutory Auditors reported on the consolidated financial statements for the financial year ended 31 December 2016 in a report in section 4.7 on pages 196 and 197 of the 2016 Registration Document, which contains no specific observations or qualifications.

The Statutory Auditors reported on the consolidated financial statements for the financial year ended 31 December 2015 in a report in section 4.7 on pages 201 and 202 of the 2015 Registration Document that was filed with the Autorité des Marchés Financiers (AMF) on 28 April 2016 under number D.14-0432, which contains no specific observations or qualifications.

Paris la Défense, on 27 April 2018.

Frédéric Moyne
Chief Executive Officer

8.5. Person responsible for the financial information

Frédéric Moyne

Chief Executive Officer

8.6. Cross-reference tables

8.6.1. CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

The following cross-reference table shows where the main information required by Annex 1 to EC Regulation no. 809/2004 of the European Commission of 29 April 2004 can be found in this Registration Document.

Information listed in Annex 1 to EC Regulation no. 809/2004 of the European Commission of 29 April 2004		Pages of the 2017 Registration Document
1. Persons responsible		
1.1. Name and function of persons responsible		319
1.2. Declaration by persons responsible		319
2. Statutory Auditors		318
3. Selected financial information		7
4. Risk factors		30-49, 199-201
5. Information about the issuer		
5.1. History and development of the Company		6, 250
5.2. Investments		21-23, 28, 151-152, 181-183
6. Business overview		
6.1. Principal activities		8-14
6.2. Principal markets		15-21
6.3. Exceptional factors		n/a
6.4. Extent to which the issuer is dependent on patents, licences, industrial, commercial or financial contracts or new manufacturing processes		10-14, 29-30, 36-37
6.5. The basis for any statements made by the issuer regarding its competitive position		15-21
7. Organisational structure		
7.1. Brief description of the Group		24-27
7.2. List of significant subsidiaries		24, 206-207, 238-243
8. Property, plant and equipment		
8.1. Existing and planned material tangible fixed assets		21-23, 28, 182-183, 223
8.2. Environmental issues that may affect the utilisation of tangible fixed assets		10-11, 21-22, 33-35, 59-65, 170, 204
9. Operating and financial review		
9.1. Financial position		144-155, 158-163, 216-219
9.2. Operating results		144, 149-150, 153
10. Capital resources		
10.1. Information on capital resources		151-152, 158-163, 201-203, 216-219
10.2. Sources and amounts of cash flows		151-152, 163, 185
10.3. Information on borrowing conditions and the funding structure		39-42, 190-192, 227-229
10.4. Restrictions on the use of capital resources that have materially affected or could materially affect the Company's operations		32, 39-42, 190-192, 227-229
10.5. Anticipated sources of funds needed to fulfil Management's firm investment commitments and planned tangible fixed assets		23, 151-152, 190-192, 227-229
11. Research and development, patents and licences		29-30
12. Trend information		15-21, 152
13. Profit forecasts and estimates		152

Information listed in Annex 1 to EC Regulation no. 809/2004 of the European Commission of 29 April 2004	Pages of the 2017 Registration Document
14. Governing bodies and General Management	
14.1. Information on members of the Board of Directors and General Management	26-27, 74-77, 84-95
14.2. Conflicts of interest	81, 82
15. Remuneration and benefits	
15.1. Amount of remuneration paid and benefits in kind	123-130
15.2. Amounts set aside or accrued to provide pension, retirement or similar benefits	125, 127, 131-133, 134, 136, 194-195, 227
16. Operation of the Governing and Management bodies	
16.1. Expiry dates of current terms of office	79
16.2. Service contracts binding members of the Board of Directors	121
16.3. Information on Committees	102-107
16.4. Statement of compliance with corporate governance regime	74, 137
17. Employees	
17.1. Number of employees	51-53, 231
17.2. Shareholdings and stock options held by corporate officers	84-95, 129-130, 263, 265, 272-282, 300-301
17.3. Agreements allowing employees to hold a stake in the capital	54-56, 266, 272-282
18. Major shareholders	
18.1. Shareholders who hold more than 5% of the share capital or voting rights	263-265
18.2. Existence of different voting rights	271
18.3. Control of the issuer	264
18.4. Arrangements known to the issuer, the implementation of which may, at a subsequent date, result in a change in control	n/a
19. Related party transactions	138-141, 203-204, 235
20. Financial information concerning the Company's assets and liabilities, financial position and profits and losses	
20.1. Historical financial information	155, 158-163, 216-219
20.2. <i>Pro forma financial information</i>	n/a
20.3. Financial statements	158-209, 216-243
20.4. Auditing of historical annual financial information	210-213, 244-247
20.5. Age of latest financial information	n/a
20.6. Interim and other financial information	n/a
20.7. Dividend policy	154, 286-287, 290-293
20.8. Legal and arbitration proceedings	38-39
20.9. Significant change in the financial or trading position	152
21. Additional information	
21.1. Share capital	186-190, 226, 259-263
21.2. Incorporating documents and memorandum and articles of association	250-258
22. Material contracts	n/a
23. Third party information, statements by experts and declarations of interest	n/a
24. Documents available to the public	250, 288
25. Information on holdings	24-25, 183-184, 206-207, 224, 238-243

8.6.2. CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT AND THE INFORMATION REFERRED TO IN ARTICLE 222-3 OF THE AMF'S GENERAL REGULATION

The following cross-reference table shows where the main information comprising the Annual Financial Report that must be published pursuant to Article L.451-1-2 of the French Monetary and Financial Code and the information included in this Registration Document referred to in Article 222-3 of the AMF's General Regulation can be found in this Registration Document.

Information referred to in Articles L. 451-1-2 of the Monetary and Financial Code and 222-3 of the AMF's General Regulation	Pages of the 2017 Registration Document
2017 Annual Financial Report	
Consolidated financial statements for the 2017 financial year	158-209
Report by the Statutory Auditors on the consolidated financial statements for the 2017 financial year	210-213
Company financial statements for the 2017 financial year	216-243
Report by the Statutory Auditors on the Company financial statements for the 2017 financial year	244-247
Management report by the Board of Directors for the 2017 financial year	See section 8.6.4 on pages 323-324
Statement by the persons responsible for the 2017 Annual Financial Report	319
Information referred to in Article 222-3 of the AMF's General Regulation	
Report by the Board of Directors on corporate governance for the 2017 financial year	See section 8.6.5 on page 324
Report by the Statutory Auditors on the report by the Board of Directors on corporate governance for the 2017 financial year	244-247

8.6.3. CROSS-REFERENCE TABLE FOR INFORMATION ON THE REMUNERATION OF CORPORATE OFFICERS AND AMF POSITION-RECOMMENDATION NO. 2009-16 OF 10 DECEMBER 2009

The following table shows where the information on the remuneration of corporate officers recommended by the AMF in its position-recommendation no. 2009-16 of 10 December 2009, most recently amended on 13 April 2015, can be found in this Registration Document.

Tables required pursuant to AMF Position-Recommendation no. 2009-16 of 10 December 2009, most recently amended on 13 April 2015		Pages of the 2017 Registration Document
Table 1	Summary of remuneration and stock options allocated to each executive corporate officer	123 (section 2.4.2.2)
Table 2	Summary of remuneration received by each executive corporate officer	124 (section 2.4.2.3), 126 (section 2.4.2.4)
Table 3	Directors' fees and other remuneration received by non-executive corporate officers	128 (section 2.4.2.5)
Table 4	Options to subscribe or purchase shares allotted during the financial year to each executive corporate officer by the issuer or by any Group company	129 (section 2.4.2.6)
Table 5	Options to subscribe or purchase shares exercised during the financial year by each executive corporate officer	129 (section 2.4.2.6)
Table 6	Performance shares allotted to each corporate officer	130 (section 2.4.2.7)
Table 7	Performance shares that became available to each corporate officer	130 (section 2.4.2.7)
Table 8	History of options to subscribe or purchase shares allotted	272 (section 6.4.2.1)
Table 9	Options to subscribe or purchase shares allotted to the top ten highest paid employees who are not corporate officers and options exercised by them	273 (section 6.4.2.2)
Table 10	History of bonus shares allotted	273-281 (section 6.4.3.1)
Table 11	Information on contracts of employment, supplementary pension plans, compensation and benefits owed or likely to be owed due to termination or expiry of a position or office, or a change in a position or office, held by an executive corporate officer under a non-compete clause	131 (section 2.4.2.8)

8.6.4. CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

This cross-reference table shows where the main information comprising the management report, as required inter alia by Articles L. 225-100 et seq., L. 232-1 and R. 225-102 et seq. of the French Commercial Code, can be found in this Registration Document.

Information in the management report	Pages of the 2017 Registration Document
Group financial position and business overview for 2017, observations concerning the financial year	
Analysis of business development, and the results and financial position of the Company and the Group, including information on dividends distributed in respect of the past three financial years, and dividend amounts eligible for tax relief	7, 144-155, 286-287, 290-293
Key events since the start of the 2018 financial year and outlook	152
Research and development	29-30
Operations	8-9, 144-148
Acquisition in 2017 of interests and controlling interests in companies referred to in Article L.233-6 of the French Commercial Code	25
Company financial statements	
Sales	148-149, 216-217
Balance sheet and income statement	216-219
Expenses and charges referred to in Article 223 quater of the French General Tax Code	291
Trade payables	154
Financial summary for the past five financial years	155
Subsidiaries and holdings	238-243
Risk factors	
Operational risks	30-33
Industrial and environmental risks	33-35
Climate risks	34-35
Financial risks associated with the impact of climate change and measures taken by the Company to reduce them, by implementing a low carbon strategy in all areas of its business	35
Labour-related risks	35-36
Country-related risks	36
Credit and counterparty risks, risks relating to dependency on third parties	36-37
Risks relating to raw materials	37
Litigation risks and main disputes	37-39
Liquidity risk	39
Market risks	40-42
Internal control and risk management procedures implemented by the Company, including in particular those that cover the preparation and processing of accounting and financial information	42-49
Insurance	49-50
Corporate social responsibility information	
Employment information and social impact of business activities	51-59
Environmental information	59-65
Information on CSR commitments to promote sustainable development	66-68

8 • ANNEXES

8.6. Cross-reference tables

Information in the management report	Pages of the 2017 Registration Document
Information on the capital	
Provisions of the Memorandum and Articles of Association concerning changes in capital and voting rights	250-258
Capital ownership and changes	259-265
Summary table of currently valid delegations of authority granted by the shareholders concerning capital increases	259-261
Individuals and legal entities holding controlling interests and known to the Company	264
Changes in capital ownership and voting rights over the past three years	265
Employee share ownership	266
Legal thresholds crossed and reported to the Company	264-265
Agreements between shareholders concerning securities representing the Company's capital	264-265, 283
Treasury shares	266-270
Presentation of share subscription and share purchase option plans and bonus share plans	272-282
Statutory Auditors' fees	318

8.6.5. CROSS-REFERENCE TABLE FOR THE REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE REFERRED TO IN ARTICLE L. 225-37 OF THE FRENCH COMMERCIAL CODE

Information in the report of the Board of Directors on corporate governance referred to in Article L. 225-37 of the French Commercial Code	Pages of the 2017 Registration Document
Choice of method of General Management	74-76
List of offices and positions held in any other companies by each corporate officer during the financial year	77, 84-94
Composition of the Board of Directors	78-94
Balanced representation of men and women on the Board of Directors	82-83
Conditions for the preparation and organisation of the work of the Board of Directors	96-107
Limitations placed on the Chief Executive Officer's powers by the Board of Directors	75-76
Voluntary reference to a corporate governance code, information on which provisions of the code have not been followed and why	74, 137
Specific procedures relating to shareholders' attendance at General Meetings	119, 256-258
Principles and rules drawn up by the Board of Directors to determine the remuneration and benefits of any kind awarded to corporate officers	120-136, 293-299
Remuneration of corporate officers	120-136
Stock options allotted to and exercised by corporate officers	129
Commitments given in respect of corporate officers	120-121, 131-133, 136, 138-141
Summary of transactions carried out in Albioma shares by senior managers, their family and friends	137
Agreements governed by Article L. 225-37-4 (2°) of the Commercial Code	142
Factors likely to have an impact in the event of a public purchase or exchange offer in accordance with Article L. 225-37-5 of the French Commercial Code	283-284

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Design: www.bleu-equipage.com - 2018 - Photo credits: Albioma - Printed on recycled paper.